VISA
VISASTEEL

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30 November 2022

BSE Limited	National Stock Exchange of India Limited
Dalal Street, Mumbai 400 001 BSE SCRIP CODE: 532721	Bandra - Kurla Complex, Bandra (E) Mumbai 400 051 NSE SYMBOL: VISASTEEL

Dear Sir / Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

This is to inform you that the Hon'ble National Company Law Tribunal (NCLT) Cuttack Bench vide Order dated 28 November 2022 (received by us on 29 November 2022) has admitted the application for initiating Corporate Insolvency Resolution Process (CIRP) against VISA Steel Limited (the Company) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) and Shri Ajay Kumar Agarwal (IP Registration No. IBBI/IPA-002/IP-N00808/2018-2019/11859) has been appointed as an Interim Resolution Professional (IRP) under the provisions of IBC. A copy of the Order dated 28 November 2022 is enclosed for reference.

Further, the Company understands that appropriate legal actions are being considered and discussions are also ongoing with lenders for settlement/resolution outside IBC.

This is for your information and record.

Thanking you.

Yours truly,
For VISA Steel Limited

AMISHA CHATURVEDI
Digitally signed by Amisha Chaturvedi
Date: 2022.11.30

Amisha Chaturvedi
Company Secretary
Compliance Officer

Encl: As above

IN THE NATIONAL COMPANY LAW TRIBUNAL
CUTTACK BENCH
CUTTACK

IA (IB) No. 131/CB/2021
&
CP. No. 53/CTB/2020

An application under Section 7 of the IBC, 2016 with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudication Authority) rules, 2016

-And-

IA (IB) No. 131/CB/2021

Visa Steel Ltd,

…Applicant

-Versus-

Punjab National Bank,

… Respondent

-And-

CP No. 53/CTB/2020

*** Punjab National Bank,**

…Financial Creditor

-Versus-

Visa Steel Ltd,

…Corporate Debtor

* Name of the petitioner **Oriental Bank of Commerce** is amended as **Punjab National Bank** in the Cause title as per the order of this Adjudicating Authority dated 05.01.2021 passed in IA. No. 345/CTB/2020.

)

For the Applicant : Mr. Ajit Kumar Mohapatra ,Adv.

For the Respondent : Mr. Joy Saha Sr. Advocate for
Mr. Patita Paban Bishwal Adv.

Order reserved on: 15.11.2022

Order Pronounced on: 28.11.2022

Coram:

Shri P. Mohan Raj : Member (Judicial)
Shri Satya Ranjan Prasad : Member (Technical)

O R D E R

Per: P. Mohan Raj, Member (Judicial)

1. This petition under Section 7 of Insolvency and Bankruptcy Code 2016 with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules2016, has been filed by the **Punjab National Bank ,** through its authorised person Assistant Dy. General Manager, Mr. Pramod Kumar Panda, having its address at: Large Corporate, 6th Floor, Om Tower, 32, Jawaharlal Nehru Road, Kolkata- 700071 thereby seeking initiation of **Corporate Insolvency Resolution Process (CIRP)** against of **Visa Steel Limited** a company incorporated under the provisions of Companies Act 1956, and a company within the meaning of the Companies Act,2013 having its Registered Office at- 11 Ekamra Kanan, Nayapalli , Bhubaneswar – 751 015 (Herein and after referred as the **Corporate Debtor).**

2. The main C.P.No.53 of 2020 was originally filed by Oriental Bank of Commerce on 10.02.2020, subsequently the Oriental Bank of Commerce amalgamated with Punjab National Bank in pursuant of Gazette Notification No. G.S.R.153(E) dated 04.03.2020 of the Government of India, under section 9 of the Banking Companies (Acquisition and Transfer of Undertakings) Act1980. Then this Adjudicating Authority permitted to amend the cause title from Oriental Bank of Commerce to Punjab National Bank in I.A.No.345/CTB/2020 by order dated 05.01.2021.

3. When the petition was listed on 01.03.2021 for a hearing this Adjudicating Authority observed in its daily order that the date of NPA of this account is 13.12.2015 (correct date is 30.12.2015). Hence as per the judgment of Hon'ble Supreme Court in the matter of Babulal Gujar and also B.K.Education prima facie the application is barred by limitation. However, the Ld. counsel for the petitioner seek time to make his submission on the question of limitation. List the matter on 14.04.2021. In pursuant of this observation the corporate debtor/respondent filed demurer application I.A.No.131/CTB/2021 for dismissal of main petition on the point of limitation. Financial creditor filed reply. The corporate debtor also raised the limitation plea in the reply filed to the main petition. The proceeding under IBC 2016 is being summary in nature by the consent parties it is decided to dispose of the demurer application along with main petition.

4. For the sake of convenience, the parties are referred in this order as arrayed in main petition.

The brief contents of Application I.A.No.131/CTB/2021 are as follows:

5. This petition was originally filed by Oriental Bank of Commerce in February 2020. The oriental Bank of commerce merged with financial creditor with effect from 01.04. 2020.In I.A.No.345 of 2020 permission was granted by this Tribunal to amend the cause title but declined to permit to include the purported independent debt of the financial creditor. The date of default mentioned in the petition is 30.12.2015, the said date is indicated as date of NPA. On the own accord of the petitioner since the petition is filed beyond three years as enumerated under Article 137 of Limitation Act 1963 the petition is barred by Limitation. This Tribunal itself by order dated 01.03.2021 directed the petitioner to discharge the onus pertaining to Limitation. The main petition is to be dismissed.

The brief contents of Reply to I.A.No.131/CTB/2021 are as follows:

6. The account maintained by the applicant was declared NPA on 30.12. 2015.The corporate debtor filed Balance sheet for the year 2016-2017 on 09.11.2017 wherein the corporate debtor admitted his liabilities, hence cause of action arises on 09.11. 2017.The amount borrowed from the financial creditor is shown in the balance sheet it amounts to acknowledgement of debt. The limitation starts from 09.11.2017 hence the petition filed on 10.02.2020 is within the period limitation. Hence this demurer application is to be dismissed.

Brief facts of the main Petition are as follows:

7. The Corporate debtor had availed various credit facilities from the financial creditor from time to time and executed various banking and security

documents in favour of the financial creditor. The financial creditor as a member of consortium of Lenders lead by State Bank of India granted various loans and Credit facilities to the corporate debtor. The corporate debtor failed to repay the loan and submitted requisition dated 10.07.2012 for comprehensive restructuring under Corporate Debt Restructuring scheme. The corporate debtor executed and delivered three balance and security confirmation as on 14.06. 2012.The master Restructuring Agreement and Trust Retention Agreement was executed between the corporate debtor and the consortium Lenders lead by State Bank of India. In pursuant to CDR scheme the financial creditor issued sanction letter dated 06.09.2012 to the respondent the same was acknowledged and accepted by the corporate debtor. The corporate debtor executed two share pledge agreement dated 15.07.2013 and 18.03.2014. The corporate debtor executed common loan agreement and Hypothecation agreement dated 10.02.2015 in favour of the financial creditor. The personal guarantee and mortgage deeds were executed in favour of the financial creditor. The corporate debtor availed the credit facilities but failed to operate the loan accounts as per the sanction order, then accounts became irregular and in consequence the account of the corporate debtor was classified as NPA on 31.12.2015. The financial creditor issued advocate notice dated 10.10.2018. The amount payable by the corporate debtor to the financial creditor as on 30.09.2018 is Rs.614,49,79,988.01/- The corporate debtor committed default under the IBC 2016 hence filed this petition for initiation of CIRP against the corporate debtor.

The brief facts of Reply to main petition are as follows:

8. The State Bank of India lead bank of consortium declared the accounts of this respondent as NPA on 11.07.2012 but the account of the corporate debtor is classified as NPA by this financial creditor on 30.12.2015 is misconceived. This petition is filed in February 2020, the date of default of corporate debtor is 30.12.2015, the limitation period of three years for filing the instant petition expired on 30.12.2018. On the own accord of the petitioner since the petition is filed beyond three years as enumerated under Article 137 of Limitation Act 1963 the petition is barred by Limitation. This Tribunal itself by order dated 01.03.2021 directed the petitioner to discharge the onus pertaining to Limitation. The financial creditor filed this petition without consent of lead bank of consortium and other members of consortium is invalid. This petition was originally filed by Oriental Bank of Commerce, now the petitioner continues the proceeding as assignee of the Oriental Bank of Commerce but no document has been filed in this regard. It is not proved that there is valid assignment of debts. The corporate debtor filed scheme of arrangement under section 391 to 394 of Companies Act 1956 for transfer of the special steel under taking Business of the corporate debtor along with all its assets and liabilities to VISA Special Steel Limited on a going concern basis, this Tribunal by order dated 08.07.2019 sanctioned the scheme. The appeal preferred by the financial creditor and State Bank of India was dismissed by NCLAT -Delhi by order dated 16.10.2019. The State Bank of India preferred an appeal before the Supreme court of India in Civil Appeal No.56 of 2020 and stay was granted on 17.01.2020 the said Civil Appeal is still pending. The purported debt of the financial

creditor has been bifurcated in terms of the scheme. The scheme was given an effect from 01.04.2013 even prior to the stay order passed by the Hon'ble Supreme Court on 17.01.2020. As per the scheme the financial facilities granted by the financial creditor to the corporate debtor stands bifurcated between the corporate debtor and VISA Special Steel Limited. The present petition is filed without considering the supra bifurcation hence the petition is liable to be dismissed. This insolvency petition is filed against the object of the code. The interest charged is usurious. This petition is not maintainable hence liable to be dismissed.

The Points for determination are:

1. Whether the petition is barred by Limitation?

2. Whether petition against the corporate debtor is hit by order of demerger scheme passed by this Tribunal in T.P.No.190-191/CTB/2019 by order dated 08.07.2019?

3. Whether the Ratio laid down by the Hon'ble Supreme Court of India in Vidharbha Industries case (2022) 8 SCC 352 is applicable to the present case (corporate debtor)?

Point No.1

9. On the corporate debtor side raised the plea of limitation. According to the petition averments the respondent account was classified as NPA on 30.12.2015. This petition was filed on 10.02.2020 obviously after the period three years from the date of NPA. On the petitioner side submitted that after the NPA the respondent acknowledged the debt in its balance sheet for the year 2016-2017

dated 09.11.2017 before the expiry of three years from the date of NPA hence the period of limitation is extended and three years to be calculated from the date of acknowledgement of debt i.e., from 09.11.2017 in such a case the petition is filed in time.

10. This Authority mentioned two citations in its daily order dated 01.03.2021 viz Babulal Gujar and also B.K. Education and raised a doubt about limitation.

11. In **B.K. Educational service Private Ltd vs Parag Gupta and Associate 2018 SCC Online SCC 1921 decided on 11.10.2018** the Apex held that Limitation Act is applicable to the petitions filed under section 7 and 9 of IBC from the inception of code and the three years period mentioned in Article 137 of Limitation Act be will applicable. Para 42 of the said judgment runs as follows:

> *42. It is thus clear that since the Limitation Act is applicable to applications filed under Sections 7 and 9 of the Code from the inception of the Code, Article 137 of the Limitation Act gets attracted. "The right to sue", therefore, accrues when a default occurs. If the default has occurred over three years prior to the date of filling of the application, the application would be barred under Article 1376 of the Limitation Act, save and except in those cases where, in the facts of the case, Section 5 of the Limitation Act may be applied to condone the delay in filing such applications.*

12. In **Babulal Vardharji Gurjar vs Veer Gurjar Aluminium Industries (2020)15 SCC 1 decided on 14 August, 2020.** The Apex held that the petition under section 7 filed after three years from the date of default is barred by Limitation. In para 38 of the judgment, it is stated as follows:

> *38. The discussion foregoing leads to the inescapable conclusion that the application made by the respondent No. 2 under Section 7 of the Code in the month of March 2018, seeking initiation of CIRP in respect of the corporate debtor with specific assertion of the date of default as 08.07.2011, is clearly barred by limitation for having been filed much later than the period of three years from the date of default as stated in the application. The NCLT having not examined the question of limitation; the NCLAT having decided the question of limitation on entirely irrelevant considerations; and the attempt on the part of the respondents to save the limitation with reference to the principles of acknowledgment having been found unsustainable, the impugned orders deserve to be set aside and the application filed by the respondent No. 2 deserves to be rejected as being barred by limitation.*

In this citation the Apex court made reference that section 18 of Limitation Act acknowledgement debt is not come in operation in the present case.

13. In the two citations referred by this Authority and relied by the corporate debtor determined the period of limitation applicable to the cases filed

under section 7 & 9 IBC 2016 and also decided the relevant Article applicable is Article 137 of Limitation Act.

14. In this case the account of the corporate debtor was classified as NPA on 30.12.2015. The debt of corporate debtor with financial creditor was acknowledged by the corporate debtor in Balance sheet as on 31.03.2017 *(Annexure-U page 824 of Volume V of petition)* in particular in the Independent Auditors' Report dated 09.11.2017 the default amount is written against the name of the financial creditor *(Page 846 of Volume-V of petition)*. This acknowledgement was made within three years from the date of default 30.12.2015. Thus, here acknowledgement of debt is made by the corporate debtor as provided under section 18 of Limitation Act, hence petition filed on 10.02.2020 before the expiry of three years from the date of acknowledgement of debt is well within the period of limitation. This position of law is cleared by the Apex court in **Dena Bank (Now Bank of Baroda) Vs Sivakumar and another (2021) 10 SCC 330 at 388 para 140** read as follows

> *140. To sum up, in our considered opinion an application under Section 7 IBC would not be barred by limitation, on the ground that it had been filed beyond a period of three years from the date of declaration of the loan account of the corporate debtor as NPA, if there were an acknowledgement of the debt by the corporate debtor before expiry of the period of limitation of three years, in which case the period of limitation would get extended by a further period of three years.*

Further the Apex court in **State Bank of India vs Krishdhan Seeds Private Ltd (2022) SCC Online 632 para 13** runs as follows:

> *13. In view of the above decisions, the position of law has been set at rest. Neither the NCLT nor the NCLAT had the benefit of adjudicating upon the factual controversy in the context of the decisions of this court. The principles which emerge are that:*
>
> *(i) The provisions of Section 18 of the Limitation Act are not alien to and are applicable to proceedings under the IBC; and*
>
> *(ii) An acknowledgment in a balance sheet without a qualification can furnish a legitimate basis for determining as to whether the period of limitation would stand extended, so long as the acknowledgment was within a period of three years from the original date of default.*

15. On the corporate debtor side questioned the validity of the acknowledgement of debt relies by the financial creditor and determination of date of NPA. The corporate debtor availed loan not only from the Petitioner in this petition he also availed loans from other Banks. The Master Debt Restructure agreement was executed with the consortium of Banks on 19.12.2012 lead by State Bank of India. The State Bank of India determined the date of NPA of the petitioner as 11.07.2012. Here respondent side argued that when the NPA date is fixed as 11.07.2012 by lead Bank of Consortium the different date 30.12.2015 fixed by the petitioner herein is not valid. This contention is erroneous it is to the Bank

which given loan to determine the date of default and classify the account of debtor as NPA following guide lines of RBI, there is no material or law, that the members of consortium Banks uniformly adopt the NPA date as arrived by the lead Bank of consortium, hence the objection raised in this score is turned down as unsustainable. The further contention of the respondent that the lead bank alone entitle to file section 7 IBC 2016 petition and other members of consortium are not entitle to file section 7 of IBC 2016 petition is not sustainable in view of the definition given to financial creditor in IBC 2016.

16. On the corporate debtor side raised the objection that the acknowledgement made by the auditor/chartered accountant of the corporate debtor in an Independent Auditors' report is not valid acknowledgement. It is also argued that the Independent Auditors' report does not fall within the purview of Balance sheet as defined under section 2(40) of the Companies Act 2013, hence the acknowledgement of debt rely by the petitioner is not valid. This argument also without any backing support of law. Section 18 of Limitation Act 1963 says that the acknowledgement shall be prior to the expiry of prescribed period and it must be in writing and signed by the party. It never says that acknowledgement of debt must be made only in financial statement and not in the Balance sheet, so whether balance sheet comes under the definition of financial statement or not is immaterial. Here the acknowledgement of debt is in writing, specifically acknowledging the debt of corporate debtor, the same is done prior to the expiry of prescribed period.

17. On the petitioner side relies upon appendix note made in Balance sheet (annexure-U. page 824). This Balance sheet is signed by the directors of the corporate debtor, in the bottom it is mentioned that the accompanying notes form an integral part of these financial statements. In pursuant of this petitioner side relies upon Independent Auditors' report found in page 846. Balance sheet and Independent Auditors' report are even dated 09.11. 2017. On the respondent side argued that the Independent Auditors' report is not a part of the balance sheet. This Independent Auditor Report is signed by the Chartered accountant of corporate debtor. Section 18(2)(b) of Limitation Act 1963 runs as follows:

> *the word "signed" means signed either personally or by an agent duly authorised in this behalf;*

Here even if it is admitted that the Independent Auditors' Report is not the part of the notes of Balance sheet, the acknowledgement of debt made in the Independent Auditors' report is valid, since it is signed by the person/Chartered accountant authorised by the corporate debtor to prepare the balance sheet and auditors' report. The acknowledgement debt relied on the petitioner side is valid.

18. In the circumstances it is answered that the petition is not barred by Limitation, in consequence the demurer application **I.A.No.131/CTB/2021** is liable to be **DISMISSED.**

Point No.2

19. On the Corporate debtor/respondent side taken a plea that because of demerger the credit facility granted by the financial creditor to the corporate

debtor stands bifurcated between the corporate debtor and VISA Special steels Limited hence the petitioner cannot maintain this petition against the corporate debtor. The scheme was sanctioned by this Tribunal in T.P.No.190 & 191 of 2019 by order dated 08.07.2019. The scheme was sanctioned with the consent of financial creditors. The order of this Tribunal was confirmed by the NCLAT in Company Appeal No.240 of 2019 by order dated 16.10.2019. The scheme sanctioned by this Tribunal was stayed by the Hon'ble Apex court in Civil appeal No. 56 of 2020 filed by the lead Bank State Bank of India by order dated 17.01.2020, the said appeal is still pending. It is further stated on the Respondent side the scheme was given an effect even prior to the stay granted by the Apex court, hence the respondent is not liable for any of the debts.

20. On the respondent side has not submitted any documentary proof to show that the scheme was given an effect prior to stay granted by Apex court on 17.01.2020. Further as per the scheme only the special steel under taking of the corporate debtor has been demerged to VSSL. As per clause 9 of the scheme the remaining business of corporate debtor continues with it and legal proceedings by or against the corporate debtor shall be continued and enforceful against the corporate debtor. Further it is a specific case of the respondent that the credit facility granted by the petitioner to the corporate debtor were bifurcated, if it is true, the respondent would have produced the list showing how much of debts are bifurcated, and what amount of debts were assigned to the VSSL and how much of debts remains with VSL. In the absence any document or details furnished by the respondent shows that the scheme is not yet implemented. On the petitioner

side without admitting that the scheme was implemented, submitted that even if the scheme is given an effect the remaining debt of corporate debtor other than special steel under taking definitely more than crores of rupees. This fact is not refutable by the corporate debtor since no documents have been filed pertaining to bifurcation. These factors shows that the scheme is not yet given an effect.

21. On the petitioner side relies upon S. Elangovan vs ASREC (India)Ltd and another Company Appeal No.102 of 2022 there in para 52 it is observed that "Quantum of liability is not a relevant factor to be taken into account and has no nexus in respect of the Initiation of Corporate Insolvency Resolution process in as much as the "Default" if a debt is equivalent to Rs. 1 crore and above. The same view is expressed by NCLAT in **Rajesh Kedia Ex Director of Ajanta Paper and General products Ltd vs Phoenix ARC private Limited** 2022 SCC on line page 147 para 15 as follows:

> *15. In so far as the contention of the Appellant qua the quantum of payment of debt is considered, we are of the earnest view that the same does not fall for consideration before the Adjudicating Authority at the stage of 'admission' of the Application under Section 7 of the code. The only requirement is that the minimum outstanding debt should be more than the threshold amount provided for under the Code. The actual amount of 'Claim' is to be ascertained by the Resolution Professional after collating the 'Claims' and their verification which comes at a later stage. Keeping*

in view all the aforenoted reasons, this Tribunal is satisfied that there is an admission in 'debt' and 'default' as defined under the Code and we do not find any illegality or infirmity in the Impugned Order dated 07/10/2021, passed by the Learned Adjudicating Authority.

22. The order of sanction of scheme by this Tribunal is stayed by the Hon'ble Apex court, thus the order is not in force hence there is no impediment to proceed with this petition against the corporate debtor. On the respondent/corporate debtor side relies upon the Apex court judgment **Shree Chamundi Mopeds Ltd vs Church of South India Trust Association AIR 1992-SC page 1439** and argued that the effect of the interim stay order staying the scheme has not reversed to the prior to implementation of the scheme. As discussed above on the respondent side not proved that the scheme is implemented, further in the supra judgment the Apex court dealt with effect of order of winding up passed by the High Court of Karnataka, when the stay was granted by Delhi High Court, against the final order passed by the Appellate authority. According to section 22(1) of Sick Industrial Companies (Special Provisions) Act 1985, if any inquiry is pending under section 16 or any scheme is under consideration, any sanctioned scheme is under implementation under section 17 or any appeal is pending under section 25, then no proceeding for winding up of company to be proceeded. The Karnata High court after the dismissal of appeal by the Appellate Authority take up the matter and passed an order of winding up. In that context the Apex court held an interim stay order granted in writ petition by Delhi High Court will not

amount to the restoration of proceeding and pending before the Appellate authority. Therefore, an interim order passed by Delhi High Court does not have the effect of reviving the appeal which was dismissed, and it will not amount to restoration of an appeal. In the situation this citation is not helpful to the respondent, and applicable to the facts and circumstances of this petition.

23. From the documents produced on the petitioner side proved the existence of debt and default committed by the corporate debtor these two elements are vital to admit the petition under section 7 IBC 2016. The Apex court in Innovative Industries Limited VS ICICI Bank (2018) 1 SCC 407 in para 28 observed that the moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted, unless it is incomplete. The Apex court **in Radha Exports (India) Private Ltd vs K.P.Jayaram and another (2020) 10 SCC 538 para 32** held as follows;

> *32. The proposition of law which emerges from Innoventive Industries Ltd. is that the Insolvency resolution process begins when a default takes place. In other words, once a debt or even part thereof becomes due and payable, the resolution process begins, Section 3 (11) defines "debt" as a liability or obligation in respect of a claim and the claim means a right to payment even if it is disputed. The Code gets triggered the moment default is of Rs. 1,00,000 or more. Once the adjudicating authority is satisfied that a default has occurred, the application must be admitted, unless it is otherwise incomplete and not in accordance with the rules. The judgment is however, not an authority for the proposition that a petition under*

Section 7 IBC has to be admitted, even if the claim is ex facie barred by limitation.

In this case the enforceable debt of more than one crore and default are satisfied; hence we find it this is a fit case to order Corporate Insolvency Resolution Process against the corporate debtor.

Point No.3

24. On the corporate debtor side argued that the corporate debtor has paid Rs.440 Crores towards salaries and paid Rs.685 Crores towards GST and paid Rs.329 crores to various statutory dues and taxes for the past five financial years, hence the respondent is entitled to avail benefit as laid down in the citation. The total due amount is Rs.614,49,79,988/- as on 30.09.2018 and this petition was filed on 10.02.2020, the respondent not stated how much of amount he paid towards the loans, from the records it understands that for the past five financial years no amount has been paid towards loan amount of principal or interest. When this is a scenario, the arguments made without any documentary proof is no way helpful to take shelter under the supra citation. In Vidharba case the corporate debtor admitted the debt and sought time to clear the debts since the corporator is unable to realize a sum of Rs.1,730 crores as ordered by APTEL because of pending of Civil Appeal. In that context the Apex court held that because of word 'May" used in section 7(5)(a) of IBC 2016 it is discretionary and observed that in fit cases the Adjudicating Authority can keep the admission in abeyance or even reject the

application with liberty to apply afresh petition for initiation of CIRP, if its dues continue to remain unpaid.

25. In the case in our hands the respondent/corporate debtor not admitted the debt instead he challenged the main petition on several grounds inclusive of Limitation. Further respondent side not informed that any of receivable amount is pending for realisation by the corporate debtor. The petitioner availed loan from more than 20 banks and committed defaults, the lead bank of consortium State Bank of India filed section 7 application for due amount of Rs.982,82,01,341.70/- On the respondent side also taken a plea that because of demerger scheme its liability is assigned to VSSL and the corporator debtor is exonerated and not liable to pay any amount to the respondent/financial creditor. Thus, facts set out in Vidarbha case is different from our case and the said citation is not applicable to facts and circumstances of this petition. In the circumstances it is held that the Ratio laid down by the Hon'ble Supreme Court of India in Vidharbha Industries case is not applicable to the present case.

26. The financial creditor has taken consent from **Mr. Shri Ajay Kumar Agarwal,** having registration No. **IBBI/IPA-003/IP-N00608/2018-2019/11859** and **Email Id:-** **cs.aaa.2014@gmail.com** , having address at: - Ambey Garden, Flat- 3C, 3rd Floor, Banglaxmi Abasan, Dasadron, Check Post, P.O. R Gopalpur, Rajarhat Main Road, Kolkata – 700136 an insolvency Professional to become interim Resolution Professional (IRP) of the Corporate Debtor in Form No.2 and that no disciplinary proceedings are pending against him.

3. We therefore consider it a fit case for admitting the petition, and for initiation of Corporate Insolvency Resolution Process in respect of the corporate debtor.

4. In view of the aforesaid reasons we hereby admit the petition and pass the following Orders.

(a) The petition bearing **CP (IB) No.53/CTB/2020** by **PUNJAB NATIONAL BANK** the financial creditor, under section 7 of Insolvency and Bankruptcy Code 2016 read with rule 4 (1) of Insolvency and Bankruptcy (Petition to Adjudicating Authority) Rules 2016 for initiating CIRP against **VISA STEEL LIMITED {CIN: L51109OR1996PLC004601}** the corporate debtor is **ADMITTED.**

(b) There will be a moratorium under section 14 of the Code.

(c) The moratorium shall have effect from the date of this order till the completion of the CIRP or until the Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of IBC or passes an order for liquidation of Corporate Debtor under section 33 of the Code, as the case may be.

(d) Public announcement of the CIRP shall be made immediately as specified under section 13 of the code read with regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations 2016.

(e) Shri Ajay Kumar Agarwal, having IP registration No. **IBBI/IPA-002/IP-N00608/2018-2019/11859 and Email Id:** cs.aaa.2014@gmail.com having address at: - **Ambey Garden, Flat- 3C, 3rd Floor, Banglaxmi Abasan,**

Dasadron Check Post, P.O.R Gopalpur, Rajarhat Main Road, Kolkata- 700136 is hereby appointed as an Interim Resolution Professional (IRP) of the corporate debtor to carry out the functions as per the Code, subject to his possessing a valid Authorisation for Assignment (AFA) in terms of 7A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations 2016. The fee payable to IRP or as the case may be, the RP shall comply with such Regulation, Circulars and Directions as may be issued by the Insolvency and Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by section 15,17,18,19,20 and 21 of the Code.

(f) During the CIRP period the management of the Corporate Debtor shall vest with the IRP or, as the case may be, the RP in terms of section 17 of the IBC. 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 within one week from the date of receipt of this order, in default of which coercive steps will follow.

(g) The IRP/RP shall submit to this Adjudicating Authority periodical reports concerning the progress of the CIRP in respect of the Corporate Debtor.

(h) The financial creditor shall deposit a sum of Rs.2,00,000/- (Two Lakhs Only) with the IRP to meet the expenses arising out of issuing publication and inviting claims. These expenses are subject to approval by the Committee of Creditor (COC).

(i) In terms of section 7(5)(a) of the Code, the Registry is hereby directed to communicate a copy of this Order to the Financial Creditor, the corporate

debtor and IRP by Speed Post, e-mail or WhatsApp immediately, and in any case, not later than two days from the date of this order.

(j) Additionally, the Financial Creditor shall serve a copy of this Order on the IRP and on the Registrar of Companies, Odisha, Cuttack by all available means for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Tribunal within seven days from the date of receipt a copy of this order.

27. CP (IB) No.53/CTB/2020 to come up on 03.01.2023 for progress report.

28. In the result **IA. No. 131/CTB/2021** is **DISMISSED,** and in **CP. No. 53/CTB/2020 CIRP** is **ordered.**

29. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps,

30. Certified Copy of this order may be issued, if applied for, upon compliance of all requisite formalities.

SATYARANJAN PRASAD Digitally signed by SATYARANJAN PRASAD Date: 2022.11.28 12:59:44 +05'30'

Satya Ranjan Prasad
Member (Technical)

PANDIAN MOHAN RAJ Digitally signed by PANDIAN MOHAN RAJ Date: 2022.11.28 13:41:50 +05'30'

P. Mohan Raj.
Member (Judicial)

Signed on this 28th day of November, 2022.

Supriya-P. s_