

IBC - Sarfaesi Act Section 13 - After the CIRP is initiated, there is moratorium for 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 SARFAESI Act - Once the CIRP is commenced, there is complete prohibition for any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property - The words “including any action under the SARFAESI Act” are significant - The legislative intent is clear that after the CIRP is initiated, all actions including any action under the SARFAESI Act to foreclose, recover or enforce any security interest are prohibited - IBC Section 14(1)(c) - Have overriding effect over any other law, 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 SARFAESI Act is prohibited - Bank could not have continued the proceedings under the SARFAESI Act once the CIRP was initiated and the moratorium was ordered.

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