

02<sup>nd</sup> September 2025

To

<b>BSE Ltd</b> Phiroze Jeejeebhoy Towers 21 <sup>st</sup> Floor, Dalal Street Mumbai 400 001. <b>Scrip Code : 523 204</b> Through: BSE Listing Centre	<b>National Stock Exchange of India Ltd</b> Exchange Plaza, 5 <sup>th</sup> Floor Plot No :: C/1 G Block Bandra – Kurla Complex Bandra (E), Mumbai 400 051 <b>Symbol : ABAN</b> Through : NEAPS
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Dear Sir / Madam,

**Sub: Receipt of NCLT Order Copy – Admission of Section 7 Application under IBC.**

Please refer to our announcement dated 1<sup>st</sup> September 2025, regarding admission of the company under the Corporate Insolvency Resolution Process (CIRP).

A copy of the NCLT order received today is enclosed.

Kindly take the information on record.

Thanking you

For Aban Offshore Limited

S.N.Balaji  
Dy. General Manager (Legal) & Secretary

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON **01.09.2025** THROUGH VIDEO CONFERENCE

**PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)**  
**HON'BLE SHRI VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

Application No	:	-
Petition No	:	CP(IB)/203/CHE/2024
Name of Petitioner &	:	Punjab National Bank Vs
Name of Respondent	:	Aban Offshore Ltd
Section	:	7 Rule 4 of IBC, 2016

## ORDER

CP(IB)/203/CHE/2024

Present: Mr. M.L.Ganesh, Ld. Counsel for Petitioner.  
Ld. Senior Counsel Mr. Murari for Respondent.  
Mr. Rajeev Singh Jha, Deputy General Manager.

Vide separate Order pronounced in open Court, Petition is admitted.

Corporate Insolvency Resolution Process is initiated against the Corporate Debtor i.e. Aban Offshore Ltd.

Headway Resolution and Insolvency Services Pvt. Ltd., IP Entity is appointed as IRP.

**-sd-**  
**[VENKATARAMAN SUBRAMANIAM]**  
**MEMBER (TECHNICAL)**

MS

**-sd-  
[SANJIV JAIN]  
MEMBER (JUDICIAL)**

Date: 01.09.2025

**IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH – I, CHENNAI**

**CP/203/IB/CB/2024**

*[Under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of  
the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules,  
2016]*

*In the matter of **Aban Offshore Limited***

**Punjab National Bank,**  
Represented by its Chief Manager,  
Zonal Satra,  
No. 46-49, PNB Towers, Royapettah High Road,  
Chennai 600014

*...Financial Creditor/ Petitioner*

-VS-

**Aban Offshore Limited,**  
**CIN: L01119TN1986PLC013473**  
Represented by its DGM [ Legal & Secretary] ,  
Having Registered Office at  
Janapriya Crest No 113,  
Pantheon Road,  
Egmore, Chennai-600008.

*...Corporate Debtor/ Respondent*

*Order pronounced on **01<sup>st</sup> September, 2025***

CORAM :

**SANJIV JAIN, MEMBER (JUDICIAL)**  
**VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

<i>For Punjab National Bank :</i>	<i>Counsel Shri. M.L. Ganesh and shri. Arun Kumar, Saasikumar</i>
<i>For Aban Offshore Limited :</i>	<i>Ld Senior Counsel Shri. R. Murari with Hema Srinivasan , N.Umayaparvathi, V. Ilangovan</i>

**ORDER**

**(Heard Through Hybrid Mode)**

1. This petition CP(IB)203/(CHE)/2024 has been filed by **Punjab National Bank, financial creditor** on 21.08.2024 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “the AAA Rules”) through Mr. C.J. Ranjith , Chief Manager for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) in respect of **Aban Offshore Limited, the Corporate Debtor (CD)**.

2. The petitioner is a banking company which sanctioned the loan to the Corporate Debtor through its branch office situated in Chennai. Corporate Debtor a limited company having registered office at Chennai was incorporated in 1986. It is stated that the Corporate Debtor is engaged in the business of offshore drilling (extraction of crude petroleum and gas) drilling rigs in different parts of the world.

3. It is stated that Corporate Debtor availed credit facility not only from the financial creditor but also from the other lender banks namely SBI, ICICI Bank Ltd, IOB, State Bank of Mysore (presently merged with SBI), IDBI Bank Ltd, LIC, LVB Ltd (presently with DBS) and 3i Infotech Trusteeship Services Ltd.

4. In **Part III** of the Petition, Petitioner has recommended the name of Shri. Ram Ratan Kanoongo, Registration No :IBBI/IPE-0021/IPA-1/2022-23/50005 as Interim Resolution Professional. His written consent is also obtained.

5. As per **Part IV** of the petition, date of NPA is 02.05.2017 and the outstanding as on 15.08.2024 was Rs.1062,86,03,208.45 ( Rs. One thousand sixty two crores , eighty six lakhs, three thousand, two hundred and eight and paise forty five only).
6. The petitioner has relied on following documents to prove the debt and default:

20/10/2008	Sanction letter	1-5	A1
20/10/2008	Term loan agreement executed by the 1 <sup>st</sup> Defendant	6-16	A2
15/09/2011	Sanction letter for restructuring of repayment of term loan	17-18	A3
28/09/2011	Supplementary agreement executed by the 1 <sup>st</sup> Defendant	19-24	A4
25/10/2012	Sanction letter for conversion of rupee term loan into foreign currency loan with terms and conditions	25-29	A5
18/09/2014	Supplementary agreement executed by the 1 <sup>st</sup> Defendant	30-34	A6
09/02/2016	Charge registered before ROC	35-41	A7
06/09/2016	Review of existing Term loan approved by Applicant Bank	42-43	A8
01/10/2016	Review of existing Term loan approved by Applicant Bank	44-45	A9
19/06/2017	BC letter executed by 1 <sup>st</sup> Defendant	46	A10
19/04/2018	BC letter executed by 1 <sup>st</sup> Defendant	47	A11
-	Foreign Exchange Circular No. 30/2020	48-54	A12
07/05/2018	Demand Notice	55-105	A13
05/08/2020	BC letter executed by 1 <sup>st</sup> Defendant	106	A14

23/12/2020	OTS letter given by 1 <sup>st</sup> Defendant	107-109	A15
08/07/2021	Possession notice	110-126	A16
06/01/2023	OTS letter given by 1 <sup>st</sup> Defendant	127-132	A17
06/05/2023	E-Auction Sale notice	133-139	A18
-	Master company data	140-145	A19
-	Statement of Accounts for the period from 21.12.2012 to 31.07.2024 for TL A/c.No. 0305002100153932	146-157	A20
22/07/2024	NESL Data	158-186	A21
-	Balance Sheet on 31/03/2024	187-268	A22
-	Calculation sheet for the dues as on 15/08/2024	269	A23

### **Submissions by Petitioner:**

7. It is stated that the Corporate Debtor executed the loan & security documents on 20.10.2008, 19.03.2009, 31.03.2009, 28.09.2011, 19.12.2012, 18.09.2014, 08.10.2014 and 06.11.2014 in favour of Financial Creditor and Security Trustee.

8. It is stated that the Corporate Debtor exclusively mortgaged the schedule mentioned property situated at Tirunelveli District by depositing the original title deeds with an intention to create equitable mortgage in terms of Section 58(f) of Transfer of Property Act and executed MOD on 04.12.2014, 29.05.2015, 16.11.2015 registered as Doc.Nos.3148/2014, 1804/2015, 3575/2015, 3576/2015 and 3588/2015 at SRO Radhapuram, respectively. It is

stated that Corporate Debtor created charge before ROC on 04.12.2014 and 23.11.2015 thereby confirming the loan liability of the Financial Creditor.

9. It is stated that the financial creditor lastly reviewed the existing term loan (FCTL) of USD 90 million on 01.10.2016 and issued NOC for third charge on 11 rigs owned by Aban Holding Pte Ltd and imposed additional conditions.

10. It is stated that since the CD failed and neglected to service the principal and interest regularly to the Financial Creditor/ bank as per the terms of sanction, the loan account of the CD became NPA on 02.05.2017 in terms of RBI guidelines.

11. It is further stated that the CD acknowledged the outstanding loan amount time and again by executing Balance and Security Confirmation Letters on 05.09.2011, 29.05.2013, 21.08.2013, 08.07.2014, 08.06.2015, 11.02.2016, 19.03.2017, 19.04.2018 and 05.08.2020 for the purpose of Section 18 of



Limitation Act, 1963. It is stated that despite extending debt consolidation programme, the Corporate Debtor could not achieve the desired results, for the reasons best known to it.

12. It is stated that SBI CAP Trustee Co. Ltd on behalf of financial creditor issued demand notice under Section 13(2) of SARFAESI Act on 07.05.2018 and Possession Notice under 13(4) of SARFAESI Act 2002 on 08.07.2021 and e-auction Sale Notices on 28.12.2022, 20.01.2023, 14.02.2023, 15.03.2023, 04.05.2023 & 24.05.2023 but all the e-auction sales failed for want of bidders.

13. It is stated that the Corporate Debtor and Aban Holdings P Ltd (AHPL), gave OTS letters on 23.12.2020, 30.09.2022 and 06.01.2023 whereby requested the financial creditor to consider the OTS amount offered for AHPL and its subsidiaries loan account. Since the OTS offer was not commensurate to the staggering outstanding loan amount, the financial creditor rejected the same. It is stated that the OTS letters and admission of liability in balance sheet of the CD Company are nothing but

acknowledgement of loan amount in terms of Section 18 of Limitation Act, 1963.

### **Response and written submissions of Corporate Debtor**

14. It is stated that the Petition is not only bereft of details but also failed to disclose all the pertinent factors including the details of the payments made by the CD or the 1000 acres of land belonging to the CD, which is still in the possession of the Financial Creditor.

15. It is stated that the petitioner failed to disclose that it was part of a consortium of lenders and it received the funds from the sale of rigs belonging to the CD's group company. It is stated that the Financial Creditor chose to pull itself out of the Consortium and is the only lender who has filed this Petition, without disclosing this fact.

16. It is stated that the financial creditor required funds to invest in its subsidiary company AHPL, for expansion of the

subsidiary company's business and it approached the Financial Creditor for a loan facility of Rs.600 crores.

17. It is stated that the Corporate Debtor provided mortgage to an extent of 1000 acres of land located at Tirunelveli District and Pari passu second charge on 11 rigs owned by the wholly owned subsidiary viz., Aban Holdings Private Limited (AHPL) as security for the loan.

18. It is stated that on 15.09.2011, the parties discussed restructuring of the loan and the outstanding loan amount of Rs. 486 Crore was rescheduled by extending the repayment period. In terms of a Supplementary Agreement dated 28.09.2011, the loan amount of Rs.486 crores was to be repaid in 32 instalments. Subsequently upon discussion between the parties, above loan was converted to a Foreign Currency Term Loan under A/c No 030500210015392 for a sum of USD 89.552 Million. Out of the above amount, a sum of USD 42.84 million was repaid by Corporate Debtor. It is stated that industry was severely affected

due to fall in global crude oil prices and rig utilisation was less than 50% since 2016. It is stated that despite this, Corporate Debtor continued to pay the instalments until 2017.

19. It is stated that the asset was classified as NPA on 02.05.2017 and the Financial Creditor sought to proceed under Section 13(2) of SARFAESI Act on 07.05.2018. The possession notice with reference to the land was also issued on 08.07.2021.

20. In the lands secured by the above loan, almost 332 acres of land had been leased out to AGPPL and RWPL (group companies) and more than 110 windmills were erected in the said property. These windmills were supplying renewable power of almost 70MW to the state of Tamil Nadu. However when the Financial Creditor proceeded against the said properties, the Financial Creditor insisted that the CD should cancel the lease and remove all windmills to provide vacant lands, though the lands could have been sold along with the windmills to interested

parties. It is stated that due to cancellation of lease deeds Corporate Debtor suffered huge losses.

21. It is stated that the financial creditor, as a part of the consortium, sold 14 of the drilling rigs and therefore the business of the subsidiary company was also brought to a standstill. The Financial Creditor having ensured that all of the CD's revenue streams are cut, has now filed the present petition claiming that there was a failure to pay.

22. It is stated that the petitioner did not take any efforts to dispose of the land property and only issued some e-auctions sale notices on 28.12.2022, 20.01.2023, 14.02.2023, 15.03.2023, 04.05.2023 and 24.05.2023. The petitioner contended in its Fact Sheet that the e-auctions failed for want of bidders but the fact is that the Financial Creditor did not accept any of the offers made under the e- auction.

23. It is stated that the CD by various letters offered several OTS proposals to the FC which they unreasonably refused to accept. The CD after revising its OTS offers several times, has now made an OTS proposal of Rs.123 Crores even as late of 13.05.2024, which was almost double the offers received under the e-auction but the several letters addressed to the FC regarding such OTS proposal have not met with any response.

24. It is stated that Financial Creditor chose to separately file the present Petition, without any explanation as to why the Financial Creditor has chosen not to recover by selling the 1000 acres of land already in the possession of the Financial Creditor. It is reiterated that the Financial Creditor has approached this Tribunal at this belated juncture only to harass this CD. The Financial Creditor has deliberately provided a misleading picture and its Petition is bereft of any details of the disbursements, or the break-up of the amounts received by it.

25. It is stated that the OTS should be accepted. The CD which is in the process of reviving the business would be in a position to repay the amounts, if the CD is allowed to operate without the threat of these proceedings which is likely to create an unnecessary panic amongst other lenders, customers and partners.

26. It is stated that the Hon'ble Supreme Court in the case of *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd. (Civil Appeal No. 9405 of 2017)*, has held that IBC is not meant to serve as a "recovery forum" for unpaid dues. It is intended for situations where the corporate debtor is genuinely insolvent or incapable of paying its operational debts.

27. It is stated that the objective of IBC is to safeguard the overall financial stability of corporations rather than to allow the creditors to employ it as a tool to extract payments, which could disrupt corporate stability. It is stated that any attempt to declare a moratorium by neglecting the intention and actions of the

Corporate Debtor to settle the debt of Financial Creditor will be against the purpose and objective of IBC.

28. It is stated that CD vehemently denies that a sum of Rs.1062,86,03,208.45 is due or payable to the Financial Creditor. In fact the amount as per the Financial Creditor's own Form-1 is Rs. 366.09 Crore which itself is a disputed amount. The interest rate and the calculations provided by the FC are completely denied.

29. The counsel for Corporate Debtor has cited the judgement of Hon'ble Supreme Court in *Vidarbha Industries Power Ltd Vs Axis Bank Ltd (2022) 8 SCC 352* as under:

*"The adjudicating authority might examine the expedience of initiation of CIRP, taking into account all relevant facts and circumstances, including the overall financial health and viability of the corporate debtor. The adjudicating authority may in its discretion not admit the application of a financial creditor."*

*"The title "Insolvency and Bankruptcy Code" makes it amply clear that the statute deals with and/or tackles insolvency and bankruptcy. It is certainly not the object of the IBC to penalize solvent companies, temporarily defaulting in repayment of its*



*financial debts, by initiation of CIRP. Section 7(5)(a) of the IBC, therefore, confers discretionary power on the Adjudicating Authority (NCLT) to admit an application of a Financial Creditor under Section 7 of the IBC for initiation of CIRP”*

30. Ld. Counsel for the Corporate debtor submitted the following legal decisions to support his contention:

- i) Hon’ble Supreme Court in *M. Suresh Kumar Reddy v. Canara Bank*, (2023) 8 SCC 387
- ii) Hon’ble NCLAT in *Mr. Jag Mohan Daga Vs Mr. Bimal KantiChowdhary (Company Appeal (AT) (Insolvency) No. 848 of 2022*.
- iii) Hon’ble Supreme Court in *HPCL Bio-Fuels Ltd Vs Shahaji Bhanudas Bhad* 2024 SCC OnLine SC 3190
- iv) NCLT Ahmedabad in *HDFC Bank Ltd Vs John Energy Ltd ( CP (IB) 02 (AHM) 2022)*.

### **Rejoinder and written submissions by the Petitioner**

31. It is stated that Corporate Debtor has admitted the loan liability in paras 6.4 and 6.9 of the reply. It is stated that Corporate

Debtor cannot take a legal plea that since various payments were received in OTS, the petitioner cannot file this petition. It is stated that the above petition has been filed since the corporate debtor is not commercially solvent to repay the outstanding loan amount not only to the financial creditor but also to various financial creditors. Adding to that the associate company namely Aban Holding Limited (AOL) is also indebted several crores to various financial creditors.

32. It is stated that there is no legal embargo for the financial creditor to initiate CIRP against the corporate debtor although other financial creditors also having huge stake over the debts of Corporate Debtor. It is stated that each financial creditor has got its own securities to enforce the loan liability of the corporate Debtor. In effect, other lenders do not have any claim whatsoever to the exclusive property offered by the Corporate Debtor.

33. It is stated that since the loan account was running irregular in the books of the financial creditor, the loan account was

classified as NPA on 02.05.2017 as per RBI guidelines. It is stated that the Corporate Debtor executed the Balance and Security confirmation letters (BC) on 05.09.2011, 29.05.2013 21.08.2013, 08.07.2014, 08.06.2015, 11.02.2016, 19.03.2017, 19.04.2018 and 05.08.2020 for the purposes of Section 18 of Limitation Act, 1963.

34. It is stated that the Corporate Debtor cannot thrust the financial creditor to accept the OTS proposal as it is commercial wisdom of the creditor. The Hon'ble Apex Court in *Bijnor Urban Cooperative Bank Limited and Ors Vs. Meenal Agarwal and Ors* reported in *MANU/SC/1258/2021* has observed that the High Court cannot interfere with the restructuring or directing the bank to accept the OTS submitted by the borrower. Hence the Corporate Debtor cannot take a legal defence that OTS proposal is in the pipeline with the financial creditor but as a matter of fact, it was rejected in-limine. Reference is also made of the case of *E.S. Krishnamurthy v. Bharath Hi-Tecch Builders (P) Ltd., (2022) 3 SCC 161* where the Hon'ble Supreme Court has held that in terms

of Section 7 of the IBC, 2013, the Adjudicating Authority cannot compel a party to the proceedings before it to settle a dispute.

35. It is stated that relying upon the decision of the Hon'ble Supreme Court in the case of *E.S. Krishnamurthy (supra)*, the Hon'ble NCLAT in the matter of *Sanjeev Mahajan versus India Bank (erstwhile Allahabad Bank) (CA(AT)(INS) No. 1440 of 2024*, has held that no direction can be issued to a financial creditor to positively grant the benefit of settlement to a Corporate Debtor. Where there is an existence of debt and default, a petition under Section 7 has to be admitted by the Adjudicating Authority, irrespective of whether there is any settlement proposed by the Corporate Debtor.

36. It is stated that the Corporate Debtor cannot canvass SARFAESI proceedings before this Tribunal. Hon'ble Apex Court has categorically observed that doctrine of election is always open to the secured creditor. If this Tribunal admits Section 7 petition,

there shall be moratorium in respect of all other legal proceedings initiated by the secured creditor.

37. It is stated that it is a clear case of debt and default on the part of the Corporate Debtor, demonstrating its inability to repay the debt owed to the Financial Creditor. Therefore, the Financial Creditor is well within its rights to seek initiation of the Corporate Insolvency Resolution Process of the Corporate Debtor.

### **Analysis**

38. We heard Ld. counsels for the parties and perused the records.

39. Section 7 of IBC, 2016. Section 7(5) of IBC reads as:

***“7. Initiation of corporate insolvency resolution process by financial creditor.***

*(5) Where the Adjudicating Authority is satisfied that —*

*(a) a default has occurred and the application under sub-section (2) is complete, and there is no disciplinary proceedings pending*

against the proposed resolution professional, it **may**, by order, admit such application; or

(b) default has not occurred or the application under sub-section (2) is incomplete or any disciplinary proceeding is pending against the proposed resolution professional, it **may**, by order, reject such application:

*Provided that the Adjudicating Authority shall, before rejecting the application under clause (b) of sub-section (5), give a notice to the applicant to rectify the defect in his application within seven days of receipt of such notice from the Adjudicating Authority."*

40. The Hon'ble Supreme Court in the case of ***Innoventive Industries Ltd vs ICICI Bank (Civil Appeal Nos. 8337-8338 of 2017)***, has held,

*"28. ... It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to*

*the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be.*

*30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise."*

41. In the instant case, the financial creditor has provided documentary evidence in the form of Sanction Letter, Term Loan Agreement dated 20.10.2008, Sanction letter dated 15.09.2011 for restructuring of repayment of term loan, Supplementary Agreement dated 28.09.2011, Sanction letter for conversion of rupee term loan into foreign currency loan, Charge registered before ROC on 09.02.2016 and Review of existing term loan dated 01.10.2016. Further, Financial creditor has produced the Balance Confirmation dated 19.06.2017, 19.04.2018 and 05.08.2020 by

Corporate Debtor and OTS letters dated 23.12.2020 and 06.01.2023.

42. Audited Balance Sheet of 31.03.2024 of the Corporate Debtor has been produced, where the debt and default of the financial creditor have been acknowledged. In addition, financial creditor had issued Demand Notice dated 07.05.2018, E-Auction notice dated 06.05.2023 and has provided NeSL data dated 22.07.2024. Calculation sheet of the dues of the Corporate Debtor as on 15.08.2024 has been provided in Annexure A23. From the above documents debt and default are proved. The debt falls within the definition of financial debt.

43. Further based on the acknowledgements and OTS offers , the petition is within the limitation period.

44. The Corporate Debtor has stated that the claim amount has been wrongly claimed as Rs.1062 crore, whereas it was Rs. 560 crore or Rs.591 crore in e-auction notices.



45. Dispute regarding quantum of debt is immaterial at the stage of admission of petition. Hon'ble Supreme Court in *Asset Reconstruction India Limited vs Tulip Star Hotels Ltd & Ors* (2022) *ibclaw.in* 94 SC has held that, "as held by this court in *Innoventive Industries Ltd vs ICICI Bank and Anr*2., the adjudicating authority considering an application under Section 7 of the IBC, is required to only see if there is the existence of a debt and default. Any dispute regarding quantum is immaterial". There are Hon'ble NCLAT judgements viz. *Suzlon Synthetics Ltd vs Stressed Assets Stabilization Fund* (2022) *ibclaw.in* 904 NCLAT, *Mr. T.V. Sandeep Kumar Reddy vs State Bank of India*(2023) *ibclaw.in* 17 NCLAT, *Manmohan Gupta vs MDS Digital Media Pvt Ltd* (2023) *ibclaw.in* 241 NCLAT, *Rajesh Kedia vs Phoenix ARC Pvt Ltd* (2022) *ibclaw.in* 280 NCLAT reiterating the above proposition.

46. In terms of Section 7(5) of IBC, 2016 and the decision of the Hon'ble Supreme Court in the case of *Innoventive Industries Ltd* (*supra*), it is clear that while considering a petition under Section

7 of IBC, 2016, the Adjudicating Authority's scope of enquiry is confined to whether there is a 'debt' which is due and payable under the law and; whether the default is more than Rupees One Lakh (now Rupees One Crore). The moment the default amount exceeds Rupees One Crore; the Adjudicating Authority/ Tribunal is required to initiate Corporate Insolvency Resolution Process against the Corporate Debtor.

47. The scope of powers vested upon this Tribunal under Section 7(5) of IBC, 2016 was further explained by the Hon'ble Supreme Court in the case of *E S Krishnamurthy and Ors. v. Bharath Hi Tech Builders Pvt. Ltd. (supra)*. It was held that Section 7(5) of IBC, 2016, prescribes only two courses for the Adjudicating Authority. The Tribunal can admit the application if debt and default are established and the application is complete. Alternatively, the Tribunal is at liberty to reject the application if debt and default are not established, or the application is incomplete, or the proposed Resolution Professional is facing

disciplinary proceedings before the IBBI. It was made clear by the Hon'ble Supreme Court that the Adjudicating Authority/Tribunal has no power to defer admission of a Section 7 petition, direct settlement of the debt, or otherwise compel parties to explore repayment terms even before admission of the petition i.e., at the pre-CIRP stage. The relevant paragraphs are extracted hereunder,

*“24. On a bare reading of the provision, it is clear that both, Clauses (a) and (b) of sub-Section (5) of Section 7, use the expression “it may, by order” while referring to the power of the Adjudicating Authority. In Clause (a) of sub-Section (5), the Adjudicating Authority may, by order, admit the application or in Clause (b) it may, by order, reject such an application. Thus, two courses of action are available to the Adjudicating Authority in a petition under Section 7. The Adjudicating Authority must either admit the application under Clause (a) of sub-Section (5) or it must reject the application under Clause (b) of sub-Section (5). The statute does not provide for the Adjudicating Authority to undertake any other action, but for the two choices available.*

*27. The Adjudicating Authority has clearly acted outside the terms of its jurisdiction under Section 7(5) of the IBC. The Adjudicating Authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the*

*Adjudicating Authority must then either admit or reject an application respectively. These are the only two courses of action which are open to the Adjudicating Authority in accordance with Section 7(5). The Adjudicating Authority cannot compel a party to the proceedings before it to settle a dispute.*

*28. Undoubtedly, settlements have to be encouraged because the ultimate purpose of the IBC is to facilitate the continuance and rehabilitation of a corporate debtor, as distinct from allowing it to go into liquidation. As the Statement of Objects and Reasons accompanying the introduction of the Bill indicates, the objective of the IBC is to facilitate insolvency resolution “in a time bound manner” for maximisation of the value of assets, promotion of entrepreneurship, ensuring the availability of credit and balancing the interest of all stakeholders. What the Adjudicating Authority and Appellate Authority, however, have proceeded to do in the present case is to abdicate their jurisdiction to decide a petition under Section 7 by directing the respondent to settle the remaining claims within three months and leaving it open to the original petitioners, who are aggrieved by the settlement process, to move fresh proceedings in accordance with law. Such a course of action is not contemplated by the IBC.”*

### **Analysis of argument of Corporate Debtor regarding Vidarbha Industries**

48. Ld. Counsel for Corporate Debtor has referred the Hon'ble Supreme Court's judgement in *Vidarbha Industries Power Ltd Vs Axis Bank Ltd (2022) 8SCC 352* to support his side. In the case of

**Vidharbha**, the argument of Corporate Debtor was that it was solvent and it was suffering from temporary liquidity mismatch. In the present case, the Corporate Debtor is not solvent and it is offering One Time Settlement where the financial creditor will suffer haircut. The decision of *Vidarbha Industries (supra)* is in peculiar fact of that case and that the judgement is exception and not rule. Admittedly, in *Vidarbha Industries (supra)*, the Hon'ble Court recognised that the word "may" in Section 7(5)(a) confers discretion on the Tribunal to either admit or reject an application filed under Section 7 of IBC, 2016 but has however disclaimed that the discretionary powers vested on the Tribunal under Section 7 must be used sparingly based on the facts and circumstances of the case. The relevant paragraphs are extracted as under:

*"86. Even though Section 7 (5)(a) of the IBC may confer discretionary power on the Adjudicating Authority, such discretionary power cannot be exercised arbitrarily or capriciously. If the facts and circumstances warrant exercise of discretion in a*

*particular manner, discretion would have to be exercised in that manner.*

*87. Ordinarily, the Adjudicating Authority (NCLT) would have to exercise its discretion to admit an application under Section 7 of the IBC of the IBC and initiate CIRP on satisfaction of the existence of a financial debt and default on the part of the Corporate Debtor in payment of the debt, unless there are good reasons not to admit the petition.*

*88. The adjudicating authority (NCLT) has to consider the grounds made out by the corporate debtor against admission, on its own merits. For example, when admission is opposed on the ground of existence of an award or a decree in favour of the corporate debtor, and the awarded/decretal amount exceeds the amount of the debt, the adjudicating authority would have to exercise its discretion under Section 7(5)(a) IBC to keep the admission of the application of the financial creditor in abeyance, unless there is good reason not to do so. The adjudicating authority may, for example, admit the application of the financial creditor, notwithstanding any award or decree, if the award/decretal amount is incapable of realisation. The example is only illustrative.”*

49. The decision of the Hon’ble Supreme Court in the above case was reviewed in the case of ***Axis Bank Limited v. Vidarbha Industries Power Limited Review Petition [(Civil) No. 1043 of 2022 in Civil Appeal No. 4633 of 2021]*** wherein it was clarified

that the discretion vested on the Tribunal under Section 7(5)(a) is context-specific and cannot be read to dilute the binding ratio of *Innoventive Industries Ltd (supra)* and *E S Krishnamurthy and Ors (Supra)*. The *Vidarbha Industries Review Order*, reaffirmed that the scope of adjudication under Section 7 of IBC, 2016, is binary i.e., either admission or rejection, based on the satisfaction of debt and default. The Hon'ble Supreme Court in the case of *M. Suresh Kumar Reddy v. Canara Bank & Ors. (Civil Appeal No. 7121 of 2022)* reiterated that the decision in *Vidarbha Industries (supra)* must be read narrowly in the context of that case alone. The relevant paragraphs from the case of *Vidarbha Industries Review Order*, is extracted hereunder,

*“4. The question of whether Section 7 sub-section (5) was mandatory or discretionary was not in issue in any of the judgments cited on behalf of the review applicant. What was in issue in Krishnamurthy case [E.S. Krishnamurthy v. Bharath Hi-Tecch Builders (P) Ltd., (2022) 3 SCC 161 : (2022) 2 SCC (Civ) 129] was whether the adjudicating authority could foist a settlement on unwilling parties. That issue was answered in the negative.*

6. The elucidation in para 90 and other paragraphs [of the judgment under review] [Vidarbha Industries Power Ltd. v. Axis Bank Ltd., (2022) 8 SCC 352 : (2022) 4 SCC (Civ) 329] were made in the context of the case at hand. It is well settled that judgments and observations in judgments are not to be read as provisions of statute. Judicial utterances and/or pronouncements are in the setting of the facts of a particular case.

7. To interpret words and provisions of a statute, it may become necessary for the Judges to embark upon lengthy discussions. The words of Judges interpreting statutes are not to be interpreted as statutes.”

50. The Hon’ble NCLAT in the case of *Drip Capital Inc. v. Concord Creations (India) P. Ltd. (Company Appeal (AT)(CH) (Ins.) No. 167 of 2021)* has held that factors like solvency, profitability, or temporary financial stress is irrelevant at the admission stage and the Financial Creditor, at the pre-CIRP stage, cannot be forced to explore the option of settlement with the Corporate Debtor on the grounds of such factors. The relevant paragraphs are extracted hereunder:

“28. As far as the present case is concerned, at paragraph 8 of the impugned order, dated 28.05.2021 in CP No. (IB)61/BB/2020 the Adjudicating Authority had inter alia observed that the



*Respondent Company had net revenue from operations of Rs. 19.31 crore which had increased over the last three years and showed a growth rate of 46% over last year and further it had a net profit of Rs. 77 lakhs and improving and positive return to equity ratio. Further, the Adjudicating Authority' had observed that prima facie the Respondent Company had sufficient income and assets to repay its debt and could not be termed as 'Insolvent.'*

*29. It is to be pointed out that the 'Adjudicating Authority' in the impugned order had observed that the Respondent was not an 'Insolvent Company' and that it was of the considered view that Respondent should be given some more time to repay the debt etc. had directed the Respondent / Corporate Debtor to repay the balance debt or the amount as settled with the Appellant within a period of six months failing which the Appellant / Petitioner would be at liberty to file a fresh petition for admission, which in the considered opinion of this Tribunal is in negation of the principles laid down at paragraph 30 of the judgement of the Hon'ble Supreme Court in Innovative Industries Ltd. Vs. ICICI Bank (2018) 1 SCC page 407. Therefore, this Tribunal holds that the Adjudicating Authority had exceeded its jurisdiction by taking the defense of the Corporate Debtor, especially in the absence of any 'Reply' or objections projected by the Corporate Debtor..."*

**51. Hon'ble NCLAT in *Edelweiss Asset Reconstruction Company Ltd. v. Takshashila Heights India Pvt. Ltd. Company***

***Appeal (AT) (Insolvency) No. 2261 of 2024*** discussed the Vidarbha

Industries Case as under:

*“39. As mentioned above, it appears that the applicant has not cooperated respondent for issuing NoC. There are some lacuna on the part of the applicant, therefore, simply because there is debt and default, CIRP cannot be initiated. Corporate Debtor is a going concern. Acts of applicant shows intent of only recovery of money through this process which is not at all object of the IBC, 2016. It appears that application is premature. Observations in **Vidarbha Industries Power Limited V. Axis Bank Limited** also supports non-initiation of CIRP in case of going concern Corporate Debtor. Thus, we have not satisfied that on the facts of the present case mentioned above, CIRP should be initiated against the Corporate Debtor.”*

*40. The relevant extract of **Vidarbha Industries Power Ltd (supra)** relied upon by the Adjudicating Authority is as follows:*

*“The Appellate Authority (NCLAT) erred in holding that the Adjudicating Authority (NCLT) was only required to see whether there had been a debt and the Corporate Debtor had defaulted in making repayment of the debt, and that these two aspects, if satisfied, would trigger the CIRP. The existence of a financial debt and default in payment thereof only gave the financial creditor the right to apply for initiation of CIRP. The Adjudicating Authority (NCLT) was required to apply its mind to relevant factors including the feasibility of initiation of CIRP, against an electricity generating company operated under statutory control, the impact of MERC’s appeal, pending in this Court, order of*

*APTEL referred to above and the over all financial health and viability of the Corporate Debtor under its existing management. [61]*

*Even though Section 7(5)(a) of the IBC may confer discretionary power on the Adjudicating Authority, such discretionary power cannot be exercised arbitrarily or capriciously. If the facts and circumstances warrant exercise of discretion in a particular manner, discretion would have to be exercised in that manner. [86]*

*Ordinarily, the Adjudicating Authority (NCLT) would have to exercise its discretion to admit an application Under Section 7 of the IBC of the IBC and initiate CIRP on satisfaction of the existence of a financial debt and default on the part of the Corporate Debtor in payment of the debt, unless there are good reasons not to admit the petition. [87]*

*The Adjudicating Authority (NCLT) has to consider the grounds made out by the Corporate Debtor against admission, on its own merits. For example when admission is opposed on the ground of existence of an award or a decree in favour of the Corporate Debtor, and the Awarded/decretal amount exceeds the amount of the debt, the Adjudicating Authority would have to exercise its discretion Under Section 7(5)(a) of the IBC to keep the admission of the application of the Financial Creditor in abeyance, unless there is good reason not to do so. The Adjudicating Authority may, for example, admit the application of the Financial Creditor, notwithstanding any award or decree, if the Award/Decretal amount is incapable of realisation. The example is only illustrative. [88]”*

41. Conversely, in the case of **ES Krishnamurthy (supra)** **Hon'ble Supreme Court** has held that

*Adjudicating Authority under Section 7(5) of the Insolvency and Bankruptcy Code 2016 is empowered only to verify whether a default has occurred or not occurred. Relevant extracts are as follows:*

*“The Adjudicating Authority has clearly acted outside the terms of its jurisdiction Under Section 7(5) of the IBC. The Adjudicating Authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the Adjudicating Authority must then either admit or reject an application respectively. These are the only two courses of action which are open to the Adjudicating Authority in accordance with Section 7(5). The Adjudicating Authority cannot compel a party to the proceedings before it to settle a dispute.[27]*

*The IBC is a complete code in itself. The Adjudicating Authority and the Appellate Authority are creatures of the statute. Their jurisdiction is statutorily conferred. The statute which confers jurisdiction also structures, channelises and circumscribes the ambit of such jurisdiction. Thus, while the Adjudicating Authority and Appellate Authority can encourage settlements, they cannot direct them by acting as courts of equity.[29]*

*Order of the Adjudicating Authority, and the directions which eventually came to be issued, suffered from an abdication of jurisdiction. The observation that the appeal was not maintainable is erroneous. Plainly, the Adjudicating Authority failed to exercise the jurisdiction which was entrusted to it. A clear case for*

*the exercise of jurisdiction in appeal was thus made out, which the Appellate Authority then failed to exercise.[32]*

*Appeal allowed accordingly. The petition under Section 7 of the IBC restored to the NCLT for disposal afresh.[34]”*

42. This issue has also been settled in a subsequent judgment of the of the division bench of Hon’ble Supreme Court in the case of **M Suresh Kumar Reddy (supra)** wherein it has been held that once the NCLT is satisfied that the default has occurred, there is hardly any discretion left with the NCLT to refuse admission of the Application under Section 7 IBC. The Apex Court referred to their decision in *Innoventive Industries (Supra)* wherein the entire scope of Section 7 was explained and it was held that if the NCLT is satisfied there is a debt and default, it is bound to admit a Petition under Section 7 of the IBC, which was reiterated in **ES Krishnamurthy (supra)**, while holding that the NCLT cannot direct parties to enter into settlement terms. In the aforesaid judgment of **M Suresh Kumar Reddy (Supra)**, the Supreme Court has clearly held that the decision passed in the **Vidarbha Industries (supra)** was in the setting of the facts of that case only.”

**Analysis of argument of Corporate Debtor regarding SARFAESI proceedings:**

52. It is stated that Financial creditor despite taking possession of the land property of the Corporate Debtor under SARFAESI

Act and bringing the property for auction has filed the present petition under Section 7 under IBC Code. Hon'ble NCLAT in *Edelweiss Asset Reconstruction Company Ltd. vs. Takshashila Heights India Pvt. Ltd. Company Appeal (AT) (Insolvency) No. 2261 of 2024* has held as under:

*“48. We also note that this Appellate Tribunal in the cases of Mr Amar Vora (supra) and Securities & Exchange Board of India vs. Rajesh Sureshchandra Sheth & Anr., Company Appeal (AT) (Ins.) No. 1194 of 2022, decided on 4th July, has reaffirmed the position that there is no legal embargo or bar upon a creditor to initiate CIRP subsequent to the initiation of recovery actions by the creditor before the DRT or under SARFAESI or before any other forum, as pendency of any such legal proceedings of recovery is no bar for initiating CIRP. In the judgment of this Appellate Tribunal (Chennai Bench) on Mr Amar Vora (supra) where it was held that the Financial Creditor / Operational Creditor/ Corporate Persons can file an Application under Sections 7, 9 and 10 of the Code before the respective Adjudicating Authorities even though in respect of same any proceeding may be pending before any other forums, on the ground that the provisions of Code have an overriding effect of other laws.”*

**Corporate Debtor and OTS proposals:**

53. Corporate Debtor submits that the financial creditor is not considering the various OTS proposals given by the Corporate Director, despite the fact that financial creditor failed in auctioning the properties of Corporate Debtor multiple number of times and the amount offered in OTS is higher than the reserve price fixed in auction sale.

54. Ld. Counsel for respondent has filed an updated memo regarding discussion on OTS offer with the headquarters of the Petitioner Bank. In the hearing dated 17.05.2025, both the parties submitted their position as under:



IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH (COURT- I) CHENNAI  
ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON 17.07.2025 THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)  
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER :  
PETITION NUMBER : CP(IB)/203/CHE/2024  
NAME OF THE PETITIONER(S) : Punjab National Bank  
NAME OF THE RESPONDENTS : Aban Offshore Ltd  
UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

ORDER

Present: Ld. Counsel Shri. M.L. Ganesh along with Ld. Counsel Shri. Sashikumar for the Petitioner.  
Ld. Sr Counsel Shri. P.H. Arvinth Pandian for the Respondent.  
Shri. Rajeev Singh Jha, Deputy General Manager, Punjab National Bank.

Mr. Rajeev Singh Jha submits that though the Bank has processed and sent the OTS proposal to the Headquarters but he has no instructions.

Updated memo filed on behalf of the Respondent / Corporate Debtor.

Ld. Counsel for the Respondent submits that the Board meeting was to be held on 17/ 18<sup>th</sup> of this month, however, now it has been rescheduled / postponed to the last week of this month.

Shri. M.L. Ganesh submits that as on date there is no OTS and the petition may be proceeded with.



Arguments already advanced.  
Order Reserved.

Sd/-  
(VENKATARAMAN SUBRAMANIAM)  
MEMBER (TECHNICAL)  
MG  
Date: 17.07.2025

Sd/-  
(SANJIV JAIN)  
MEMBER (JUDICIAL)

55. Ld. Counsel for respondent made a mention again on 08.08.2025 by filing a memo. DGM , PNB was also present during



the hearing. The extracts of the proceedings of the 08.08.2025 are reproduced as below:



Mention matter

IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH (COURT-I) CHENNAI  
ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON 08.08.2025 THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)  
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER :  
PETITION NUMBER : CP(IB)/203/CHE/2024  
NAME OF THE PETITIONER(S) : Punjab National Bank  
NAME OF THE RESPONDENTS : Aban Offshore Ltd  
UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

ORDER

File taken up on mentioning by Ld. Sr. Counsel Shri. P.H. Arvindh Pandian appearing for the Respondent Aban Offshore Limited.

Present: Ld. Sr. Counsel Shri. P.H. Arvindh Pandian for the Respondent /  
Corporate Debtor.  
Ld. Counsel Shri. M.L. Ganesh for the Petitioner along with  
Shri. Rajeev Singh Jha, Deputy General Manager, Punjab  
National Bank.

Ld. Sr. Counsel has placed a memo which finds enclosed with an order of Hon'ble High Court dated 01.08.2025 in *W.P. No. 28750 of 2025 and WMP Nos. 32203 of 2025 titled Aban Offshore Limited Vs. Punjab National Bank & Ors.*

Ld. Sr. Counsel submits that the Respondent / Petitioner in the writ petition had filed a petition to issue a writ of mandamus directing the Respondent / Petitioner in the present case to consider the one time settlement (OTS) proposal dated 20.06.2025 submitted by the Respondent, expeditiously.

Ld. Sr. Counsel submits that the Respondent / Petitioner in the writ petition withdrew the petition with liberty to raise the issue before this Tribunal. An endorsement was made to this effect.

Ld. Sr. Counsel further submits that recording the endorsement, the writ petition and the connected miscellaneous petitions were dismissed as withdrawn with liberty to the Petitioner in the writ petition to bring to the notice of the Tribunal the factum of one time settlement if any.

Ld. Sr. Counsel submits that in view of the order, the Respondent has filed the memo bringing the facts on record. Ld. Counsel submits that the OTS proposal after vetting by the Journal Branch has been sent to the Head Office for consideration. The Respondent in the petition had filed a writ petition solely to get clarity from the Bank on the OTS proposal and for expeditious consideration, since the orders were reserved in the petition.

The Deputy General Manager appearing for the Petitioner submits that the OTS proposal has been received by the Bank. It has been forwarded to the Head Office, Delhi. He submits that OTS proposal has to be considered by two level committees before going to the Board for approval. The first level committee meeting is expected on 12.08.2025. Second level committee meeting is expected after a week's time and Board meeting may happen by the end of the month. He submits that even after the admission of the petition, the settlement proposal can be considered under Section 12A of IBC.

56. Even though there is no obligation on the part of the tribunal to wait for the settlement / OTS, till date there is no update regarding OTS from the parties after the above hearing date.

57. Hence, the current position of law is that while there exists some level of discretion vested on the Adjudicating Authority under Section 7(5)(a), the same must be exercised cautiously. Such

discretionary power cannot be used to impel the financial creditor to consider the settlement proposed by the Corporate Debtor.

## **Findings**

58. In view of the facts stated supra and also in view of the fact the 'financial debt' is proved by the Financial Creditor and the 'default' having been committed on the part of the Corporate Debtor, this Tribunal admits the present petition and initiates the Corporate Insolvency Resolution Process in relation to the Corporate Debtor viz., **Aban Offshore Limited**.

59. The petitioner in Part-III of Form I has proposed the name of IRP as '**Shri. Ram Rattan Kanoongo**' with Registration number IBBL/IPE-0021/IPA -1/2022-23/50005 as the Interim Resolution Professional. However, in page 274 of the petition, Form II (Written communication by proposed insolvency resolution professional) is provided by '**Headway Resolution and Insolvency services Private Limited**', Insolvency Professional

Entity (IPE) with **Registration Number: IBBI/IPE-0021/IPA - 1/2022-23/50005** through its Authorised Signatory Shri. Ram Rattan Kanoongo giving its consent to act as Insolvency Resolution Professional. Hence Headway Resolution and Insolvency services Private Limited , IPE is appointed as IRP.

### **ORDER**

60. In view of the aforesaid findings, the Petition bearing **C.P.(IB) No.203/CHE/2024** filed under Section 7 of the Code by Punjab National Bank , the Petitioner , for initiating CIRP in respect of Aban Offshore Limited, the Corporate Debtor is hereby **admitted.**

61. As per Section 17 (1) of IBC , from the date of appointment of the interim resolution professional,

(a) the management of the affairs of the corporate debtor shall vest in the interim resolution professional;

(b) the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the interim resolution professional;

(c) the officers and managers of the corporate debtor shall report to the interim resolution professional and provide access to such documents and records of the corporate debtor as may be required by the interim resolution professional;

(d) the financial institutions maintaining accounts of the corporate debtor shall act on the instructions of the interim resolution professional in relation to such accounts and furnish all information relating to the corporate debtor available with them to the interim resolution professional.

62. We further declare moratorium under Section 14 of the Code with consequential directions as mentioned below: -

I. We prohibit

a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

b) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

c) any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

d) the recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

II. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.

III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under Section 31(1) of the Code or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.

IV. That the public announcement of the CIRP shall be made immediately as specified under Section 13 of the Code read with Regulation 6 of the IBBI(Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.

V. That this Bench hereby appoints' **Headway Resolution and Insolvency services Private Limited'**, a registered Insolvency Professional Entity having Registration Number **IBBI/IPE-0021/IP-A1/2022-23/50005** and e-mail address *rrkanoongo@gmail.com* having valid Authorisation for Assignment up to 31.12.2025 as the Interim Resolution Professional to carry out the functions under the Code.

VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.

VII. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of the Code. The officers and managers of the Corporate Debtor, the Corporate Debtor are directed to provide effective assistance to the IRP as and when he takes charge of the assets

and management of the Corporate Debtor. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP within a period of one week from the date of receipt of this Order and shall not commit any offence punishable under Chapter VII of Part II of the Code. Coercive steps will follow against them under the provisions of the Code read with Rule 11 of the NCLT Rules for any violation of law.

VIII. That the IRP/IP shall submit to this Tribunal periodical reports with regard to the progress of the CIRP in respect of the Corporate Debtor.

IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Applicant is directed to deposit a sum of Rs.3,00,000/- (Rupees Three Lakh) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid back to the Applicant on priority upon the funds available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.



X. A copy of this Order be sent to the Registrar of Companies, Tamilnadu, Chennai for updating the Master Data of the Corporate Debtor.

XI. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.

XII. The Registry is directed to immediately communicate this Order to the Applicant, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.

XIII. Compliance report of the order by Designated Registrar is to be submitted today.

**-Sd-**

**VENKATARAMAN SUBRAMANIAM**  
MEMBER (TECHNICAL)

**-Sd-**

**SANJIV JAIN**  
MEMBER (JUDICIAL)