



**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH-II, CHANDIGARH
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)**

CP (IB) No.48/Chd/Pb/2020

**Under Section 9 of the
Insolvency and Bankruptcy
Code, 2016.**

In the matter of:

NUVOCO VISTAS CORPORATION LIMITED

(Earlier known as LAFARGE INDIA LIMITED)

Registered Office:

Equinox Business Park, Tower- 3, East Wing, 4th Floor,
Off Bandra Kurla Complex, LBS Marg,
Kurla (West), Mumbai - 400070.

CIN: U26940MH1999PLC118229

...Petitioner-Operational Creditor

Vs.

ADARSH SUPER CONSTRUCTION PRIVATE LIMITED

Registered Office:

Plot No. E-328, Phase 8-A, Industrial Area,
(Opposite New Judicial Complex), Mohali - 160071.

CIN: U45200PB2009PTC032660

...Respondent-Corporate Debtor

Judgment delivered on: 12.08.2024

**Coram: Hon'ble Mr. Harnam Singh Thakur, Member (Judicial)
Hon'ble Mr. Ashish Verma Member (Technical)**

For the Petitioner: Mr. Gaurav Bahl, Advocate

For the Respondent: Dr. Rajansh Thukral, Dr. Surekha Thukral,
Mr. Sidharth Thukral, Advocates



Per: Mr. Harnam Singh Thakur, Member (Judicial)
Mr. Ashish Verma, Member (Technical)

JUDGMENT

The present petition is filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 (for brevity '**IBC**' / '**Code**'), by **Nuvoco Vistas Corporation Limited** (for brevity '**Operational Creditor**'/ '**Petitioner**'), with a prayer to initiate the Corporate Insolvency Resolution Process (for brevity "**CIRP**") in the case of **Adarsh Super Construction Private Limited** (for brevity '**Corporate Debtor**'/ '**Respondent**').

2. The registered office of the Corporate Debtor is situated at Plot No. E-328, Phase 8-A, Industrial Area (Opposite New Judicial Complex, Mohali-160071). Hence, the territorial jurisdiction lies with this Adjudicating Authority.

FACTS OF THE CASE

3. It is submitted in the petition that the Corporate Debtor owes the Operational Creditor a debt of Rs. 19,69,616/- (Rupees Nineteen lakh sixty-nine thousand six hundred and sixteen only) along with interest at the rate of 24% p.a, which is a debt due and payable by the Corporate Debtor. The debt due and payable is an undisputed debt nor has the Corporate Debtor raised any objections regarding the amount.

4. It is stated that Nuvoco Vistas Corporation Limited (formerly Lafarge India Limited) had supplied Ready Mix Concrete (RMX) for the Corporate Debtors project site, inter-alia, at London School of Lords Block-E, Aerocity, CU (Garhuan), amongst others. The said supplies were made on the basis of purchase orders issued by the Corporate Debtor to the Operational Creditor, i.e., from September 2017 to March 2018, Nuvoco Vistas Corporation Limited supplied the goods under various invoices raised by the Corporate Debtor from time to time.



5. The payments became immediately due after 45 days from the date of invoices raised by the Operational Creditor. The debt is pending since the respective due date of each invoice.

6. It is stated that in partial discharge of their liability, the Corporate Debtor had issued Cheques no. 327734 dated 31.05.2018 for Rs.2,07,024/- (Rupees Two Lacs Seven Thousand Twenty-Four Only) and Cheque no. 327734 dated 29.09.2018 for Rs. 5,00,000/- (Rupees Five Lacs Only). It is further stated that the said Cheques when presented, were returned unpaid with the remarks "Funds Insufficient". The Operational Creditor accordingly issued a Notice under Section 138 of the Negotiable Instruments Act, 1881, dated 31st July 2018 and 9th October 2018; however, no payment was received from the Corporate debtor. The copy of the Cheques issued in partial discharge of its liability along with the return memos issued by the Bank are annexed as Annexure II with the petition. The copy of Notice Dated 31st July, 2018 is annexed as Annexure III and the Notice dated 9th October, 2018 is annexed as Annexure IV.

7. It is stated that the Operational Creditor on 26th December 2018 issued a Demand Letter under Section 8 of the Code calling upon the Corporate Debtor to make the payments within 10 days of receipt of the Notice. Demand Notice dated 26th December, 2018 is annexed as Annexure V. A copy of the postal receipt along with the delivery report and Registered Post AD card evidencing service on the Corporate Debtor are annexed as Annexure VI.

8. It is stated that the Corporate Debtor confirmed the balance by issuing a balance confirmation dated 10 September, 2018. The copy of the same is annexed as Annexure VII. The complete computation showing the working of the debt due and payable is attached as Annexure VIII.



REPLY

9. The Corporate Debtor filed its reply vide diary No. 00026/4 dated 29.11.2022, wherein it is stated by the Respondent that the demand notice was purportedly issued under Section 8 of the IBC but the same is not served by an authorized person on behalf of the applicant, which is a company incorporated under the Companies Act. The demand notice was issued on 31.07.2018 by Mr. Kamlesh Asher, claiming to be the DGM-Legal of the applicant company. A Board Resolution is passed on 17.08.2019 vide which authorization was given to the above said DGM to do certain things on behalf of the company in all the legal matters arising in the ordinary course of business and does not authorize the said DGM to file a petition u/s 9 of the Insolvency and Bankruptcy Code, 2016.

10. The present petition u/s 9 of the IBC is filed to recover money alleged to be outstanding and to use the IBC as a recovery mechanism to recover money that is already adjusted and/or paid and regarding which the notice of dispute along with documentary proof has already been provided to the applicant along with a reply to the notice dated 07.01.2019. In fact, no amount of money is payable by the Respondent to the applicant and on the contrary, an amount of Rs.7,82,497.76 is recoverable from the applicant and the details thereof are already provided to the applicant. However, deliberately, the applicant has not placed on record the reply to the notice. A copy of the reply to the alleged demand notice is attached as Annexure R-1.

11. The respondent submits that it is the settled law that the interest does not form part of the operational debt and if the amount of interest is included in the amount of demand for payment of the alleged amount of operational debt, then it shall not satisfy the requirement of statutory demand notice and even if served, the respondent is not bound to comply with the same where the amount is exaggerated.



12. The respondent submits that the definition of operational debt does not include the amount of interest thereon, as is the case in the event of default in payment of financial debt. Therefore, the operational debt and financial debt are both on different footings. Where the amount of demand is more than the alleged amount of operational debt in the statutory demand notice u/s 8 of IBC, or in the event the amount of demand is exaggerated by including interest amount, it shall not amount to a valid statutory demand notice to trigger the IBC and CIRP petition on the basis of such a bad notice is not maintainable.

13. The respondent further submits that the applicant has not placed on record any acknowledgement or admission of liability of the Respondent to support its claim regarding any such debt due. The total material supplied was defective, which caused enormous loss to the Respondent and the entire information is already shared with the applicant and is part of the reply to the alleged demand notice.

14. The Respondent is a construction company and deals in construction works and for the purpose of carrying out its construction projects, the company was purchasing pre-mix concrete from the applicant, believing the quality of the pre-mix concrete to be good and sustainable. The Respondent is a registered MSME Company and an absolutely solvent company having a turnover of over Rs.5 crores and having about 15-20 permanent employees and offering indirect employment to more than 200 workers at its various project sites. A copy of the MSME registration of the Respondent is attached as Annexure R-4.

15. The Respondent states that there is a pre-existing dispute with respect to the alleged operational debt and the Respondent gave a notice of the existence of the dispute raised with the Respondent prior to the service of the purported demand notice in the following terms:

a. Slab casted on 12.05.2017:



- i. Two samples were drawn for Compressive Strength of M-25 Grade Cube and were sent for testing to M/s S.T. Associates vide letter no. "STA/2017-18/9518 dated 12.05.2017. Copy of the letter is attached as Annexure R-1 to reply to the notice.
 - ii. The 7 days test reports were released by the laboratory in terms of the report dated 19.05.2017 and 28 days report was released on 09.06.2017. Copies of both the test reports were shared with the applicant, a copy of both the test reports are attached as Annexure R-2 to reply to the notice.
 - iii. That Company sent to applicant letters dated 30.06.2017 and 14.07.2017 regarding the strength of the material supplied, which was substantially lower and requested them to depute a technical person. Respondent also informed the applicant regarding the issuance of stop payment instructions to the bank in respect of security cheques issued to them. The copy of both the letters are collectively attached as Annexure R-3 to reply to the notice. Since the applicant did not take any action on the request sent by Company, therefore Company raised a debit note dated 17.07.2017 for an amount of Rs.4,11,749/-. A copy of the debit note is attached as Annexure R-4 to reply to the notice
- b. Similarly, the further slabs were casted on 23.06.2017, 24.06.2017, 28.09.2017 and 02.02.2018 wherein samples were drawn and sent for testing to M/s S.T. Associates. Thereafter, test reports were shared to the applicant as Annexures R-2, R-6, R-10, R-14, R-18, and R-22 to the reply to the notice. The Respondent sent letters to the applicant dated 28.07.2017, 04.08.2017, 03.08.2017, 22.08.2017, 30.11.2017,



15.12.2017, 15.03.2018 and 28.03.2018, regarding the strength of the material supplied is substantially lower and requested them to depute a technical person. The Respondent submits that it again informed them regarding issuance of stop payment instructions to the bank in respect of security cheques issued to them. The copies of the letters as well as the information regarding stop payment instructions are collectively attached as Annexure R-7, R-11, R-15, R-19, and R-23 to reply to the notice.

- c. The applicant did not take any action on the request sent by the Respondent, therefore the Respondent raised the following debit notes:
- i. Debit Note dated 08.08.2017 for Rs.3,19,198/- (Annexure R-8 to reply to the notice)
 - ii. Debit Note dated 29.08.2017 Rs 1,67,844/- (Annexure R-12 to reply to the notice)
 - iii. Three Debit Notes dated 18.12.2017 for Rs. 2,11,323/-, Rs. 31,820/- and Rs. 49,450 (Annexure R-16 to reply to the notice)
 - iv. Two Debit Notes dated 05.04.2018 for Rs. 4,78,906 and Rs. 1,45,000/- (Annexure R-20 to reply to the notice)
 - v. Debit Note dated 30.04.2018 for Rs. 2,40,369/- (Annexure R-24 to reply to the notice)

16. The Respondent submits in its reply that it has never issued any balance confirmation certificate as no amount of money was due or payable to the applicant; The alleged balance confirmation placed on record as Annexure VII is a forged document and is specifically denied by the respondent.



REJOINDER

17. It is submitted by the Operational Creditor that the corporate debtor has not only indulged in making false and frivolous statements before this Tribunal but has also indulged itself in filing false and fabricated documents and has further committed perjury and is liable to be punished under Section 60(5) of the IBC and under Section 340 of Code of Criminal Procedure for committing forgery and on affidavit making false statements and filing false and fabricated documents before this Tribunal, which can be seen from the following facts:

- a. No reply/response had been issued by the Corporate Debtor to the Notice issued under Section 8 of the Insolvency and Bankruptcy Code, which has now been filed before this Court. There is no postal receipt and or proof of delivery of the reply having been issued and sent by the Corporate Debtor to the Operational creditor.
- b. The purported seal of the Operational Creditor on the documents filed with the Reply, i.e., at pages 45, 46, 47, 51, 52, 53, 56, 57, 61, 62, 63, 64, 65, 68, 69, 70, 71, 74, 75, 76, 77, 78, 79, 80, 81, and 82 are fabricated and forged, as at the relevant point in the time the seal of the Operational Creditor clearly recorded Nuvoco Vistas Corporation Limited, Earlier known as Lafarge India Limited, which fact was obviously not known to the Corporate Debtor, and thereby the false, fabricated, and forged document has been filed before this Tribunal. The copy of the Stamp as it had been during the relevant period of time by the Operational Creditor is attached as **Annexure A-1** with the rejoinder.
- c. The documents at pages 45, 46, 47, 51, 52, 53, 56, 57, 61, 62, 63, 64, 65, 68, 69, 70, 71, 74, 75, 76, 77, 78, 79, 80, 81, and 82 has never been issued and received by the Operational Creditor and therefore filing the



same to reflect that the same is a disputed question, which clearly reflects malafide intentions on the part of the Corporate Debtor.

- d. The falsity of the document at page no. 42 as filed by the Corporate Debtor is apparent. The date of the document is 12th May, 2017 of certain St Associates who have purportedly issued alleged invoice No-028 and also refers to the GST Number as 06AAEPT5677J1Z4, However, the GST regime had not started then and it clearly reflects forgery and fabrication of the documents as done by the Corporate Debtor in connivance with the said ST Associates. It is clear that the documents have been created with the sole purpose of defeating the present proceedings. The screenshot of the GST website clearly shows that the effective date is 01.07.2017 and the copy of the same is annexed as **Annexure A-2** with the rejoinder.
- e. It is further stated that the Corporate Debtor on 16th August, 2018 issued to the Operational Creditor a letter with a demand draft, which was issued against cheque which bounced on 31.05.2017 and categorically stated that the same had bounced due to technical reasons. The copy of the said letter dated 16th August, 2018 is annexed as **Annexure A-3** with the rejoinder.

18. The Operational Creditor further submits that the falsity of the claims made by the Corporate Debtor is further reflected from the fact that on 31.01.2018, the Corporate Debtor had issued a P.O. for M20/ M25 & M7.5 grade. The same was supplied and the Corporate Debtor was charged for M20 grade concrete at "School of Lord of London" project site on 02.02.2018 & 03.02.2018. The Operational Creditor had accordingly issued the cube test to Corporate Debtor through email at mail id given in bottom of attached P.O. "contact@adarshsupercon.com" on 10.03.2018. In



this mail, the cube test report and cube test reports clearly depict Nuvoco seal (stamp) used at that period of time and from this attached report, the stamp can be verified. The copy of the same is attached as **Annexure A-4** with the rejoinder.

19. It is further submitted that regarding this particular date supply, Adarsh has mentioned on page no. 15 that slab cast on 02.02.2018 is M25 but on 02.02.2018 & 03.02.2018, Operational Creditor had supplied M20 grade as detailed above. This clearly reflects the inconsistency and malafide intent of the Corporate Debtor to mislead this Tribunal. It is further submitted that all the documents as filed are nothing but an afterthought in order to create a moonshine defense for legitimate claims of the Operational Creditor.

20. Short written submissions were filed by the petitioner vide Diary No.00026/6 dated 04.12.2023 and by the respondent corporate debtor vide diary No.00026/7 dated 24.08.2023.

ANALYSIS AND FINDINGS

21. We have heard the learned counsel for the petitioner and have perused the records.

22. The first issue for consideration is whether this application is filed within the period of limitation. The last invoice raised by the Operational creditor is dated as 13.04.2018. According to the demand notice sent by the Operational Creditor the invoices were to be payable within 45 days of it being issued. The date of default is 28.05.2018, i.e., 45 days from the date on which the last invoice was raised by the petitioner. The petition was filed on 28.11.2019. Therefore, this petition is filed within the limitation period of 3 years.

23. The next issue for consideration is whether the operational debt was disputed by the corporate debtor.



- a. It is deposed by the authorized signatory of the petitioner, Mr. S.B.B. Ali by way of an affidavit filed under Section 9(3)(b) dated 24.10.2019 that no notice was given by the Corporate Debtor relating to a dispute of the unpaid operational debt and that the Operational Creditor, has not received the notice of dispute in response to the demand notice dated 26th December, 2018 sent by the Operational Creditor to the corporate debtor under Section 8 of the Insolvency and Bankruptcy Code, 2016. Corporate Debtor has mentioned that the slab cast on 02.02.2018 is M-25 but on 02.02.2018 and 03.02.2018 the Operational Creditor supplied M-20 grade, and this reflects the inconsistency in the pleadings of corporate debtor. The defects had never been raised by the corporate debtor to the Operational Creditor either at its plant at Mohali or at its registered office. The letters stated had never been received by the Operational creditor.
- b. The Petitioner has stated that the said document, along with other communications, are fabricated and forged documents, as the invoice for the compressive strength test of cube at Annexure R-1 (page no. 42) of the reply as filed by the Corporate Debtor is a false document. The date of the document is 12th May, 2017 of certain St. Associates who have purportedly issued alleged invoice No. 028 and also refers to the GST Number as 06AAEPT5677J1Z4. However, the GST regime had not started then and it depicts forgery and fabrication of the documents by the Corporate Debtor in connivance with the said ST. Associates. Further, at the relevant point of time, the seal of the Operational Creditor clearly recorded Nuvoco Vistas Corporation Limited Earlier known as Lafarge India Limited, which fact was obviously not known to the Corporate Debtor.



- c. The Petitioner has further stated that the Corporate Debtor confirmed the balance by issuing a balance confirmation dated 10.09.2018 and annexed the same as Annexure VII to the application. There is a balance confirmation by the Corporate Debtor of Rs 19,69,616 available at page no. 40 of the petition and they have also issued cheques for payment of bills, i.e., Cheque no. 327734 dated 31.05.2018 of Rs 2,07,024/- and another dated 29.09.2018 of Rs 5,00,000/- which could not be encashed by the Operational Creditor due to insufficient funds in the account of the Corporate Debtor.
- d. Later, when Section 8 notice was issued, no reply was given by the Corporate Debtor informing about any pre-existing dispute. However, while filing the reply to petition u/s 9 filed by the Operational Creditor, they have produced some testing report saying that the quality of the concrete mix supplied by the Operational Creditor was not of good quality, whose authenticity is doubtful as the stamp and signature on the report purported to have been of the Corporate Debtor representative have been disputed by the Operational Creditor as being forged.
- e. It is evident that no reply/response had been issued by the corporate debtor to the notice issued under Section 8 of the IB code. Although, it is contended by Ld. Counsel for the respondent corporate debtor that reply to the demand notice under Section 8 of the I&B code had been issued, however, the said contention is not plausible as there is no postal receipt or proof of delivery of the reply having been issued and sent by the corporate debtor to the operational creditor. As such, it can be said that no plea of pre-existing dispute was raised by the corporate debtor before the issuance of demand notice. Now, the plea of a pre-existing dispute which is being taken



by the Corporate Debtor is only a sham and moonshine defense. Reliance can be placed upon the judgment of the Hon'ble Supreme Court in ***Mobilox Innovations Private Limited vs. Kirusa Software Private Limited [2018 (1) SCC 353]*** wherein it has been held that:

"51. It is clear, therefore, that once the operational creditor has filed an application, which is otherwise complete, the adjudicating authority must reject the application under Section 9(5)(ii)(d) if notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility. It is clear that such notice must bring to the notice of the operational creditor the "existence" of a dispute or the fact that a suit or arbitration proceeding relating to a dispute is pending between the parties. Therefore, all that the adjudicating authority is to see at this stage is whether there is a plausible contention which requires further investigation and that the "dispute" is not a patently feeble legal argument or an assertion of fact unsupported by evidence. It is important to separate the grain from the chaff and to reject a spurious defence which is mere bluster."

- f. In summary jurisdiction, we cannot examine such disputed testing reports but the moot question is, had these testing reports existed earlier, why were they not brought on record earlier by filing a reply to the Section 8 notice. Also, if the demand was disputed, why did the Corporate Debtor issue a balance confirmation letter, which is available on page 40 of the petition and why were the cheques issued for payment, which could subsequently not be encashed due to having been returned back by the bank in view of insufficient funds.

24. In the light of the discussion forgoing as well as the rival contentions and allegations, this Adjudicating Authority finds that the debt exists and default has occurred on account of the Corporate Debtor. Whatever dispute has been raised by the Corporate Debtor during reply to petition is a deliberate attempt by producing some testing documents whose authenticity is disputed.



25. It is noted that the corporate debtor has failed to pay back the aforesaid amount due as mentioned in the statutory notice till date. Thus, the conditions under Section 9 of the Code stand satisfied. It is evident from the aforesaid discussed facts that the liability of the corporate debtor is undisputed. Accordingly, the petitioner proved the debt and the default, which are above the threshold limit. In view of the satisfaction of the conditions provided for in Section 9(5)(i) of the Code, we admit the petition for initiation of the CIR Process in the case of the Corporate Debtor, **Adarsh Super Construction Private Limited** and also direct moratorium to take effect and appoint Interim Resolution Professional as below.

26. In Part III of Form No. 5, no Interim Resolution Professional (IRP) has been proposed by the petitioner. The Law Research Associate of this Tribunal has checked the credentials of Mr. Ashok Kakkar, wherein his AFA Certification is valid upto 18-01-2025 and there is nothing adverse against him. In view of the above, we appoint Mr. Ashok Kakkar, Registration No. IBBI/IPA-002/IP-N01066/2020-2021/13407, E-mail: akkakar.58@gmail.com, Mobile No. 9996909992, the Interim Resolution Professional with the following directions: -

- i. The term of appointment of Mr. Ashok Kakkar shall be in accordance
- ii. with the provisions of Section 16(5) of the Code; subject to his written consent to be filed within 7 days of this order;
- iii. In terms of Section 17 of the Code, from the date of this appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs shall vest with the Interim Resolution Professional and the officers and the managers of the Corporate Debtor shall report to the Interim Resolution Professional, who shall be enjoined to exercise all the powers as are vested with Interim Resolution Professional and strictly perform all the duties as are enjoined on the Interim Resolution Professional under Section 18



and other relevant provisions of the Code, including taking control and custody of the assets over which the Corporate Debtor has ownership rights recorded in the balance sheet of the Corporate Debtor etc. as provided in Section 18 (1) (f) of the Code. The Interim Resolution Professional is directed to prepare a complete list of inventory of assets of the Corporate Debtor;

- iv. The Interim Resolution Professional shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government and in accordance with the Code of Conduct governing his profession and as an Insolvency Professional with high standards of ethics and moral;
- v. The Interim Resolution Professional shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the Corporate Insolvency Resolution Process in terms of Section 13 (1)(b) of the Code read with Section 15 calling for the submission of claims against Corporate Debtor;
- vi. It is hereby directed that the Corporate Debtor, its Directors, personnel, and the persons associated with the management shall extend all cooperation to the Interim Resolution Professional in managing the affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor;
- vii. The Suspended Board of Directors is directed to give complete access to the Books of Accounts of the corporate debtor maintained under Section 128 of the Companies Act. In case the books are maintained in the electronic mode, the Suspended Board of Directors is to share with the Resolution Professional all the information regarding Maintaining the Backup and regarding Service Provider kept under Rule 3(5) and Rule 3(6) of the Companies Accounts Rules,



2014 respectively, as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the Service Provider and its location, and also the address of the location of the Books of Accounts maintained in the cloud. In case accounting software for maintaining the books of accounts is used by the corporate debtor, then IRP/RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs. The statutory auditor is directed to share with the Resolution Professional the audit documentation and the audit trails, which they are mandated to retain pursuant to SA-230 (Audit Documentation) prescribed by the Auditing and Assurance Standards Board ICAI. The IRP/Resolution Professional is directed to take possession of the Books of Account in physical form or the computer systems storing the electronic records at the earliest. In case of any non-cooperation by the Suspended Board of Directors or the statutory auditors, he may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/RP in implementing this order. For retrieval of relevant information from the systems of the corporate debtor, the IRP/RP may take the assistance of Digital Forensic Experts empanelled with this Bench for this purpose. The Suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the corporate debtor, particularly for government portals, for various compliances. The Interim Resolution Professional is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.

- viii. The Resolution Professional is directed to approach the Government Departments, Banks, Corporate Bodies, and other entities with the request for



information/documents available with those authorities/institutions/others pertaining to the corporate debtor which would be relevant in the CIR proceedings. The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the Resolution Professional to enable him to conduct the CIR Proceedings as per law.

- ix. The Interim Resolution Professional shall, after collation of all the claims received against the Corporate Debtor and the determination of the operational position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying the constitution of the Committee, to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene the first meeting of the Committee within seven days of filing the report of the constitution of the Committee; and
 - x. The Interim Resolution Professional is directed to send a regular progress report to this Tribunal every fortnight.
27. We declare the moratorium in terms of sub-section (1) of Section 14 of the Code, as under: -
- 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 Operational 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.

28. It is further directed that the supply of essential goods or services to the corporate debtor as may be specified, if any, shall not be terminated or suspended or interrupted during the moratorium period. The provisions of Section 14(3) shall however, not apply to such transactions as may be notified by the Central Government in consultation with any operational sector regulator and to a surety in a contract of guarantee to a corporate debtor.

29. The order of moratorium shall have effect from the date of this order till completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the corporate debtor under Section 33 as the case may be.

30. The petitioner is directed to deposit an amount of ₹1,00,000/- (Rupees One Lakh Only) with the Interim Resolution Professional to meet the immediate expenses of the CIRP within two weeks. The same shall be fully accountable by Interim Resolution Professional and shall be reimbursed by the Committee of Creditors (CoC) to the petitioner to be recovered as the CIRP cost.

31. A copy of this order be communicated to both parties. The learned counsel for the petitioner shall deliver a copy of this order to the Interim Resolution Professional



forthwith. The Registry is also directed to send a copy of this order to the Interim Resolution Professional at his email address forthwith.

32. This petition is accordingly admitted.

Sd/-
(Ashish Verma)
Member (Technical)

Sd/-
(Harnam Singh Thakur)
Member (Judicial)

August 12, 2024
Vishesh