

**THE NATIONAL COMPANY LAW TRIBUNAL  
“JAIPUR BENCH, JAIPUR”  
(Exercising powers of Adjudicating Authority under  
the Insolvency and Bankruptcy Code, 2016)**

**IA No.208/JPR/2020 IN  
C.P. No.-(I.B)-157/7/JPR/2019  
(Admitted)**

**Under Section 14 read with Section  
60(5) of Insolvency and Bankruptcy  
Code, 2016.**

**In the matter of:**

STCI FINANCE LIMITED .....Financial Creditor

Versus

Bohra Industries Limited .....Corporate Debtor

And in the matter of:

**IA No.208/JPR/2020 :**

**Bohra Industries Limited through  
its Resolution Professional,**  
having its office at 416/7 & 8, First Floor,  
Opposite Karkardooma Metro Station,  
(Near Mata Mahamai Shiv Mandir),  
Karkardooma, Delhi-110092.

...Applicant

Vs.

**National Stock Exchange of India Ltd.,  
Through its Senior Manager (Listing Compliance)**  
having its office at: Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051

...Respondent

**Judgement delivered on: 13.10.2021**

**Coram: Hon'ble Mr. Ajay Kumar Vatsavayi, Member (Judicial)  
Hon'ble Mr. Raghu Nayyar, Member (Technical)**

For the Applicant: Mr. Amol Vyas, Advocate

For the Respondent: None

**Per: Ajay Kumar Vatsavayi, Member (Judicial)**

**JUDGMENT**

This application has been filed by the Resolution Professional of Bohra Industries Limited i.e., the Corporate Debtor against the National Stock Exchange of India Ltd. under Section 14 read with Section 60(5) of IBC, 2016 seeking to quash and set aside Annexure-2, letter dated 23.06.2020 of the respondent National Stock Exchange of India Ltd.

2. It is submitted that the CIRP has been initiated against the corporate debtor Bohra Industries Ltd. vide order dated 07.08.2019 of this Adjudicating Authority in C.P.No.-(I.B.)-157/7/JPR/2019. It is further submitted that in spite of the fact that the corporate debtor is undergoing CIRP, the respondent vide its letter dated 12.06.2020 levied fine on the corporate debtor for the delay in making certain compliances in terms of Regulation 7(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Resolution Professional through various letters informed about the undergoing process of CIRP against the corporate debtor and imposition of moratorium under Section 14 of IBC, 2016, and the effect of the same on the requirements of various obligations by the corporate debtor. However the National Stock Exchange of India Ltd. vide impugned Annexure-2 dated 23.06.2020 and through its subsequent communications insisted that the corporate debtor is liable to pay a fine of Rs.8,38,980 (inclusive of 18% GST), in view of the failure of the corporate debtor in making certain compliances and the details of the same are as under:-

Quarter	March 31, 2019 and September 30
Regulation of LODR	Reg.33 (Submission of financial results) Reg.31

	(Submission of shareholdings pattern report) Reg.29 (Prior intimation of Board meeting)
Details of non-compliance	-Delayed submission of financial results for quarter ended March 31, 2019 by 127 days. - Delayed submission of shareholding pattern for quarter ended September 30, 2019 by 33 days. No prior intimation of Board meeting held on November 02, 2019 for taking on record results for quarter September 30, 2019.
Days of non-compliance	For quarter ended March 31, 2019 – 127 days (Reg.33) For quarter ended September 30, 2019 – 33 days (Reg. 31) Date of Board meeting – November 02, 2019.
Fine levied	For quarter ended March 31, 2019 – Rs.6,35,000 (Reg.33) For quarter ended September 30, 2019 – 66,000/- (Reg.31) For Reg.29 – Rs.10,000/-

3. Hence, the I.A.

4. Initially the I.A. has been filed without impleading the necessary party i.e., National Stock Exchange of India Ltd. as respondent to the I.A. However, thereafter an amended Memo of Parties has been filed impleading the National Stock Exchange of India Ltd. as the sole respondent to the I.A. In spite of service of notice on the respondent, as evidenced by the affidavit of service filed vide Diary No.905 dated 02.12.2020, the respondent National Stock Exchange of India Ltd. has chosen not to file reply to the I.A.

5. In the circumstances, the I.A. is proceeded ex parte.

6. It is to be seen that the Resolution Professional through his various letters addressed to the respondent, explained the legal position in respect of the corporate debtor against which the CIRP is going on. In spite

of the same, the respondent, National Stock Exchange of India Ltd. failed to appreciate the same and insisted for payment of fine levied on the corporate debtor.

7. Heard Mr. Amol Vyas, Advocate appearing for the Resolution Professional.

8. It is relevant to refer to Section 14 of IBC, 2016, and the same is as under:-

“14. Moratorium –

*(1) Subject to provisions of sub-sections (2) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following namely:-*

- “(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 Securitization 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 the possession of the corporate debtor.*

*[Explanation – For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for*

*the use or continuation of the licence or a similar grant or right during moratorium period;]*

- (2) *The supply of essential goods or services to the corporate debtor as may be specified, shall not be terminated or suspended or interrupted during moratorium period.*

*[(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the corporate debtor and manage the operations of such corporate debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such corporate debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.]*

- [(3) The provisions of sub-section (1) shall not apply to –  
 [(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;]*

*(b) a surety in a contract of guarantee to a corporate debtor.]*

- (4) *The order of moratorium shall have effect from the date of such order till completion of the corporate insolvency resolution process:*

*Provided that where at any time during the corporate insolvency resolution process period, if the Adjudicating Authority approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of corporate debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or liquidation order, as the case may be.”*

9. The respondent National Stock Exchange of India Ltd. not agreed with the submissions of the Resolution Professional mainly on the ground that the non-compliance i.e. delay in submission of financial results was prior to the initiation of CIRP i.e. prior to 07.08.2019 and as on the relevant period, the Board was very much in power. The National Stock Exchange of India Ltd. not agreed with the Resolution Professional with regard to delay in submission of shareholding pattern for quarter ending 30.09.2019 on the ground that as per Regulation 31 of SEBI (LODR)

Regulations, 2015, every listed entity is required to submit shareholding pattern within 21 days from end of the quarter and there was no exemption to the corporate debtor even though the corporate debtor was under CIRP process. Same reasoning was given by the National Stock Exchange of India Ltd. for non-compliance with regard to the prior intimation of the Board meeting for considering the financial results.

10. It is to be seen that the fine was levied for the delay in making certain compliances. In view of the fact that due to the failure of the Board of Directors of the corporate debtor in managing the company in a proper manner, the company went into the CIRP process. After the company was taken over by the applicant Resolution Professional, certain compliances have been made, may be belatedly and with regard to other compliances, the Resolution Professional explained the impediments being faced by him.

11. In view of the moratorium declared in terms of Section 14 of the Code and also in view of the fact of making certain compliances subsequently and also in view of the fact that the Resolution Professional is facing certain reasonable impediments with regard to certain other compliances, the impugned order of National Stock Exchange of India Ltd. is unsustainable. Burdening the corporate debtor with imposition of fines further is against to the interest of the corporate debtor and also against to the object of the Code.

12. In the circumstances and for the above reasons, the instant I.A. is allowed and the imposition of fine on the corporate debtor for delay in making the subject compliances is condoned. However, either the R.P., if impediments are removed or the Successful Resolution Applicant in the

event of approval of the Plan, shall act in accordance with law in complying with the required compliances.

13. Accordingly, I.A. No.208/JPR/2020 is disposed of.

Sd/-  
(Raghu Nayyar)  
Member (Technical)

Sd/-  
(Ajay Kumar Vatsavayi)  
Member (Judicial)

October 13<sup>th</sup>, 2021  
AV