IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI, COURT-III

C.P. (IB)– 186(ND)/2025

(Order under Section 7 of the IBC 2016, read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules, 2016)

IN THE MATTER OF:

CENTRAL BANK OF INDIA

.....Applicant/Financial Creditor

VERSUS

M/s. SJ LEASING & INVESTMENT PVT. LTD.

..... Respondent /Corporate Debtor

Order Pronounced On: 30.09.2026

CORAM:

SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)

SHRI RAVINDRA CHATURVEDI, HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Financial Creditor	**:**	Mr. Yogesh Pachauri, Adv.
For the Corporate Debtor	**:**	Mr. Manvi Jain, Ms. Preyoshi Bhattacharjee, Advs.

ORDER

PER: BACHU VENKAT BALARAM DAS, MEMBER (JUDICIAL)

1. This Application has been filed by**,** Central Bank of India, the Applicant/Financial Creditor before this Adjudicating Authority under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC" or "Code") r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority)

Rules, 2016, ("Adjudicating Authority Rules"), for initiating the Corporate Insolvency Resolution Process ("CIRP"), against M/s S J Leasing & Investment Pvt. Ltd. the Respondent/Corporate Debtor on the ground that the Corporate Debtor has defaulted/failed to clear the outstanding dues of Rs. 312,89,56,823/- due as on 04.01.2025 (Rupees Three Hundred Twelve Crores Eighty Nine Lacs Fifty Six Thousand Eight Hundred Twenty Three only).

2. Submissions of the Applicant/Financial Creditor:

i. It is submitted that the Financial Creditor had granted the working capital Facilities for financial assistance in the year 2011 to the extent of Rs.250 Crore under consortium arrangement to M/s C&C Constructions Limited (a Public Limited Company) vide Sanction letter dated 15.12.2011 wherein the Corporate Debtor herein (M/s SJ Leasing & Investment Pvt. Ltd.) became the Corporate Guarantor to secure the above credit facilities granted to M/s C&C Constructions Limited. Accordingly the loan and security documents were executed.

ii. It is submitted that the above mentioned loan facility were secured by First Pari Passu Charge with other Working Capital Lenders and 2nd Pari Pasu Charge over fixed assets excluding specific fixed Assets created out of loans availed under Hire Purchase Agreement and First Pari Pasu Charge with other WC Consortium members over pledge of 10°/o share held by promoters and Corporate Guarantees including the Corporate Guarantees of Corporate Debtors.

iii. It is submitted that at the request of principal borrower (M/s C&C Constructions Limited), the facilities were reviewed and CDR restructuring Package was approved. Accordingly, SBICAP Trustee Company Ltd. was appointed as a security Trustee on behalf of the members of CDR to secure the facilities granted to the Principal Borrower. To secure the above credit limit of Rs.250 Crores, a Security Trustee Agreement dated 30.03.2013 was also executed amongst the Principal Borrower- M/s C&C Constructions Limited, State Bank of India as the Monitoring Institution and The CDR Lenders including the Central Bank of India, the Financial Creditor herein and SBICAP Trustee Company Limited as the Security Trustee.

iv. It is submitted that the CDR restructuring Package was approved by the Financial Creditor vide Sanction letter dated 01.04.2013 and the credit limits were reduced to Rs.124 Crores. In the said sanction letter, it is informed to the Borrower for Approval of CDR Package wherein the name of the Corporate Debtor mentioned in the Collateral Security as a Corporate Guarantor.

v. It is submitted that in lieu of the above, the following security documents were executed by the Corporate Debtor on 29.04.2013:-

(a) Deed of Guarantee by M/s S J Leasing & Investment Pvt. Ltd.

(b) Agreement for Pledge of Share

(c) Share Pledge Power of Attorney

vi. It is submitted that at the request of Principal Borrowers and Guarantors including the aforesaid Corporate Debtor, the Credit Limits were renewed/reviewed on 20.09.2014 and the borrower along with others executed loan and security documents. Apart from other securities, all the lenders have a first pari pasu charge on the following :

(a) Entire unencumbered shares in the company held by promoters and promoter group.

(b) Personal Guarantee of all Promoter Directors & Corporate Guarantee of Promoter companies i.e. M/s S J Leasing & Investment Pvt. Ltd. (Corporate Debtor) and Bags Registry Services Pvt. Ltd. in favour of CDR Lender and those non CDR Lenders who agree for restructuring on the same terms & conditions as contained in the Restructuring Scheme

vii. It is submitted that due to non-compliance of the terms and conditions of the Sanction Letter dated 20.09.2014 and CDR Package, the Loan account of the Principal Borrower M/s C&C Constructions Limited (a Public Limited Company) Classified as NPA on 30.09.2014 with retrospective effect due to noncompliance of the terms and condition of restructuring.

viii. It is submitted that the Principal Borrower along with the Guarantors including the aforesaid Corporate Debtor acknowledged the liability of Rs.117,29,63,826.60P/- as on 01.09.2014 by executing the Balance Confirmation letter dated 16.02.2016.

ix. It is submitted that the Financial Creditor issued notice dated 18.11.2020 under section 13(2) of the SARFAESI Act 2002 to the Principal Borrowers,

Guarantors including the above Corporate Debtor (M/s. SJ Leasing & Investment Pvt. Ltd.) demanding amount of Rs. 209,72,10,246.97/-

x. It is submitted that the Principal Borrower failed to pay the debts of the Financial Creditors for Rs.312,89,56,823/- due as on 04.01.2025.

3. **Submissions of the Respondent/Corporate Debtor:**

i. At the outset the Respondent has raised an objection that the present Petition is liable to be dismissed, as it is an attempt to defeat the very purpose of the Code, which is not to facilitate recovery proceedings. The Respondent has raised the following objections:

A. No default is attributable to the Respondent in its independent capacity as the guarantee has not been invoked.

a) The Applicant claims that an amount of ₹312,89,56,823/- (Rupees Three Hundred Twelve Crore Eighty-Nine Lakh Fifty-Six Thousand Eight Hundred Twenty-Three Only) remains allegedly outstanding as on 04.01.2025. However, it fails to disclose any act of default attributable to the Respondent or to establish whether the guarantee in question was invoked in accordance with the terms of the underlying loan covenants. No computation has been provided to date to explain as to how the alleged liability of the Respondent has arisen or become enforceable.

b) In the absence of any direct, crystallised and legally enforceable liability against the Respondent, the present Petition is not maintainable under Section 7 of the Code.

B. Petition is an attempt of double recovery and abuse of the insolvency framework

a) Present Petition reflects a clear misuse of the IBC framework to effect double recovery. The Applicant has already exercised its rights against the Principal Borrower, including enforcing security under the SARFAESI Act, and participating in the CIRP and liquidation proceedings of the Principal Borrower.

b) It is submitted that in the case of Moneywise Financial Services Pvt Ltd. v. Arunava Sikdar, Company Appeal (AT) (Insolvency) No. 310 of 2024, Hon'ble NCLAT has observed that a financial

creditor cannot pursue an identical claim against the guarantor without disclosure and adequate deductions of recoveries made from the principal borrower's liquidation or enforcement. The relevant part of the said judgment is reproduced below:

"60. We find that the Appellant had already submitted and secured admission of the ₹14.59 crore claim in the CIRP of IHCPL on 07.09.2019. This fact is not denied. A year later, on 20.10.2020, the Appellant filed the same claim in the CIRP of Dream Procon without disclosing that the earlier claim had been admitted. There was no mechanism proposed for adjusting or reconciling the claims in both CIRPs. The Appellant merely filed the same claim amount twice in two proceedings for the same underlying loan transaction. This, in our view, amounts to impermissible duplication and is contrary to the equitable distribution principle underlying the IBC. We are guided here by the decision of this Appellate tribunal in Piramal Capital v. Hydric Infrastructure Pvt. Ltd.,(supra), wherein it was held that a financial creditor cannot be allowed to enforce the same claim in multiple CIRPs without proper adjustment or coordination. The Report of the Insolvency Law Committee (2020) also clarifies that simultaneous claims are permitted only to the extent that double recovery is avoided. In the present case, the Appellant made no effort to safeguard against such eventuality.

61. We also note that permitting such a duplicated claim would seriously prejudice other stakeholders in Dream Procon's CIRP, including over 500 homebuyers. It would also compromise the discipline and finality of the claims process. The IBC is not a forum for speculative assertion of parallel claims, and its procedural safeguards must be respected by all creditors The Appellant, being a established financial entity, cannot claim ignorance of this obligation."

C. Procedural defect: failure to serve notice on the Respondent

a) The Respondent was not served with any copy of the present Petition prior to its filing, in violation of Rule 4(3) of the Insolvency

and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. This requirement is not a mere formality; it ensures that a corporate debtor is afforded an opportunity to respond to serious allegations before being subjected to the rigours of the insolvency process.

D. Failure to file information utility record vitiates the petition

a. The instant Petition is not supported by any record of default from an Information Utility (IU) as required under Section 7(3) (a) of the Code.

E. Petition barred by delay, waiver, and suppression of material facts

a) The corporate guarantee was executed by the Respondent in 2013. The Principal Borrower was declared an NPA in 2014. Despite having full knowledge of this default, the Applicant took no steps to either invoke the guarantee or notify the Respondent for over a decade. The present Petition, is filed belatedly in 2025.

b) Petition suffers from suppression of material facts. There is no adjustment of the recoveries already made by the Applicant through enforcement of securities and the liquidation of the Principal Borrower. This omission is an attempt by the Applicant to mislead this Adjudicating Authority regarding the actual quantum of default, if any, that may remain attributable to the Respondent.

4. Analysis and Findings

i. We have heard the submissions made by Ld. Counsels appearing on behalf of both the parties and perused the records.

ii. The Applicant has raised an objection that the present Application is barred by limitation and guarantee has not been invoked against the Corporate Guarantor therefore we deem it appropriate to address these issue at the outset before proceeding with the merits of the case.

iii. It is a matter of record that a the Financial Creditor issued notice dated 18.11.2020 under section 13(2) of the SARFAESI Act 2002 to the Principal

Borrower and the two Corporate Guarantors including the Corporate Debtor herein (M/s. SJ Leasing & Investment Pvt. Ltd.) demanding the payment of outstanding amounts. The relevant part of the said notice dated 18.11.2020 under section 13(2) of the SARFAESI Act 2002 is reproduced below:

" 2) We inform you that out of total amount of Rs. 191,62,41,038.97 (Rupees one ninety one crores sixty two lakhs forty one thousand and thirty eight and ninety seven paise only) due to us as on 18.11.2020, the principal debtor has defaulted in repayment of entire amount of Rs. 191,62,41,038.97 (Rupees one ninety one crores sixty two lakhs forty one thousand and thirty eight and ninety seven paise only) due to us as on 18.11.2020 (which represents the principal plus interest due on the date of this notice).

3) As the principal debtor has defaulted in repayment of its full liabilities, we have classified their/ its dues as Non-Performing Asset as on 30.09.2014 in accordance with the guidelines of the Bank/ directions or guidelines issued by the Reserve Bank of India.

4) We also inform you that inspite of our repeated demand notices and oral requests for repayment of the entire amount due to us, the principal debtor has not so far paid the same.

.....

6) ***For the reasons stated above, we hereby call upon you to discharge in full your liabilities to us within a period of 60 days from the receipt of this notice****, failing which we will be exercising the powers under section 13(4) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, against the secured assets mentioned above. The powers available to us under section 13(4) of the Act, inter-alia, includes power to (i) take possession of the secured assets of the borrower including the right to transfer by way of lease, assignment or sale for realizing the secured asset; (ii) take over the management of the business of the borrower including the right to transfer by way of lease, assignment or sale and realize the secured asset, (iii) appoint any person as Manager to manage the secured assets the possession of which has been taken over by us (secured creditor) and any transfer of secured asset by us shall vest in the transferee all rights in, or in relation to, the secured asset transferred as*

if the transfer has been made by you, (iv) To require at any time by notice in writing, any person who has acquired any of the secured assets from you and from whom any money is due or may become due to you, to pay to us (secured creditor), so much of the money as is sufficient to pay the secured debt."

iv. Thus, a bare reading of the issued notice dated 18.11.2020 under section 13(2) of the SARFAESI Act 2002 makes it clear that, the Corporate Debtor was called upon by the Financial Creditor to fully discharge his liabilities. It is a settled law that a demand notice issued under Section 13(2) SARFAESI Act can constitute a valid invocation of guarantee if it is addressed to the Guarantor and demands the payment of outstanding amount. Hon'ble NCLAT in the case **Ujwal Gupta v. Union Bank of India and Anr. CA (AT)(Ins) No.2001 of 2024,** order dated 07.01.2026 held that a **demand notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (**SARFAESI**) Act, can be treated as a valid invocation of guarantee**. Relevant paragraphs of the said judgment are reproduced below:

In CA (AT) (Ins) Nos. 1702 of 2024, 1711 of 2024, 1712 of 2024, Mavjibhai Nagarbhai Patel vs. State Bank of India and Anr., Jayantibhai Nagarbhai Patel vs. State Bank of India and Anr., Narayanbhai N. Patel vs. State Bank of India and Anr. in paragraph nos. 16,17,18,20 this appellate tribunal opined are as under:

"16. The liability of the guarantor has to be read from the Deed of Guarantee. Further, the terms of the Deed of Guarantee are extremely material as the invocation of the guarantee was to be purely in accordance with the terms of guarantee. Having looked at the relevant clauses of the Deed of Guarantee in the preceding paragraph, we are of the considered view that the Deed of Guarantee entered between the Respondent No.1 Bank and Personal Guarantor is an independent, distinct and a special contract which has to be construed on its own terms. It is clear from the reading of the clauses in the Deed of Guarantee that guarantee was given by the Personal Guarantor in unequivocal terms and the guarantee amount Company Appeal (AT) (Ins) No. 2001 of 2024 9 of20 was to be paid by the guarantor once the guarantee was invoked.

17. When we look at the specific Clauses of the Deed of Guarantee, it clearly states that the guarantee was in the nature of a continuing

guarantee. The Guarantor had agreed that any admission on acknowledgement in writing signed by the Borrower shall also be binding on the Guarantor. Further, the Guarantor had agreed that the amount due under or in respect of the credit facilities to be payable to the creditor bank will be payable by the guarantor on a notice requiring payment of the amount.

18. In the present case, after the Corporate Debtor was admitted into CIRP on 21.01.2020 and the Personal Guarantee was invoked by the Respondent No.1 Bank through Demand Notice dated 04.06.2021 under Section 13(2) of the SARFAESI Act which called upon both the Borrowers and the Guarantors to make payment of the amount of Rs 32.60 Cr. as on 30.04.2021 within 60 days. The Section 13(2) Notice which was sent to the Corporate Debtor was also forwarded to the Guarantor with the specific demand to make payment of the amount mentioned in the notice in terms of the guarantee. This Section 13(2) Notice was indisputably also sent to the Personal Guarantors separately and independently. When we see the Section 13(2) notice under SARFAESI Act as placed at pages 549 to 551 of Appeal Paper Book ("APB" in short) we find that there is clear indication of the names of all the Personal Guarantors therein which includes the present Appellant (and also the other two Appellants whose appeals are also under consideration before us).

Para 11 of the Section 13(2) SARFAESI addressed to the Corporate Debtor notice which was also forwarded to the personal guarantors including the Appellant is relevant to be noticed which is as extracted below:

"11. Further we are also forwarding the copy of this notice to personal guarantor who are liable to pay the aforesaid outstanding amount. This notice is without prejudice to the Bank's right to initiate such other actions or legal proceedings as it deems necessary under any other applicable provisions of Law. This notice is in supersession of our earlier notices sent to you vide our letter no. SAMB/GRJ/2018-19/2002 dated 16.02.2019 which stands withdrawn.
Copy forwarded to:
You are requested to make the payment of the amount mentioned in the notice in terms of the guarantees executed by you."

20. Since the guarantee deed specifically mentioned that the guarantee was in the nature of an on-demand guarantee, the default was to arise on the part of the Guarantor only when the Demand Notice was issued as contemplated in the Deed of Guarantee. Thus, the period of limitation of the Personal Guarantor was to commence once the demand was made on the Guarantor by the Respondent No.1 Bank. Hence, the Notice dated 04.06.2021 issued by the Respondent No.1 Bank to the Personal Guarantor has to be treated to be Notice on Demand as contemplated in the Deed of Guarantee. The Rule 7(1) Notice dated 28.06.2021 had therefore rightly recorded that the debt was due on 04.06.2021 being the date of Demand Notice under Section 13(2) of the SARFAESI Act and that the date of default occurred on 04.08.2021 on the expiry of 60 days from 04.06.2021".

v. Therefore, in view of the law laid down by the Hon'ble NCLAT in **Ujjwal Gupta (supra)** it is clear that in the present case that notice dated 18.11.2020 issued **by the Financial Creditor** under section 13(2) of the SARFAESI Act 2002 **calling upon** the Corporate Debtor **to fully discharge his liabilities amount to invocation of guarantee.**

vi. Further, **Article 137 of the Limitation Act, 1963** stipulates a **three-year period** to file Section 7 applications under the IBC, calculated from the time of the right to apply. The notice under 13(2) of the SARFAESI Act 2002 was issued on 18.11.2020 which provided a period of 60 days to pay the amount in default. Thus, the limitation period to file Section 7 Application starts from 60 days after the notice under 13(2) of the SARFAESI Act 2002 dated 18.11.2020, i.e., 17.01.2021. The section 7 Application ought to have been filed before 17.01.2024 i.e., three years from 17.01.2021. The present Application was filed on 15.02.2025.

vii. The financial Creditor in its affidavit dated 08.08.2025 with respect to the issue of limitation has stated that:

"6. That the petitioner bank has filed the instant petition U/s. 7 of IBC on 15.02.2025 and the same is filed within the period of limitation after exclusion of the period of 1 year 11 months and 9 days i.e., from 15.03.2020 to 01.03.2022, in accordance with the directions of the Hon'ble Supreme

Court in Re: Cognizance for Extension of Limitation [Suo Moto Writ Petition (Civil) No.3 of 2020]."

viii. In wake of the aforesaid it is necessary to refer to the judgement of Hon'ble Supreme Court In Re: Cognizance for Extension of Limitation, judgement dated 10.01.2022[1], [Miscellaneous Application No. 665 OF 2021 in Suo Moto Writ Petition (Civil) No.3 of 2020 the relevant part of the said judgement reads as under:

> *" 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."*

ix. Therefore in view of the directions passed by the Hon'ble Supreme Court In Re: Cognizance for Extension of Limitation, Suo Moto Writ Petition (Civil) No.3 of 2020, the period from 15.03.2020 till 28.02.2022 stands excluded from computing the period of limitation.

x. The Financial Creditor has also placed on record the audited balance sheets of the Principal Borrower for the financial years 2017-18, 2019-20, 2022-23 and 2023-24, wherein the liability of the Corporate Debtor as Guarantor stands duly acknowledged inasmuch as the guarantee extended by it on behalf of the Principal Borrower. Section 18 of the Limitation Act, 1963, deals with the effect of acknowledgement in writing, which reads thus:

[1] https://cdnbbsr.s3waas.gov.in/s3ec01748d6b6ed8e13f857ceaa6cfbdca/uploads/2023/09/2023090851.pdf

18. Effect of acknowledgment in writing.—

(1) Where, ***before the expiration of the prescribed period*** *for a suit of application in respect of any property or right,* ***an acknowledgment of liability*** *in respect of such property or right has been made* ***in writing signed by the party against whom such property or right is claimed, or by any person through whom he derives his title or liability, a fresh period of limitation shall be computed from the time when the acknowledgment was so signed****.***

(2) Where the writing containing the acknowledgment is undated, oral evidence may be given of the time when it was signed; but subject to the provisions of the Indian Evidence Act, 1872 (1 of 1872), oral evidence of its contents shall not be received

.Explanation.—

For the purposes of this section,—

(a) an acknowledgment may be sufficient though it omits to specify the exact nature of the property or right, or avers that the time for payment, delivery, performance or enjoyment has not yet come or is accompanied by a refusal to pay, deliver, perform or permit to enjoy, or is coupled with a claim to set-off, or is addressed to a person other than a person entitled to the property or right;

(b) the word "signed" means signed either personally or by an agent duly authorised in this behalf; and

(c) an application for the execution of a decree or order shall not be deemed to be an application in respect of any property or right.

xi. Therefore the disclosure in the books of account/balance sheet constitutes a valid acknowledgment of debt/liability within the meaning of Section 18 of the Limitation Act, 1963, which further affirms the stand taken by the Financial Creditor that the present Application is not barred by Limitation.

xii. In view of the directions passed by the Hon'ble Supreme Court In Re: Cognizance for Extension of Limitation (Supra) and the acknowledgment of liability in the Balance Sheets for the financial years 2017-18, 2019-20,

2022-23 and 2023-24, the objection of the Respondent that the present Application is barred by Limitation cannot be sustained.

xiii. The Corporate debtor has neither pleaded that amount in default has been paid nor placed any material on record to suggest that amount in debt has been paid to the Financial Creditor. The Corporate debtor has not disputed the execution of following documents :

a. Sanction letter dated 15.12.2011
b. Security trustee agreement dated 30.03.2013.
c. Sanction letter dated 01.04.2013
d. Sanction letter dated 20.09.2014
e. **Letter dated 16.02.2016 wherein the Principal Borrower and the present Corporate Debtor have acknowledged their liability** towards the Financial Creditor.
f. Deed of Guarantee by M/s S J Leasing & Investment Pvt. Ltd.
b. Agreement for Pledge of Share
c. Share Pledge Power of Attorney

xiv. Therefore, the existence of Debt and Default has been established and the requirements under Section 7 of the Code are satisfied.

xv. A mere reading of the provision under Section 7 of the IBC shows that in order to initiate CIRP under Section 7, the Applicant is required to establish that there is a financial debt and that a default has been committed in respect of that financial debt. The Code requires the adjudicating authority to only ascertain and record satisfaction in a summary adjudication regarding the occurrence of default before admitting the application.

xvi. The Hon'ble NCLAT in the matter of Noil Christuraj v. SBI, 2024 SCC OnLine NCLAT 485 (Decided on April 18, 2024) held as under:

> *"55. It is relevantly pointed out that an 'Adjudicating Authority' / 'Tribunal' is having a limited / restricted role, to determine, whether the 'Application', is 'complete' and whether, there is 'any Debt' or 'Default' Adjudicating Authority / Tribunal:*

56. An `Adjudicating Authority' / `National Company Law Tribunal', in a `Proceeding', under Section 7 of the I & B Code, 2016, is not deciding a `Money Claim' or `Suit'. For triggering the `Insolvency Resolution Process', an `Adjudicating Authority' / `Tribunal', is not to decide the `Claim' of `Interest'.

57. The `proceedings', under the I & B Code, 2016 are `summary in character'. In fact, the said proceedings, are not like `Civil Litigation', to be determined by a `Competent Court of Law'. Ofcourse, the `Corporate Debtor', is entitled to point out in a `CIRP' proceedings, before the `Adjudicating Authority' / `Tribunal', that the `Default', has not occurred. A `Debt', may not be due, if it is `not payable in Law' or `on facts'.

58. In order to maintain an 'Application', under Section 7 of the I & B Code, 2016, the Petitioner, before the 'Adjudicating Authority' / 'Tribunal', must be able to establish the 'Existence of Debt', which is due, from a 'Corporate Debtor'.

xvii. Further, the Hon'ble Supreme Court in the case of M. Suresh Kumar Reddy v. Canara Bank, (2023) 8 SCC 387 has held that once NCLT is satisfied that the default has occurred, there is hardly a discretion left with NCLT to refuse admission of the application under Section 7.

xviii. For what has been discussed hereinabove, the present Application filed under Section 7 of the code stands allowed.

5. In light of the above facts and circumstances, it is ordered as follows:

i. The Application bearing **IB-186/2025** filed by the Applicants under Section 7 of the Code read with Rule 4 of the Adjudicating Authority Rules for initiating CIRP against the Respondent is **admitted.**

ii. We also declare a moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flow from the provisions of Section 14(1)(a), (b), (c) and (d) of the Code. Thus, the following prohibitions are imposed:

(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 license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;]"

iii. It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the Corporate Debtor in terms of Section 14(3)(b) of the Code.

iv. The Applicants have proposed the name of Mr. Navneet Kumar Gupta as the Interim Resolution Professional ("IRP") having address: Unit No. 2, Block D1, Golf Link DDA, Sector 23B, Pocket 8, Dwarka, New Delhi. His Email id is navneet@minervaresolutions.com. His registration number is IBBI/IPA-001/IP-P00001/ 2016-2017/10009. The Applicants filed a copy of the Consent Issued by Mr. Navneet Kumar Gupta in Form 2,

Written Communication by proposed IRP, as per the requirement of Rule 9(l) of the Adjudicating Authority Rules along with the Certificate of Registration and Authorization for Assignment in Form B.

Accordingly, Mr. Navneet Kumar Gupta is appointed as IRP. From the records it is apparent that the Authorization for Assignment placed on record (Form B) is valid from 19.12.2023 to 18.12.2024. Therefore Mr. Navneet Kumar Gupta is directed to place on record a valid Authorization for Assignment within a period of Three weeks.

v. In pursuance of Section 13(2) of the Code, we direct the IRP, as the case may be to make a public announcement immediately with regard to the admission of this application under Section 7 of the Code. The expression immediately means within three days as clarified by Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

vi. During the CIRP period, the management of the Corporate Debtor shall vest in the IRP/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. There shall be no future opportunity given in this regard.

vii. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.

viii. The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.

ix. The Financial Creditors shall deposit a sum of Rs 2,00,000/- (Rupees Two Lakh Only) with the IRP to meet the expense to perform the functions assigned to him in accordance with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within one week

from the date of receipt of this order by the Financial Creditors. The amount however be subject to adjustment by the Committee of Creditors, as accounted for by IRP and shall be paid back to the Financial Creditors.

x. In terms of Section 7(7) of the Code, the Registry is hereby directed to communicate a copy of the order to the Financial Creditors, the Corporate Debtor, the IRP and the Registrar of Companies, NCT of Delhi and Haryana, by Speed Post and by email, at the earliest but not later than seven days from today.

xi. The Registrar of Companies shall update his website by updating the status of the Corporate Debtor and specific mention regarding admission of this petition must be notified.

xii. The Registry is further directed to send a copy of this order to the Insolvency and Bankruptcy Board of India ("IBBI") for their record.

xiii. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)

Sd/-
(BACHU VENKAT BALARAM DAS)
MEMBER (JUDICIAL)