



**IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT-V, NEW DELHI**

CP IB NO. 461/(ND)/2024

An Application under Section 9 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

IN THE MATTER OF:

M/s. TELENETIX PVT. LTD.

Through Its AR, Mr. Manoj Kumar K
Having its offices at:
Puthur Hills, Parkala
Udupi District, Karnataka – 576107, India

...Operational Creditor

Versus

M/s. KARVY DIGIKONNECT LTD.

Having its registered office at:
Flat Nos. 502 & 503, 5th Floor
Arunachal Building, 19,
Barakhamba Road, New Delhi- 110001

Corporate office at:

Karvy Gateway, Plot No. 38 & 39,
Financial District, Nanakramuda,
Ganchibowli, Hyderabad -500032

...Corporate Debtor

Order Delivered on: 24.03.2026

CORAM:

**SHRI MAHENDRA KHANDELWAL
HON'BLE MEMBER (JUDICIAL)**

**MS. ANU JAGMOHAN SINGH
HON'BLE MEMBER (TECHNICAL)**

APPEARANCES:

For the Applicant : Ms. Geetanjali Setia, Adv.

For the Respondent: Mr. Amit Aggarwal, Mr. Anant Vikarm Singh, Adv.



ORDER

1. This is a Company Petition filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 (***‘the Code’***) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by Mr. Manoj Kumar K, Authorised Representative of **M/s Telenetix Private Limited (‘Operational Creditor’)** duly authorized for initiation of Corporate Insolvency Resolution Process (**‘CIRP’**) against **M/s Karvy Digikonnnect Limited (‘Corporate Debtor’)**.
2. **M/s Telenetix Private Limited (‘Operational Creditor’)** having its office at Puthur Hills, Parkala, Udupi District, Karnataka – 576107. **M/s Karvy Digikonnnect Limited (‘Corporate Debtor’)** is a company having its registered office at Flat Nos. 502 & 503, 5th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi- 110001.
3. The present Petition has been filed by Mr. Manoj Kumar K, the Authorised Representative of the Operational Creditor’s entity, duly authorized to initiate CIRP proceedings under Section 9 of the Code. The total default amount claimed is Rs. 2,58,66,900/- (Rupees Two Crores Fifty-Eight Lakhs Sixty-Six Thousand Nine Hundred Only). The date of Arbitral Award is the date of default i.e. 28.03.2022.
4. **Submissions on behalf of the Operational Creditor.**
 - a) The Applicant/Operational Creditor is engaged in the business of providing computer programming, consultancy, and other related services and as such has been rendering services to M/S Karvy Digikonnnect Limited, (Corporate Debtor). The Corporate Debtor has been using the TX contact blended & audio recording software of the Operational Creditor on a monthly license basis in such a manner that the Operational Creditor billed the Corporate Debtor at the end of every month based on the number of Agents of the Corporate Debtor that utilized the aforesaid software



- b) It is the case of the Operational Creditor that despite availing the services, the Corporate Debtor failed to make payments for the period from October 2019 to February 2020. It is further submitted that the Corporate Debtor utilized the Input Tax Credit on the GST invoices issued by the Operational Creditor without making the corresponding payments. Owing to the continued default in payment, the Operational Creditor stopped issuing tax invoices and issued proforma invoices for the services rendered from March 2020 to December 2020. The Operational Creditor further discovered during the filing of returns for the financial year 2019–20 that although TDS had been deducted by the Corporate Debtor, the same had not been deposited with the Government, thereby depriving the Operational Creditor of the corresponding TDS benefit.
- c) In view of the persistent default, the Operational Creditor filed a reference under Section 18(1) of the MSMED Act, 2006 before the Micro and Small Enterprises Facilitation Council (MSEFC), Mysore on 16.02.2021, which was registered as Case No. 110/2020. Conciliation proceedings conducted under Section 18(2) of the MSMED Act failed to resolve the dispute, whereupon the matter was referred to Arbitration by order dated 27.12.2021 to the KCCI ADR Centre, Mangalore. Pursuant to the said reference, Prof. CA Lionel Aranha was appointed as the Sole Arbitrator. The Corporate Debtor initially appeared before the learned Arbitrator but subsequently failed to participate in the proceedings despite several opportunities.
- d) Consequently, the learned Sole Arbitrator proceeded to adjudicate the matter and passed an Arbitral Award dated 28.03.2022 in favour of the Operational Creditor, awarding a sum of Rs. 1,42,89,262/- under Section 15 of the MSMED Act along with compound interest calculated at three times the RBI bank rate under Section 16 of the MSMED Act, thereby awarding a total sum of Rs. 1,68,33,341/- under Section 17 of the MSMED Act along with arbitration costs to be shared equally by the parties. Thereafter, the MSEFC, Mysore passed a Final Order dated 30.03.2022 in Case No. 110/2020 in terms of the aforesaid Arbitral Award and further



directed that the Corporate Debtor shall be liable to pay compound interest with monthly rests at three times the RBI bank rate as per RBI guidelines till realization of the dues.

- e) It is further emphasized that the Corporate Debtor, despite being served with a copy of the Arbitral Award and having knowledge of the same, neither challenged the said Award within the statutory period of 90 days nor complied with the directions contained therein. Consequently, the Operational Creditor, being the decree-holder, was constrained to file Execution Petition (Commercial) No. 116 of 2022 dated 19.07.2022 before the learned District Judge, Patiala House Courts, New Delhi, which is stated to be pending adjudication.
- f) The Operational Creditor thereafter issued a Demand Notice dated 25.04.2024 under Section 8(1) of the Insolvency and Bankruptcy Code, 2016 in Form-3 demanding payment of the outstanding amount of Rs. 2,49,50,243.07/-, comprising the awarded amount of Rs. 1,68,33,314/-, compound interest amounting to Rs. 79,55,800.07/- calculated till 25.04.2024, along with half of the total arbitration costs. The said demand notice was duly served on the Corporate Debtor on 28.04.2024; however, the Corporate Debtor neither replied to the said notice nor made payment of the outstanding dues.
- g) It was argued on the behalf of the Operational Creditor that the reliance on Section 10A is wholly misconceived and ex facie untenable. The Default date according to the Petition is 28.03.2022, i.e. the date of finality of Arbitral Award. The suspension under Section 10A applies only to defaults occurring between 25.03.2020 and 24.03.2021. Also reiterated that it is a settled principal of law where once an Arbitral Award attains finality, the right to invoke IBC crystallizes, converting the disputed claim into legally enforceable debt. It also placed reliance on *Uttarakhan Purv Sainik Kalyan Nigam Ltd v Northern Coal Field Ltd., (2020) 2 SCC 455*, which held that a final arbitral award constitutes a conclusive determination of liability.



- h) Further, the plea of “Pre-existing dispute” is legally unsustainable. The reasons are as follows – (i) No dispute raised in response to Section 8 Demand notice by the Corporate Debtor, (ii) No challenge was filed under Section 34 of the Arbitration and Conciliation Act 1996, against the Arbitral Award, & (iii) no pending proceedings prior to issuance of Demand Notice. Also, as per Section 8(2)(a) of the Code, a dispute must exist prior to receipt of Demand Notice. The judgment of the Hon’ble Supreme Court in *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.*, (2018) 1 SCC 353, held that the dispute must be real, bona fide, and pre-existing. The Corporate Debtor has failed to satisfy this test.
- i) It was denied that the Operational Creditor has filed this present petition for initiation of CIRP against the Corporate Debtor as an afterthought. The Corporate Debtor failed to make any payment even after receiving the said Arbitral Award as well as failed to appear before the Ld. District Judge, Patiala House, New Delhi in Execution Petition (Commercial) No. 116 of 2022. That the Corporate Debtor deliberately and intentionally kept seeking adjournments in the said execution petition on one pretext or another. As such, it became apparent that Corporate Debtor is not able to pay its creditors, and its liability far exceeds its present and probate assets.
- j) It was submitted by the Operational Creditor, that the objection of non-fulfillment of Statutory Threshold is unfounded. The total debt calculated in a Tabular form on Page no. 5 of the Written Submission is Rs. 2,58,66,900. It was stated that even after excluding the proforma invoices, the debt exceeds Rs. 1 (One) Crore, which is satisfying the Section 4 of the Code.
- k) It was argued that the allegation against debt crystallization is a misstatement and contrary to settled law. This insolvency proceeding are not recovery proceedings. The Arbitral Award determined the liability. In the present case, the Award is unchallenged, hence final and binding.



- l) The Corporate Debtor's conduct demonstrate commercial insolvency. The non-payment since 2019, continued default, abandonment of Arbitration, non-challenge to the award, and silence to the statutory Demand Notice are justifiable reason to invoke insolvency. It placed reliance on *Swiss Ribbons Pvt. Ltd. v Union of India, (2019) 4 SCC 17* where it was held that Insolvency proceedings are not barred merely because recovery is incidental.

- m) It was submitted that the debt is final and adjudicated, the default is admitted and continuing, and no legally sustainable defence exists. The legal requirements for admission of the petition are fully satisfied.

5. Submissions by the Corporate Debtor.

- a) It was asserted by the Corporate Debtor that the Applicant has approached this Hon'ble Adjudicating Authority with unclean hands, and trying to mislead by concealing material information and facts. The Applicant failed to satisfy the essential ingredients which was required for admission under Section 9 of the IBC. The application is not maintainable and liable to be dismissed on the following grounds:
 - 1) Contrary to the provisions of Section 10A of the IBC.
 - 2) Pre-existing dispute between the parties.
 - 3) The statutory threshold for initiating CIRP has not been met.
 - 4) The amount alleged in the Impugned Award has not yet crystallized into a "debt" as the Applicant has not complied with the Impugned Award.
 - 5) The IBC cannot be invoked as a tool for mere debt recovery.

- b) The Section 10A of the Code was promulgated with the Primary objective of suspending insolvency proceedings under Section 7, 9 and 10 against Corporate Persons undergoing financial distress during severe economic disruption caused by the COVID-19 pandemic. The Corporate Debtor stated that the alleged default falls within the period of suspension as defined under Section 10A of the Code. It was mentioned that the applicant claimed to provide services till December 2020, and since the law explicitly prohibit the filing of insolvency petition for default occurring during this period, the



present Application is not maintainable against Respondents. The reliance was placed on the judgment of Hon'ble Supreme Court, in "*Ramesh Kymal v. Siemens Gamesa Renewable Power Pvt. Ltd.*" [(2021) 3 SCC 224] where it was categorically held that Section 10A is a complete embargo on filing an application under Sections 7 and 9 of the IBC for defaults that occurred during the specified period. Hence, the application is liable to be dismissed.

- c) The Corporate Debtor categorically suggested that several disputes existed with respect to amount claimed by the Applicant in the Arbitral Proceedings. The respondent consistently registered its objection and dispute over the claimed amount and never accepted the same as stated in Para 2.7 of the Impugned Award. The exchange of communications between the parties and persistent objections raised during the proceedings indicate that there was no consensus on claim amount. Here, existence of a bona fide dispute, directly impacts the maintainability of this Application, according to the judgment of the Hon'ble Supreme Court in *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.* [(2018) 1 SCC 353].
- d) The Respondent further submits that the Applicant has failed to meet the mandatory threshold requirement for initiating CIRP i.e. Rs. 1 Crore. It is an admitted fact by the Applicant that it has raised TAX INVOICES for period Oct 2019 to Feb 2020 amounting to Rs. 71,88,444/-. It is mentioned in the impugned Award and pleading that respondent categorically informed the Learned Arbitral Tribunal about this dispute. The respondents consistently objected the proforma invoices, which were not converted into tax invoices. Hence could not be relied upon for computation of outstanding amount.
- e) It was submitted that for initiation of CIRP under Section 9, the existence of a 'debt' and 'default' is sine qua non. The Arbitral Tribunal explicitly acknowledged that a portion of the awarded amount would only become payable upon the conversion of the PROFORMA INVOICES into TAX INVOICES. Despite the directions, the Applicant failed to adhere mandatory



conversion of PROFORMA INVOICES into TAX INVOICES. The Applicant's failure to fulfill this essential obligation, the alleged amount being claimed by the Applicant cannot, be classified as a 'debt' within the meaning of Section 3(11) of the IBC. In the absence of a legally recognized 'debt', the purported non-payment by the Respondent cannot, under any circumstances, be construed as a 'default' within the meaning of Section 3(12) of IBC.

- f) In this case, the amount claimed by the Applicant arises from an Arbitral Award, which has not attained finality. Reliance was placed on, *K. Kishan v. Vijay Nirman Company Pvt. Ltd. [(2018) 17 SCC 662]* where the Hon'ble Supreme Court held that an Arbitral Award does not automatically render a debt as undisputed for the purposes of IBC unless it has attained finality. Therefore, it is a settled law that an Arbitral Award does not automatically become a 'debt' under the IBC unless it is conclusively determined and enforced in accordance with the law. The existence of a 'debt' and 'default', cannot be established until the Award is conclusively determined and enforced in accordance with applicable legal provisions.
- g) That the Applicant is improperly invoking the provisions of the IBC as a coercive tool for alleged debt recovery, which is entirely contrary to the legislative intent behind the IBC. That the present case is purely a recovery dispute, the appropriate legal remedy available to the Applicant lies in execution proceedings rather than in insolvency proceedings under the IBC. That when an alternative legal remedy exists for enforcing a debt, insolvency proceedings cannot be used as a substitute. Hence, the Application is not maintainable and is liable to be dismissed.

ANALYSIS

6. We have heard the Learned Counsels for the Operational Creditor, and further perused the averments made in the petition, reply filed by the Corporate Debtor, rejoinder filed by the Operational Creditor and written submissions filed by the Operational Creditor. Since the registered office of the respondent Corporate Debtor is in Delhi, this Tribunal is having



territorial jurisdiction as the Adjudicating Authority in relation to prayer for initiation of Corporate Insolvency Resolution Process (CIRP) under Section 9 of The Insolvency and Bankruptcy Code, 2016, against the Corporate Debtor. The present petition meets the pecuniary threshold limit of Rs. 1 Crore, as required under Section 4 of the Code.

7. Supreme Court in the case of **Mobilox Innovations Private Limited v. Kirusa Software Private Limited, (2018) 1 SCC 353** has laid down that in order to initiate CIRP proceedings under Section 9 of the Code, the Adjudicating Authority has to determine:

- a) Whether there is an 'Operational Debt' exceeding Rs. 1 Lakh (1 Crore, in case the petition is filed after 24.03.2020) as defined under Section 4 of the IBC?
- b) Whether the documentary evidence furnished with the application shows that the aforesaid debt is due and payable and has not yet been paid?
- c) Whether there is existence of a dispute between the parties or the record of the pendency of a suit or arbitration proceeding filed before the receipt of the demand notice if the unpaid operational debt in relation to such dispute?

Supreme Court has further stated that if any one of the aforesaid conditions is lacking, the application would have to be rejected.

8. The term 'debt', 'operational debt' and 'corporate debtor' are defined in Section 3(11), 5(21) and 3(8) of the Code. These definitions are reproduced here:

“3(11) ‘debt’ means a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt.”

5(21) “operational debt” means a claim in respect of the provision of goods or services including employment or a debt in respect of the payment of dues arising under any law for the time being in force and payable to the Central Government, any State Government or any local authority”.



3(8) “corporate debtor” means a corporate person who owes a debt to any person”.

9. In the light of pleadings, oral and written submissions of both the sides, following issues arise for consideration:

- (i) Whether the alleged date of default lies within the period of suspension as defined under Section 10A of the IBC, 2016?
- (ii) Whether there is any ‘pre-existing dispute’ between the Operational Creditor and Corporate Debtor?
- (iii) Whether the statutory threshold has been met by this petition for initiation of CIRP?

Issue (I): Whether the alleged date of default lies within the period of suspension as defined under Section 10A of the IBC, 2016?

10. It is observed that the Government of India, in view of the economic disruption caused by the Covid-19 pandemic, inserted Section 10A into the Insolvency and Bankruptcy Code, 2016, suspending initiation of CIRP under Sections 7, 9 and 10 of the Code for defaults occurring between 25.03.2020 and 24.03.2021. In the present case, the Operational Creditor invoked the statutory remedy available under Section 18(1) of the Micro, Small and Medium Enterprises Development Act, 2006, by filing a reference before the Micro and Small Enterprises Facilitation Council (MSEFC), Mysore on 16.02.2021, seeking recovery of the principal amount along with interest for delayed payment.

11. Upon receipt of the reference, the Council initiated conciliation proceedings in terms of Section 18(2) of the MSMED Act, read with Sections 65 to 81 of the Arbitration and Conciliation Act, 1996. As the conciliation proceedings failed to result in any settlement between the parties, the dispute was referred to Arbitration under Section 18(3) of the MSMED Act, and the matter was referred to KCCI ADR Centre, Mangalore for adjudication. After considering the pleadings and evidence placed on record, the learned Sole Arbitrator passed an Arbitral Award dated 28.03.2022, awarding the principal



amount along with interest under Section 16 of the MSMED Act, including compound interest at three times the RBI Bank Rate until realization, and directing that 50% of the arbitration costs be borne by the Corporate Debtor. The said Award was affirmed by the MSEFC by its final order dated 30.03.2022.

12. It is significant to note that the Corporate Debtor did not challenge the said Award under Section 34 of the Arbitration and Conciliation Act, 1996 within the prescribed statutory period. Consequently, the Award attained finality and became binding upon the parties. Despite the Award attaining finality, the Corporate Debtor failed to discharge its liability. The Operational Creditor thereafter issued a Demand Notice dated 25.04.2024 in Form-3 under Section 8 of the Insolvency and Bankruptcy Code, 2016, which was duly served upon the Corporate Debtor. However, neither any reply raising a dispute was filed nor any payment was made within the statutory period.

13. The Respondent has contended that the underlying default pertains to December 2020 and therefore falls within the period covered under Section 10A of the Code. This contention cannot be sustained. Once the dispute between the parties was referred to Arbitration under the statutory mechanism provided in Section 18 of the MSMED Act, and an Arbitral Award was passed determining the liability of the Corporate Debtor, the nature of the claim stood crystallized into a legally enforceable adjudicated debt. We refer to the observations of Hon'ble Supreme Court in ***Dena Bank v. C. Shivakumar Reddy [2021 SCC OnLine SC 543]***:

*“130. In effect, this Court speaking through Nariman J., approved the proposition that an application under Section 7 or 9 of the IBC may be time barred, even though some other recovery proceedings might have been instituted earlier, well within the period of limitation, in respect of the same debt. However, it would have been a different matter, if the applicant had approached the Adjudicating Authority after obtaining a final order and/or decree in the recovery proceedings, if the decree remained unsatisfied. **This Court held that a decree and/or final adjudication would give rise to a fresh period of limitation for initiation of the Corporate Insolvency Resolution Process.**”*



14. The Hon'ble Supreme Court clarified that where a Creditor approaches the Adjudicating Authority after obtaining a final decree or adjudication which remains unsatisfied, such adjudication gives rise to a fresh cause of action and a fresh period of limitation for initiating proceedings under the Code. Applying the aforesaid principle to the present case, this Tribunal is of the considered view that the liability of the Corporate Debtor stood finally adjudicated by the Arbitral Award dated 28.03.2022, which remained unchallenged and therefore attained finality. It has also been upheld by the Hon'ble NCLAT that once the limitation period prescribed for challenging an Arbitral Award expires, the Award attains finality and becomes binding upon the parties. In this regard, reference may be made to the judgment in ***M/s. Annapurna Infrastructure Pvt. Ltd. & Anr. v. M/s. SORIL Infra Resources Ltd., Company Appeal (AT) (Insolvency) No. 32 of 2017***, wherein it was held as follows:

*Para 26. Under Sec. 36 of the Arbitration Act, an arbitral award is executable as decree but it can be enforced only after the time for filing the application under Sec 34 has expired and no application is made or such application having been made has been rejected. **That means, the arbitral award reaches finality after expiry of enforceable time under Sec. 34 and/or if application under Section 34 filed and rejected.***

15. Consequently, the date of default for the purposes of the present petition is 28.03.2022, being the date on which the adjudicated debt became due and payable but remained unpaid. Since the said date falls outside the suspension period prescribed under Section 10A of the Code, the bar contained therein is not attracted in the present case.

Issue (II): Whether there is any 'pre-existing dispute' between the Operational Creditor and Corporate Debtor?

16. The contention regarding the existence of a pre-existing dispute requires consideration in light of Section 8(2)(a) of the Insolvency and Bankruptcy Code, 2016, which provides that a Corporate Debtor, within ten days of receipt of the



demand notice, may bring to the notice of the Operational Creditor “*existence of a dispute [if any, or] record of pendency of the suit or arbitration proceedings filed before the receipt of such notice or invoice in relation to such dispute*”. The expression “existence of dispute” has been consistently interpreted to mean a genuine dispute which was raised prior to the issuance of the demand notice or which is evidenced by the pendency of proceedings before a competent court or Arbitral Tribunal.

17. It is observed that the learned Sole Arbitrator, after considering the pleadings, objections and disputes raised by both the Operational Creditor and the Corporate Debtor, passed an Arbitral Award in favour of the Operational Creditor. The contention of the Corporate Debtor that it never accepted the amount determined during the arbitration proceedings is devoid of merit, in as much as any grievance with respect to the findings or quantification of liability ought to have been raised by way of a challenge to the Arbitral Award before the competent court within the time prescribed under the statute. Consequently, the Award has attained finality and is binding upon the parties.

18. It is a settled principle of law that once an Arbitral Award attains finality, the same becomes enforceable under Section 36 of the Arbitration and Conciliation Act, 1996 and is to be executed in the same manner as a decree of a Civil Court in accordance with the provisions of the Code of Civil Procedure, 1908, thereby giving rise to a legally enforceable and crystallized liability against the Corporate Debtor. The Hon’ble Supreme Court in the case of ***Cheran Properties Ltd. v. Kasturi & Sons Ltd. (2018) 16 SCC 413***, held as below:-

*“29. In the present case, the arbitral award required the shares to be transmitted to the claimants. **The arbitral award attained finality. The award could be enforced in accordance with the provisions of the Code of Civil Procedure, in the same manner as if it were a decree of the Court.** The award postulates a transmission of shares to the claimant. The directions contained in the award can be enforced only by moving the Tribunal for rectification in the manner contemplated by law.”*



19. In the present case, it is an admitted position that the dispute between the parties had already been adjudicated through Arbitration culminating in a final Arbitral Award dated 28.03.2022 in favour of the Operational Creditor. Once the Arbitral Award attains finality, no dispute survives in law. Further, it is also observed that upon receipt of the demand notice issued under Section 8 of the Code, the Corporate Debtor neither replied to the notice nor raised any dispute regarding the operational debt within the statutory period. In such circumstances, the plea of a pre-existing dispute cannot be sustained.

Issue (III): Whether the statutory threshold has been met by this petition for initiation of CIRP?

20. It is observed that the Operational Creditor has claimed a total unpaid operational debt of Rs. 2,49,50,243.07/-, comprising principal amount of Rs. 1,68,33,314/-, interest of Rs. 79,55,800.07/-, and arbitration cost of Rs. 1,61,129/-, as determined under the Arbitral Award dated 28.03.2022. Even excluding the interest component and arbitration costs, the principal amount awarded itself is Rs. 1,68,33,314/-, which is well above the statutory threshold of Rs. 1 Crore prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016 for initiation of CIRP.

21. The Corporate Debtor has contended that a sum of Rs. 58,53,980/- forming part of the claim relates to certain Proforma invoices which allegedly did not crystallize into tax invoices. However, even if the said contention is considered for the sake of argument, and the aforesaid amount is excluded from the principal sum awarded, the remaining amount would still be Rs. 1,09,79,724/-, which continues to remain above the statutory threshold of Rs. 1 Crore. Accordingly, this Tribunal is satisfied that the minimum threshold requirement under the Code stands duly fulfilled.

22. In view of the above facts and circumstances, we are satisfied that the present petition filed by the Operational Creditor fulfils the criteria laid down under the provisions of the Insolvency and Bankruptcy, Code. The Petition



establishes that the Corporate Debtor is in default of a debt due and payable and that the default is more than the minimum amount stipulated under Section 4 (1) of the Code, stipulated at the relevant point of time. It is also observed that no pre-existing dispute subsists between the parties, in as much as the liability of the Corporate Debtor stands finally adjudicated and crystallised by the Arbitral Award. In the light of the above facts and circumstances, it is, hereby ordered as follows: -

- a) The application bearing **CP (IB) No. 461/ND/2024** filed by, **M/s Telenetix Private Limited**, the Operational Creditor, under Section 9 of the Code read with rule 6 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP against **M/s Karvy Digikonnnect Limited**, the Corporate Debtor, is **admitted**.
- b) The Applicant has not proposed the name of Interim Resolution Professional of the Corporate Debtor in Part-III of the application. Therefore, this adjudicating Authority, from the Panel of IPs as provided by IBBI, hereby appoints Ms. Ashu Gupta, Registration Number IBBI/IPA-002/IP-N00339/2017-2018/10943 Email: ashugupta.cs@gmail.com as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the Code. The appointed Interim Resolution Professional is directed to give his written consent in Form 2 as required under rule 9(1) of the Insolvency and Bankruptcy [Application to Adjudicating Authority] Rules, 2016 along with a copy of registration certificate as well as a valid AFA within 5 days of receipt of this order.
- c) We direct the applicant to deposit a sum of Rs. 2 lakhs with the Interim Resolution Professional, namely Ms. Ashu Gupta, to meet out the expense to perform the functions assigned to him in accordance with Regulation 6 of 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 Operational Creditor. The amount, however, be subject to adjustment by the Committee of Creditors, as accounted for by Interim



Resolution Professional, and shall be paid back to the Operational Creditor.

- d) We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (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.”

(e)The IB Code 2016 also prohibits Suspension or termination of any license, permit, registration, quota, concession, clearances 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, 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, concessions, clearances or a similar grant or right during the moratorium period.”

- e) 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.
- f) The Interim Resolution Professional shall perform all his functions contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact proceedings with utmost dedication, honesty and



strictly in accordance with the provisions of the Code, Rules and Regulations. It is further made clear that all the personnel connected with the Corporate Debtor, its promoters or any other person associated with the Management of the Corporate Debtor are under legal obligation under Section 19 of the Code to extend every assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day-to-day affairs of the 'Corporate Debtor'.

- g) In case there is any violation committed by the ex-management or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this Tribunal with a prayer for passing an appropriate order. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of its obligation imposed by Section 20 of the Code and perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.
- h) A copy of the order shall be communicated to the applicant, Corporate Debtor and IRP above named, by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records. Applicant is also directed to provide a copy of the complete paper book to the IRP. A copy of this order is also sent to the ROC for updating the Master Data. ROC shall send compliance report to the Registrar, NCLT.

Sd/-

**MS. ANU JAGMOHAN SINGH
HON'BLE MEMBER (TECHNICAL)**

Sd/-

**SHRI MAHENDRA KHANDELWAL
HON'BLE MEMBER (JUDICIAL)**