



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI
CP (IB) / 66(CHE) 2023**

*(Filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 6 of
the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules,
2016)*

***In the matter of M/s. GVR – RMN Hubli Lakshmeshwar Road
Project Private Limited***

M/s. Tashi Micro Surfacing System,

A Partnership Firm registered under Indian Partnership Act, 1932

Through the Partner Mr. Satish Chandra,

Registered office at Siddharth Colony, Near Radha Krishna Temple.

Muzaffer Nagar, Uttar Pradesh, India - 251 001

... Applicant / Operational Creditor

Versus

M/s. GVR – RMN Hubli Lakshmeshwar Road Project Private Limited,

CIN: U45201TN2009PTC091845

VBC Solitaire, 9th & 10th Floor,

No.47 & 49, Bazullah Road, T.Nagar,

Chennai, Tamil Nadu - 600 017.

... Respondent / Corporate Debtor

Order Pronounced on 9th August 2024

CORAM

Shri JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)

Shri RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

For Financial Creditor: Mr. N. P. Vijay Kumar, Advocate

For Corporate Debtor: Mr. Jayanth Viswanathan, PCS

ORDER

(Hearing Conducted Through VC)

1. This application has been filed under Section 9 of the IBC, 2016 by **M/s.**

Tashi Micro Surfacing System (hereinafter referred to as 'Operational



Creditor' / OC) seeking commencement of CIRP against Respondent **M/s. GVR - RMN Hubli Lakshmeshwar Road Project Private Limited** (hereinafter referred to as Corporate Debtor/ CD).

2. Part 1 of the application reveals that the Operational Creditor is a Partnership Firm registered under the Indian Partnership Act, 1932 represented by its Partner Mr. Satish Chandra, having its registered office at Siddharth Colony, Near Radha Krishna Temple, Muzaffer Nagar, Uttar Pradesh - 251 001.

3. Part 2 of the application reveals that the Respondent /Corporate Debtor, **M/s. GVR - RMN Hubli Lakshmeshwar Road Project Private Limited (CD)**, was incorporated on 02.09.2009 with CIN: U45201TN2009PTC091845, having registered office at VBC Solitaire, 9th & 10th Floor, No.47 & 49, Bazullah Road, T.Nagar, Chennai, Tamil Nadu - 600017.

4. Part 3 of the application reveals that the Operational Creditor has not proposed any name as IRP.

5. Part 4 of the application states that the total outstanding Debt is Rs.3,12,71,294/- (Rupees Three crore twelve lakhs seventy one thousand two hundred and ninety four only). It is mentioned that the debt amount fell due on 05.12.2018.

Petitioner Submissions:

6. Petitioner stated that the Operational Creditor provides Civil Engineering Services (Micro-surfacing Work) and registered as Small Industries in the office of the District Industries Centre Muzaffar Nagar.



7. The Corporate debtor was given contract by M/s. Karnataka Road Development Corporation Limited for improvement and widening of Hubli – Lakshmeshwar Road (Mangsuli – Lakshmeshwar SH – 73) in Hubli Kundgoal Taluk of Dharwad and Gadag District on BOT Annuity basis. The Corporate Debtor sub-contracted the petitioner herein vide work order No. GVR-RMN/HL/KRDCL/Microsurfacing-WO/001 dated 25.03.2014.

8. Petitioner stated that the Operational Creditor has raised various invoices from time to time on the Corporate Debtor during the period of work. As per the ledger records corporate debtor has also made certain payments wherein the last payment received by the Petitioner from the CD is on 19.08.2014.

9. Petitioner submitted that as on 31.05.2016 the Work Order invoice balance amount of Rs.70,09,269/- was pending due for payment. Further the CD has to deduct Work Contract Tax (WCT) from invoices of the petitioner and to deposit the same to the concerned department which the CD did not perform as per the Clause 5(d) of the Work contract which burdened the petitioner to pay WCT to a tune of Rs.10,98,879/-. In addition to the above, the CD has retained a sum of Rs.13,00,330/- as refundable security amount. Thus the total amount due from the CD to the petitioner was arrived as Rs.94,06,478/-

10. Petitioner stated that the petitioner has made several reminders and called upon to make the due payments that the Petitioner is entitled from the CD. But there was no response from the corporate debtor which made the petitioner to send a legal notice dated 04.06.2016 on the CD.



11. Petitioner submitted that despite several opportunities given to the CD to settle the pending dues, it did not initiate any efforts for settlement. Thus the Petitioner approached The Arbitral Tribunal, The Micro and Small & Medium Enterprises, Facilitation Council, Kanpur and filed Claim Petition No. 172 /2016, on 21.07.2016.

12. Petitioner submitted that the Arbitral tribunal (Council) framed the issues in the matter as follows ,

- *Whether the petitioner is entitled to balance principal amount of Rs.70,09,269/- (Rupees Seventy lakhs nine thousand two hundred sixty nine only) for the work done under sub-contract from the opposite party No. 1?*
- *Whether the petitioner is entitled to Rs.13,00,330/- (Rupees Thirteen Lakhs Three hundred thirty only) as retention money from the opposite party No. 1?*
- *Whether the petitioner is entitled to Rs.10,96,879/- (Rupees Ten Lakhs Ninety Six thousand eight hundred seventy nine only) as amount paid by the petitioner as W.C.T. from the liability of opposite party No. 1?*
- *Whether petitioner is entitled to interest as per MS & MED Act over the outstanding of opposite party No. 1. To what relief if any the claimant is entitled.*
- *Whether the opposite party No. 2, who is the principle of opposite party No. 1 as a main contractor may release the outstanding of petitioner directly out of the dues of opposite party No. 1?*
- *To what relief claimant is entitled?*

13. After framing the issues, the council passed its order/ award in favour the Operational Creditor/ Petitioner on 23.07.2018 allowing his claim. The



Award provides for Payment of Rs.70,09,269/- towards the (Balance Invoice) Principal amount, Rs.13,00,330/- towards the Retention money and Rs.10,96,879/- towards the Cost of Work Contract Tax (WCT) totalling to Rs.94,06,478/- as total entitled amount. In addition, the award also provides for interest on the Principal due amount till 23.07.2018 along with cost of Arbitral Proceedings.

14. Petitioner submitted that, the Council/ Tribunal has awarded a crystallized sum of Rs.1,81,83,203/- (Principal Due Amount of Rs.70,09,269/- + Cost of Work Contract Taxes of Rs.10,96,879/- + Retention money of Rs.10,96,879/- + Interest amount of Rs.87,76,725/- up to 23.07.2018) as on 23.07.2018 with Cost.

15. Petitioner submitted that the Award was signed on 05.12.2018 and CD did not challenge the said award so far and thus Debt became final and crystallized.

16. Petitioner submitted that the CD has sent a Demand Notice in Form 3 and Form 4 under the Code on 28.06.2022, demanding a payment of Rs.3,12,10,955/-.

17. The amount calculated under the Demand Notice includes the following,

Principle amount	- Rs.70,09,269/-
Interest Calculated till 23.07.2018	- Rs.87,76,725/-
Retention amount	- Rs.13,00,330/-
Work Contract Tax	- Rs.10,96,879/-
Cost of Arbitral Proceedings	- Rs.2,05,000/-
Interest from 24.07.2018 to 27.06.2022	- Rs.1,28,22,752/-



18. Petitioner stated that despite service, the CD has not given any response. Aggrieved by the act of the CD, the operational Creditor preferred this petition to initiate the CIRP against the CD. The Present application is filed on 15.03.2023.

Respondent Submissions:

19. Upon service, Respondent Counsel entered appearance on 26.06.2023. Mr. K. Lakshmi Kantha Mohan, Director and Authorized signatory of the M/s. GVR – RMN Hubli Lakshmeshwar Road Project Private Limited i.e. Corporate Debtor on behalf of the CD filed the reply.

20. Respondent CD has raised objections on the maintainability of this petition as follows,

- a. Preliminary Objections
- b. Limitation
- c. High Interest Rates
- d. Unregistered Partnership Firm
- e. Extinguishment of Claims over the Subsidiaries and Associate Companies pursuant to approval of Resolution Plan of Holding Company

21. Respondent preliminarily objected that the petition is incomplete and fragmentary as the petitioner has failed to attach Affidavit in support of the application. Further stated that the application is filed with delay of 8 months from the issue of Section 8 demand notice dated 08.07.2022. In addition the petitioner's failure to submit Information Utility was also highlighted.

22. Respondent objects that the petitioner has relied on invoice issued in the year 2014 and a MSME Council Award dated 05.12.2018. As per the Limitation Act the actual limitation of 3 years would end on 04.12.2021.



However due to Hon'ble Supreme Court's Suo Moto order provided for exclusion of time between 15.03.2020 to 28.02.2022. The said order has provided for 90 days period from 01.03.2022 which ended on 30.05.2022 for filing any application. Therefore the present application which was filed after said date is barred by limitation.

23. Respondent submitted that the Principal amount is only Rs.70,09,269/- and interest at 24% which constituted almost 70% of the total claim. The work order did not have any agreed clause pertaining to the interest payment in case of delay or default. Therefore claim with arbitrary interest rates without mutual acceptance or agreement is invalid in law and fall below the threshold limit.

24. Respondent objected that the petitioner is not a Registered Partnership firm and therefore debarred from filing any third party suits on any other partnership firm or company as per Section 69(2) of the Indian Partnership Act, 1932. Thus respondent cannot maintain this petition.

25. Respondent further submitted that it is the Subsidiary of *M/s. GVR Infra Projects Limited* and said Holding entity was admitted to the CIRP vide order dated 15.10.2018 in *CP/941/IB/2018*.

26. A Resolution Plan proposed by *M/s. WL Structures Private Limited and UV Asset Reconstruction Company Limited* which was approved by the Committee of Creditors (CoC) of the M/s. GVR Infra Projects Limited on 27.11.2019 and by the Adjudicating Authority i.e. this Tribunal on 20.07.2020. Respondent submitted that by virtue of approval of the said plan and reference made to Para 41 of it, all claims and liabilities of the M/s. GVR Infra



Projects Limited, its Subsidiaries, Associates and Joint ventures were extinguished in complete. Further stated that, as on date of filing the reply the said plan has been completely implemented and obligations under the plan has been satisfied. The said approval of the Plan was not challenged so far and had attained finality. Reliance is placed on Hon'ble NCLAT decision in "*JSW Steel Limited V. Ashok Kumar Gulla & Others (Company Appeal [AT] Insolvency No. 467 of 2019)*" in relation to the continuance of right over the Subsidiaries, Associate Companies and Joint Ventures.

27. Further Respondent has also relied on decision of the Hon'ble Supreme Court in '*Ghanashyam Mishra and Sons Private Limited V. Edelweiss Asset Reconstruction Company Limited ([2021] 13 S.C.R. 737)*' where it is held that once the Resolution Plan is approved by the Adjudicatory Authority all such claims which are not part of the Resolution Plan at the time of Approval shall stand extinguished.

28. Based on above grounds, respondent counsel objected the present petition and prayed for dismissal.

Rejoinder Submissions:

29. The Petitioner submitted his Rejoinder dated 18.09.2023 and made his counter submissions to the Respondents reply.

30. Petitioner submitted that respondent's objections are baseless and he has filed the Affidavit verifying the petition at *Page 10 - 11 of the Petition*. Further the time period between the Issuance of Section 8 notice and filing of application is because of difficulty in serving the notice to the respondents.



31. Petitioner stated that requirement as to the Information Utility did not arise as the petition was filed well before the NCLT circular dated 03.04.2023 which mandated for submission of NeSL certificate as per Regulations 20(1A) of IBBI (Information Utilities) Regulations, 2017. In addition petitioner has also submitted the NeSL Certificate (Information Utility) along with the *Rejoinder at Page 8 - 9.*

32. Petitioner submitted that respondent's allegation regarding the unregistered status of the petitioner is baseless and submitted the certificate of registration at *Page 7 of the rejoinder.* Further submitted that Sec 69 of the Indian Partnership Act, 1932 applies only to the suits and not to the proceedings before the NCLT.

33. Petitioner submitted that Resolution Plan has to be in accordance with Sec 30(2) of the Code. Any provisions of plan beyond the scope of the law cannot be implemented and prayed the company petition to be allowed.

34. Heard the submissions made by the Learned Counsel for the both the parties and perused the records carefully.

Findings of this Tribunal:

35. From the submissions and Arguments made by the counsels for both the parties and the circumstances in the present case, the following issues arise for consideration:

- (i) *Whether the petition is barred by limitation?*
- (ii) *Whether the petition lacks the required threshold amount required under the IBC, 2016?*



- (iii) *Whether the claims and liabilities of the Subsidiary Company get extinguish by virtue of approval and complete implementation of a Resolution Plan of the Holding Company?*

Issue (i)

36. The petitioner has filed the present petition based on the MSME Council Award dated 05.12.2018 which is submitted as date of default. The right to sue accrues and limitation starts ticking on the same date. From the catena of judgements, the time limit prescribed to file Section 9 petition is 3 years from the date of default. The respondent's contention also revolves around the issue of limitation only from 05.12.2018 which is not disputed and thereby acknowledging the date of default as 05.12.2018. The actual time limitation for filing the present petition is till 04.12.2021. However the outbreak of Covid – 19 pandemic followed by the Hon'ble Supreme Court Orders in *Miscellaneous Application No. 21 Of 2022 In Miscellaneous Application No. 665 Of 2021 In Suo Motu Writ Petition (C) No. 3 Of 2020* has provided the exclusion of time period from 15.03.2020 to 28.02.2022 on limitation perspective. The extract of the said decision is hereunder,

“.....

- (i) *The order dated 23.03.2020 is restored and in continuation of the subsequent orders dated 08.03.2021, 27.04.2021 and 23.09.2021, it is directed that the period from 15.03.2020 till 28.02.2022 shall stand excluded for the purposes of limitation as may be prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings.*
- (ii) *Consequently, the balance period of limitation remaining as on 03.10.2021, if any, shall become available with effect from 01.03.2022.*



(iii) *In cases where the limitation would have expired during the period between 15.03.2020 till 28.02.2022, notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from 01.03.2022. In the event the actual balance period of limitation remaining, with effect from 01.03.2022 is greater than 90 days, that longer period shall apply.*

.....”

37. Therefore the period of limitation ends on 21.11.2023. The details of extended limitation is shown below,

From 05.12.2018 to 15.03.2020 - 1 year 3 months and 11 days

From 01.03.2022 to 14.03.2023 – 1 year and 14 days

Total – 2 years 3 months and 25 days

38. It is now clear that the petition is filed well within the time limit prescribed under the Code therefore the Issue (i) being decided in favour of the petitioner.

Issue (ii)

39. The law is well settled, that the minimum threshold amount required for initiating Insolvency Proceedings before NCLT under Section 7 to 10 of the IBC, 2016 is Rs.1 Crore. The Central Government vide S. O. 1205(E) date 24.03.2020 raised the threshold from Rs.1 Lakh to Rs.1 Crore in respect of Section 4 of the IBC, 2016.

40. The Petitioner has filed the present petition based on the MSME Council award dated 05.12.2018, which has a crystallized sum of Rs.1,81,83,203/- (includes Principal invoice balance amount, Retention amount, Work Contract Tax paid and interest upon Principal invoice balance till 23.07.2018). Further the Award in addition to said sum provides cost of



arbitral proceedings. The Demand notice dated 28.06.2022 demands the payment of Rs.3,12,10,955/- which covers the Award sum granted MSME Council, Cost of Arbitral Proceedings and Post award Interest from 24.07.2018 to 27.06.2022.

41. The contention of the respondent that the petition is not maintainable because of the fact that interest constitutes more than 70% of operational debt/ Claim. From the submission of the respondents there is no contention or dispute in respect of the sum awarded by the MSME Council. The payment demanded under Section 8 notice is also not disputed.

42. It is settled principle, award granted in Arbitration is a decree. Thus the sum granted under the award is an amount granted under a decree. Therefore the Operational Debtor becomes the Decree Holder and as per the award the principal and interest granted unites and become a sum.

43. Under such circumstances, the Award sum of Rs.1,81,83,203/- itself has satisfied the prescribed threshold limit mandated as per the Section 4 of the IBC, 2016. The MSME Council award also provides for future interest till the date of payment. So the petitioner is entitled for interest amount whatever accrues till the date of complete and final payment. Therefore the Issue (ii) is decided in favour of the petitioner.

Issue (iii)

44. The Petitioner contends that by approval of Resolution plan of M/s. GVR Infra Projects Limited which is the Holding Company of the present Respondent/ Corporate debtor all the claims/ liabilities of all the Subsidiaries, Associate and Joint Venture Companies becomes extinguished.



45. In *'JSW Steel Limited V. Ashok Kumar Gulla & Ors. (Company Appeal (AT) (Insolvency) No. 467 of 2019)'* the Hon'ble NCLAT in regards to the 'subsidiaries', 'associate companies' and 'joint ventures' of the 'Corporate Debtor' has discussed as follows,

" ...

13. As regards the 'subsidiaries', 'associate companies' and 'joint ventures' of the 'Corporate Debtor' are concerned, if any of them had any privilege or claim or assets to which they are entitled from the 'Corporate Debtor' prior to approval of the 'Resolution Plan', we hold that such right of privilege, claim or rights over the assets stand extinguished after the approval of the plan under Section 31."

...

16. However, if the 'Corporate Debtor' has any right over the 'subsidiaries' or 'associate companies' or 'joint ventures' of the 'Corporate Debtor', once the 'Successful Resolution Applicant' takes over the 'Corporate Debtor', it is for the 'Corporate Debtor' to decide whether they will continue with such right over the 'subsidiaries' or 'associate companies' or 'joint ventures' and others. For such right, the Adjudicating Authority is not required to make any such suggestion nor can lay down any condition."

46. In *'Ghanashyam Mishra and Sons Private Limited vs. Edelweiss Asset Reconstruction Company Limited ([2021] 13 S.C.R. 737)'* the Hon'ble Supreme Court has discussed about the binding effect, Clean Slate principle of the IBC as follows,

" ...



95. *In the result, we answer the questions framed by us as under:*

(i) That once a resolution plan is duly approved by the Adjudicating Authority under sub-section (1) of Section 31, the claims as provided in the resolution plan shall stand frozen and will be binding on the Corporate Debtor and its employees, members, creditors, including the Central Government, any State Government or any local authority, guarantors and other stakeholders. On the date of approval of resolution plan by the Adjudicating Authority, all such claims, which are not a part of resolution plan, shall stand extinguished and no person will be entitled to initiate or continue any proceedings in respect to a claim, which is not part of the resolution plan;

....

(iii) Consequently all the dues including the statutory dues owed to the Central Government, any State Government or any local authority, if not part of the resolution plan, shall stand extinguished and no proceedings in respect of such dues for the period prior to the date on which the Adjudicating Authority grants its approval under Section 31 could be continued.

...."

47. The issue in the present case is whether any claims/ liabilities against the Subsidiaries stand extinguish in the event of approval of Resolution Plan in respect of the Parent/ Holding entity. Therefore the Respondents averments that after approval of Resolution Plan by Adjudicatory Authority



any claims which are not part of the plan shall extinguish and reliance on above judgement has no relevance.

48. In “*BRS Ventures Investments Ltd. V. SREI Infrastructure Finance Ltd. & Anr. (2024 INSC 548)*” the Hon’ble Supreme Court held that, holding company is not the owner of the assets of its subsidiary. Further the assets of the subsidiaries cannot be included in the resolution plan of the holding company. The relevant extracts are hereunder,

“21. It is necessary to take notice of the two critical provisions of the IBC, which are Sections 18 and 36. Section 18 and Section 36 read thus:

.....

There is a mandate of clause (d) of sub-section (4) of Section 36 of the IBC that the assets of an Indian subsidiary of the corporate debtor shall not be included in the liquidation estate assets and shall not be used for the recovery in liquidation. Section 18 entrusts several duties to the IRPs concerning the corporate debtor's assets. Consistent with the provisions of Section 36(4)(d), the explanation (b) to Section 18(1) provides that the term ‘assets’ used in Section 18 shall not include the assets of any Indian subsidiary of the corporate debtor. Perhaps the reason for including these two provisions is that it is well-settled that a shareholder has no interest in the company's assets.

*This view has been taken by this Court in paragraph 10 of its decision in the case of **Bacha F. Guzdar v. Commissioner of Income Tax, Bombay (1955) 1 SCR 876**, which reads thus:*

*“10. The interest of a shareholder vis-à-vis company was explained in **Charanjit Lal Chowdhury V. Union of India [1950 SCC 833***



at p. 862]. That judgment negatives the position taken up on behalf of the appellant that a shareholder has got a right in the property of the company. It is true that the shareholders of the company have the sole determining voice in administering the affairs of the company and are entitled, as provided by the articles of association, to declare that dividends should be distributed out of the profits of the company to the shareholders but the interest of the shareholder either individually or collectively does not amount to more than a right to participate in the profits of the company. The company is a juristic person and is distinct from the shareholders. It is the company which owns the property and not the shareholders. The dividend is a share of the profits declared by the company as liable to be distributed among the shareholders." (Emphasis added)

A holding company and its subsidiary are always distinct legal entities.

The holding company would own shares of the subsidiary company. That does not make the holding company the owner of the subsidiary's assets.

*In the case of **Vodafone International Holdings BV V. Union of India & Anr ((2012) 6 SCC 613)**, this Court took the view that if a subsidiary company is wound up, its assets do not belong to the holding company but to the liquidator. As mentioned in the decision, the reason is that a company is a separate legal persona and the fact that the parent company owns all its share has nothing to do with its separate legal existence. Therefore, the assets of the subsidiary company of the corporate debtor cannot be part of the resolution plan of the corporate debtor."*



49. In light of above judgements, we take a view that the claims and liabilities of the Subsidiary Company will not extinguish by virtue of approval and complete implementation of a Resolution Plan of the Holding Company and thereby the Issue (iii) is also decided in favour of the petitioner.

50. From the above observations and discussion, we reasonably conclude that the present petition, as filed by the Operational Creditor, is required to be admitted under Section 9 of the IBC, 2016.

51. The Petitioner/ Operational Creditor has not proposed any Resolution Professional in Part-III of this Petition. Therefore this Tribunal hereby after verifying with IBBI Portal appoints *Mrs. Revathi Raghunathan* with *Registration Number: IBBI/IPA-001/IP-P00832/2017-2018/11417* having valid AFA till **30.06.2025** and E-mail ID: revathi@arcoca.com as the “Interim Resolution Professional”.

52. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Sections 15, 17, 18 of the Code and file the report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

53. As a consequence of the Petition being *admitted* in terms of Section 9 of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor:



- a. *The institution of suits or continuation of pending suits or proceedings against the respondent including the 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 respondent 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 respondent 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 respondent.*

Explanation:- *For the purposes of this subsection, 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 license or a similar grant or right during moratorium period;*

54. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:

- (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 the 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 arrangements 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.*

55. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:

- (4) *The order of moratorium shall have effect from the date of such order till the 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 the 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.*

56. The Operational Creditor is directed to pay a sum of **Rs.2,00,000/-** (Rupees Two Lakh only) to the Interim Resolution Professional upon the Interim Resolution Professional filing the necessary declaration form as required under the provisions of the Code to meet out the expenses to perform the functions assigned to her in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

57. Based on the above terms, **CP (IB)/ 66(CHE) /2023** stands *admitted* in terms of Section 9(5) of IBC, 2016 and the moratorium shall come into effect as of this date. A copy of the order shall be communicated to the Operational



Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named who is figuring in the list of Resolution Professionals forwarded by IBBI is also be furnished with a copy of this order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

-Sd/-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd/-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)