



IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI, COURT-IV

CP (IB)-773(ND)/2024

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

IN THE MATTER OF:

C. P. ARORA ENGINEERS CONTRACTORS PVT. LTD.

175, MIG Flats, Prasad Nagar, New Delhi 110005

...Applicant/Operational Creditor

Versus

MILLENNIUM CITY EXPRESSWAYS PVT. LTD.

IGI Toll Plaza Building, Opp. Radisson Hotel,

Mahipalpur, New Delhi-110037

...Respondent/Corporate Debtor

Order Pronounced On: 05.08.2025

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,

HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI,

HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Applicant : Mr. Akshay Sharma, Advocate.

For the Respondent : Ms. Rashmi Suri, Advocate.

ORDER

PER: MANNI SANKARIAH SHANMUGA SUNDARAM, MEMBER (JUDICIAL)

1. This Application has been filed by C. P. Arora Engineers Contractors Pvt. Ltd., the Applicant/Operational Creditor ("OC") before this Adjudicating Authority, under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC" or "Code")

IB-773(ND)/2024

Date of Order: 05.08.2025



read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, (“Adjudicating Authority Rules”), for initiating the Corporate Insolvency Resolution Process (“CIRP”), declaring moratorium and for appointment of Interim Resolution Professional (“IRP”), against Millennium City Expressways Pvt. Ltd, the Respondent/Corporate Debtor (“CD”) on the ground that the Corporate Debtor has defaulted in remittance of an unpaid operational debt amounting to Rs.1,47,62,844.20 as principal debt plus interest @ 21% Per Annum amounting to Rs.1,37,35,494/- as on 31.10.2024 plus further interest @ 21% Per Annum as applicable till final realization of the total debt due to Operational Creditor. The default has occurred since 02.09.2022 and is continuing.

2. The Corporate Debtor herein Millennium City Expressways Pvt. Ltd, having CIN U45204DL2014PTC266306, was incorporated under the provisions of the Companies Act and having its registered office at IGI Toll Plaza Building, Opp. Radisson Hotel, Mahipalpur, New Delhi-110 037. Since the registered office of the Corporate Debtor is situated in New Delhi, this Tribunal having jurisdiction over the NCT of Delhi is the Adjudicating Authority under sub-section (1) of section 60 of the Code in relation to the prayer for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.

3. SUBMISSIONS OF THE APPLICANT/OPERATIONAL CREDITOR:

- i. The Applicant submitted that Millennium City Expressways Private Limited (MCEPL) had issued a Letter of Intent (LOI) No. MCEPL/CPA/12-20/52 dated 16.12.2020 upon the Operational Creditor for conversion of Delhi-Gurgaon Section of National Highway-8 from Km.14.3 to Km.42 into an access control 8/6 Lane Express Highway on BOT basis. The scope of work included laying of BC & DBM work on MCW and Service road at various damaged locations due to inundation because of heavy rain occurring on 19/20.08.2020 along the project highway of NH-8. It was specifically stated in the said LOI that the payment to the Operational Creditor for the work under the said LOI shall be made by Reliance General Insurance Co. Ltd. The Bills/Invoices will be submitted by the Operational Creditor along with all relevant documents in the name of Reliance General Insurance Co. Ltd. A/c MCEPL as per the letter dated 15.12.2020 issued by Reliance General Insurance Co. Ltd. in favour of the



Operational Creditor. The payment was to be released within 7 (seven) days of certification of bill from Engineer-in-charge of MCEPL.

- ii. In terms of the said LOI, the Operational Creditor completed the said work of laying of BC & DBM work on MCW and Service road at various damaged locations along the project highway of NH-8 to the complete satisfaction of MCEPL and Engineer-in-charge. In terms of the LOI and the letter dated 15.12.2020 of Reliance General Insurance Co. Ltd., the Operational Creditor raised invoices.
- iii. The Operational Creditor raised 5(five) Bills/Invoices totalling to a sum of Rs.19,35,50,851.20 (Rupees Nineteen Crores Thirty Five Lacs Fifty Thousand Eight Hundred Fifty One and Paise Twenty only) and the said Bills/Invoices were duly received and acknowledged by the Corporate Debtor as well as Reliance General Insurance Company Limited. Reliance General Insurance Company Limited paid a sum of Rs.17,87,88,007/-(Rupees Seventeen Crores Eighty Seven Lacs Eighty Eight Thousand and Seven only) as against the said total amount of the Bills/Invoices and there remained balance outstanding of a of Rs.1,47,62,844.20(Rupees sum One Crore Forty Seven Lacs Sixty Two Thousand Eight Hundred Forty Four and Paise Twenty only) payable by the Corporate Debtor/ Reliance General Insurance Co. Ltd. to the Operational Creditor on account of Principal amount. The last payment was received on 01.09.2022. The Debt has become due on account of the invoices raised the Operational Creditor for the work done as stated hereinabove and remained due and still remains total outstanding of Rs.1,47,62,844.20 (Rupees One Crore Forty Seven Lacs Sixty Two Thousand Eight Hundred Forty Four and Paise Twenty only). The details of the Invoices/Bills raised by the Operational Creditor are as under:

<u>Invoice No.</u>	<u>Date</u>	<u>Amount (Rs.)</u>
DL/20-21/19	19.01.2021	4,51,05,992.96
HR/20-21/09	29.01.2021	1,52,86,219.20
HR/2020-21/11	10.02.2021	3,86,51,490.08
HR/2020-	17.02.2021	2,53,27,813.28



21/12		
HR/2021-22/07	05.07.2021	6,91,79,335.68

- iv. The Operational Creditor submitted that the Corporate Debtor is liable to pay interest @21% per annum in case the invoice is not paid within 30 days. Accordingly, the Operational Creditor is entitled to interest of amounting to Rs.1,37,35,494/- as on 31.10.2024 with future interest applicable till final realization of the total unpaid debt.
- v. The Operational Creditor further demanded the operational debt along with accrued interest for the delayed payment at various instances from the Corporate Debtor as well as Reliance General Insurance Co. Ltd. However, paying no heed to the demand of the Operational Creditor, both, the Corporate Debtor as well as Reliance General Insurance Co. Ltd. failed to pay the unpaid debt along with interest. Despite continuous demands, the Corporate Debtor as well as Reliance General Insurance Co. Ltd. continued to default thus the Petitioner issued the Statutory notice dated 14.05.2024 under Section 8 (1) of the Insolvency and Bankruptcy Code, 2016 to the Corporate Debtor via e-mail dated 15.05.2024 and speed post at registered address on 15.05.2024 as well as by courier thereby demanding the operational debt along with interest @ 21% p.a. towards delayed payment.
- vi. The statutory notice was duly served upon the Corporate Debtor via e-mail as well as via courier. However, the notice sent by Speed Post was returned back with the remark 'left'. Further, the Corporate Debtor has failed to respond to the said demand notice or pay the unpaid Operational Debt. The Corporate Debtor with intent to defraud the Petitioner intentionally and wilfully avoiding the remittance of unpaid debt. The Corporate Debtor is fully aware of its legal obligation towards the unpaid operational debt. Further, the Corporate Debtor is fully conversant with the unpaid debt and has committed default in repayment thereof.
- vii. As per mutually agreed implied terms and conditions set out between the parties in the said LOI, the petitioner is entitled to claim interest @21% per annum for delayed payment beyond 30 (thirty) days from the date of the invoices/within 7 (seven) days of certification of bill from Engineer in-charge of MCEPL applicable till final realization of the total unpaid debt.



- i. The Operational Creditor has also issued notice dated 14.05.2024 upon Reliance General Insurance Co. Ltd. demanding payment of the operational debt. The said notice was sent by E- mail on 15.05.2024 and by Speed Post on 15.05.2024.
- ix. A copy of the notice sent by E-mail was duly received by Reliance General Insurance Co. Ltd. on the same date. A copy of the notice was also sent by Speed Post. The said Reliance General Insurance Co. Ltd. through its Advocate NDLC & Associates have duly responded to the said statutory notice by letter dated 22.05.2024. The Operational Creditor duly responded to the said reply of Reliance General Insurance Co. Ltd. by letter dated 24.05.2024.
- x. The Operational Creditor submitted that the Operational Creditor has also filed petition under Section 9 of IBC against Reliance General Insurance Co. Ltd. in the Hon'ble NCLT, Mumbai. The said petition has been filed on 11.07.2024 and is yet to be decided and is pending.
- xi. The Operational Creditor submitted that the work of conversion of Delhi-Gurgaon Section of National Highway-8 from Km.14.3 to Km. 42 into an access control 8/6 Lane Express Highway on BOT basis has been done and carried out by the Operational Creditor on the basis of LOI No. MCEPL/CPA/12-20/52 dated 16.12.2020 issued by the Corporate Debtor. As per the LOI the payment was to be made by Reliance General Insurance Co. Ltd. being the guarantor of the debt as far as the Operational Creditor is concerned. However, neither the said Reliance General Insurance Co. Ltd. nor the Corporate Debtor has made the balance payment with interest. As per the Judgment of the Hon'ble Supreme Court of India in Civil Appeal No. 6613 of 2021, **Maitreya Doshi Vs. Anand Rathi Global Finance Ltd. And Anr.**, it has been held as under:

"37. If there are two borrowers or if two corporate bodies fall within the ambit of corporate debtors, there is no reason why proceedings under Section 7 of the IBC cannot be initiated against both the Corporate Debtors. Needless to mention, the same amount cannot be realised from both the Corporate Debtors. If the dues are realized in part from one Corporate Debtor, the balance may be realised from the other Corporate Debtor being the co-borrower. However, once the claim of the Financial Creditor is discharged, there can be no question of recovery of the claim twice over."



- i. Letter of Intent No. MCEPL/CPA/12-20/52 Dated 16/12/2020 was issued by MCEPL along with the letter dated 15.12.2020 by Reliance General Insurance Co. Ltd., on the basis of which the work was completed by the Operational Creditor and the last invoice No. HR/2021-22/07 for an amount of Rs.6,91,79,335.68 was raised on 05.07.2021. The last payment received by the Operational Creditor was on 01.09.2022 towards part payment of the invoices, as per the ledger account. Accordingly, the due date of debt is 02.09.2022.
- xiii. The cause of action arose when last Invoice No. HR/2021-22/07 for an amount of Rs.6,91,79,335.68/-was raised on 05.07.2021 and the due date was 04.08.2021 as per the terms of payment. It further arose when despite continuous persuasion; the Corporate Debtor defaulted in payment of unpaid debt, it again arose on 01.09.2022 when the part payment was made. The cause of action also arose when Operational Creditor issued statutory notice under Section 8 (1) of the Insolvency and Bankruptcy Code, 2016 dated 14.05.2024 in which Corporate Debtor failed in adhering to the demand made and it is still continuing as the operational debt is still outstanding.
- xiv. The cause of action is continuous in nature and thus present application is well within the limitation period as prescribed under Section 238-A of the Insolvency Code, 2016.
- xv. The Applicant has filed the following documents along with the Application in order to prove the existence of financial debt and the amount in default:
- a. Copy of Letter of Intent (LOI) No. MCEPL/CPA/12-20/52 dated 16/12/2020 upon the Operational Creditor for conversion of Delhi-Gurgaon Section of National Highway-8 from Km.14.3 to Km. 42 into an access control 8/6 Lane Express Highway on BOT basis.
 - b. Copy of letter dated 15/12/2020 issued by M/s. Reliance General Insurance Co. Ltd.
 - c. Copy of the details of transactions alongwith the Bills/Invoices raised by the Operational Creditor.
 - d. Copy of the ledger account of Corporate Debtor in the books of the Operational Creditor.
 - e. Copy of The statement showing interest @21% per annum on running balance from due dates till 31/05/2024.



- f.** Copy of Statutory Notice dated 14/05/2024 sent to the Corporate Debtor/Respondent.
 - g.** Copy of Postal 15/05/2024 of receipt dated
 - h.** Copy of delivery speed post tracking report dated 15.05.2024
 - i.** Copy of e-mail dated 15.05.2024 sent to the Corporate Debtor/Respondent.
 - j.** Copy of the courier receipt along with the acknowledgement of Corporate Debtor.
 - k.** Copy of notice sent to M/s. Reliance General Insurance Co. Ltd. by e-mail.
 - l.** Copy of reply sent by M/s. NDLC & Associates dated 22/05/2024.
 - m.** Copy of reply of the Operational Creditor duly responding to the said reply of M/s. Reliance General Insurance Co. Ltd. by letter dated 24/05/2024.
 - n.** Copy of the Test Report.
 - o.** Copy of Master Data about the Company taken from the internet as on 29/04/2024.
 - p.** Acknowledgment in Form 1A dated issued by the Insolvency and Bankruptcy Board of India.
- xvi.** During oral arguments it was argued by the Corporate Debtor that the office of Corporate Debtor is not functional and therefore, it is unable to place any document on record. The said oral plea of the Corporate Debtor is frivolous and sham as the Corporate Debtor conducted its board meeting on 04.07.2024 for filing reply to the present petition and appointed Company secretary to pursue the same. Therefore, there is a functional board of directors of the company and the plea of non-functionality is sham.
- xvii.** Furthermore, there is no documentary evidence or any alleged communication/notice between the parties prior to the issuance of the demand notice which shows any existence of any dispute whatsoever between the parties and therefore, there is no dispute between the parties.



SUBMISSIONS OF THE RESPONDENT/CORPORATE DEBTOR:

- i. It was submitted that the present application filed under Section 9 of I&B Code, 2016 by the Operational Creditor is not maintainable and needs to be dismissed at the very threshold inasmuch as there is no pre-existing dispute between the Operational Creditor and the Corporate Debtor qua the alleged unpaid operational debt as claimed by the Operational Creditor in the present application. The completeness and clean invoice along with requisite supporting documents as per Contract is yet to be established by the so-called Operational Creditor before reaching this Forum. In terms of Section 9(5)(ii)(d) of the I&B Code, 2016, it was submitted that there is dispute if any between the Operational Creditor and the Corporate Debtor needs to be sorted out first and it is only after conclusion of the dispute and amount thereof, the Operational credit can approach this Forum. Accordingly the said application of the Operational Creditor is liable to be dismissed.
- ii. It was submitted that the Corporate Debtor herein is engaged in the business of building complete constructions or parts thereof. It was submitted that in order to do the conversion of Delhi-Gurgaon Section of National Highway-8 Km from 14.3 km to 42 km into an access control 8/6 lane expressway on BOT basis the Corporate Debtor issued the letter of intent dated 16.12.2020 to the Operational Creditor to complete the work on or before 10.02.2021 and the Operational Creditor accepted and signed the same.
- iii. The said work was necessitated due to severe inundation caused by heavy rainfall on 19/20.08.2020. The LoI explicitly outlined the scope of work, contractual terms, and conditions including the total project value of INR 40,00,18,483/- (inclusive of GST), and the requirement for adherence to MoRTH and IRC specifications under the supervision and approval of the Engineer-in-Charge of MCEPL.
- iv. The LoI mandated the Operational Creditor to begin the assigned work within seven days from the issuance of the LoI and to ensure the execution of the work in strict compliance with the specified standards, quality, and timelines. However, the Operational Creditor failed to adhere to these conditions. The contractor failed to comply with the procedural and technical requirements laid out in the LoI. The inaction and non-compliance on the part of the



Operational Creditor led to significant delays in project execution, causing further inconvenience and disruption to the project timelines.

- v. The Operational Creditor also failed to execute the work in a manner consistent with the terms specified in the LoI, particularly in meeting the quality standards required for highway construction. This lack of adherence to contractual obligations not only disrupted the project schedule but also led to undue operational challenges for the Corporate Debtor, which had to bear the brunt of these delays. Such conduct reflects a clear breach of the terms and conditions of the LoI and demonstrates the Operational Creditor's inability or unwillingness to comply with the contractual expectations and responsibilities entrusted to them.
- vi. The Corporate Debtor has consistently acted in accordance with its contractual obligations and has adhered to all legal and procedural requirements in handling claims and payments. A substantial payment of INR 17,87,88,007/- has already been released by Reliance General Insurance Co. Ltd. demonstrating compliance with legitimate claims and in compliance of the letter dated 16.12.2020. However, as alleged by the Operational Creditor that as per the LoI the payment was to be made by Reliance General Insurance Co. Ltd. being the guarantor of the debt and the Corporate Debtor has withheld an amount of INR 1,47,62,844.20/- remains unsubstantiated, as the Operational Creditor has failed to provide adequate documentation or justification for the same.
- vii. The Respondent seeks dismissal on these two critical points which the Operational Creditor failed to explain this tribunal before reaching the forum to further address this matter: (1) Whether the Corporate Debtor has formally rejected any claim made by the Operational Creditor in connection with the letter dated 16.12.2020, and (2) Whether the Corporate Debtor has submitted any additional documentation to support the assertion that the amount of INR 1,47,62,844.20/- was improperly withheld, despite the substantial release of INR 17.87.88.007/-. The answers to these questions are crucial to establishing whether the Operational Creditor claims have any validity or whether they are being raised without proper basis or evidence.



1. The release of INR 17,87,88,007/- reflects Corporate Debtor adherence to its obligations and due diligence in addressing claims. Any remaining amounts withheld were based on justifiable reasons, and it is incumbent upon the Operational Creditor to provide credible evidence to substantiate their claims regarding the withheld amount. To date, no additional documentation or reasoning has been provided by the Operational Creditor to justify the outstanding amount of INR 1,47,62,844.20/-.
- ix.** Concerns regarding the delayed execution and poor quality of work have been brought to the Operational Creditor attention multiple times. Despite these repeated notifications, the Operational Creditor has failed to address these issues to the satisfaction of the Engineer in charge, as required by the Work Order. Instead, the Operational Creditor has chosen to remain silent.
- x.** It was brought to the knowledge of the Tribunal which is also in the knowledge of the Operational Creditor that the Project Highway was taken over by National Highway Authority of India (NHAI) effective from 01.03.2023.
- xi.** The Clause 8 (xii) of the Lol dated 16.12.2020, talks about the arbitration clause which stipulates that all disputes arising in connection with the order should be endeavoured to be settled and clarified through Arbitration with the intention of resolving the matter amicably. Without first invoking the arbitration provisions as provided in the agreement, the Operational Creditor has prematurely filed an application before the adjudicating authority. The Corporate Debtor contends that such an application is premature and good for dismissal straight away. It is imperative that all dispute resolution mechanisms outlined in the agreement, including arbitration provisions, be exhausted prior to seeking adjudication from any authority. The Corporate Debtor requests the dismissal of the application on these grounds.
- xii.** It is now well settled proposition of law that the proceedings in the Insolvency and Bankruptcy Code, 2016 cannot be used for the recovery of money rather, it can only be used for the resolution of the Corporate Debtor. However, the Operational Creditor, in the present Application under Section 9 of the I&B Code, 2016, has approached this Hon'ble Tribunal with ulterior intents to extort money from the Corporate Debtor, therefore, the Operational Creditor is liable to be prosecuted as per the provisions of Section 65 of the Insolvency



and Bankruptcy Code, 2016, which prescribes the legal implications which for initiating malicious and fraudulent insolvency with the cost of Rs.1,00,000/- which may be extended to Rs.1 Crore.

- xiii.** Reliance was place on ***Universal Solutions of America LLC vs The Travancore Cements Ltd. CA (AT) (Insolvency No.) 704-2019***, wherein it was held that the existence of the dispute prior to the issuance of the demand notice u/s 8(I) of the code is a ground for dismissal of the application filed under section 9 of the code.
- xiv.** Further, the office premises previously occupied by the Corporate Debtor were vacated, and no administrative, finance, or project personnel have remained stationed there since that date. In view of this operational shutdown, and to maintain minimal continuity of administrative functioning, the Corporate Debtor opened a small operational office at Janakpuri, New Delhi, which has functioned as its primary point of contact, a fact that was well within the knowledge of the Operational Creditor. Despite this, the Operational Creditor, while issuing the statutory demand notice under Section 8(1) of the Insolvency and Bankruptcy Code, 2016 dated 14.05.2024, chose to deliberately serve the same at the vacated address of the project office, which by then had no official personnel present other than a security guard.
- xv.** The Respondent has referred to the following judgements to buttress its arguments:
- a.** Shreerang Agencies v/s M/S. Alpack Paper Packaging Private Limited In The National Company Law Tribunal, Mumbai -Bench-VI CP (IB) NO. 4555/MB/2018.
 - b.** Indus Contrainer Lines Pvt. Ltd. Jadoun International Pvt. Ltd In The National Company Law Tribunal Jaipur Bench- IA(IBC) NO. 231/JPR/2019.
 - c.** Gluckrich Capital Pvt. Ltd Versus The State Of West Bengal & Ors. In The Supreme Court Of India Criminal Appellate Jurisdiction Miscellaneous Application No. 1302 Of 2023 (No. 102537 Of 2023) In Special Leave Petition (Crl.) No. Of 2023 (Diary No. 6732 Of 2023).
 - d.** Sabarmati Gas Limited V/S. Shah Alloys Limited Manu/SC/0008/2023.



- e. Avalan Sports And Media Vs Intex Technologies India Ltd. NCLAT, New Delhi, (Company Appeal (At) (Insolvency) No. 1114 Of 2019).
- f. Universal Solutions Of America LLC V. The Travancore Cements Ltd., CA(At)(Insolvency) No. 704-2019.
- g. S.S. Engineers Vs. Hindustan Petroleum Corporation Ltd., Civil Appeal No. 4583 of 2022.

5. ANALYSIS AND FINDINGS:

- i. We have heard the learned Counsel for both the Applicant/Operational Creditor and the Respondent/Corporate Debtor and have perused the records filed along with the Application.
- ii. The present Application has been filed by the Operational Creditor under Section 9 of the Insolvency and Bankruptcy Code, 2016 (the "Code") seeking initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor, Millennium City Expressways Pvt. Ltd., for non-payment of outstanding dues amounting to ₹1,47,62,844.20 /-.
- iii. It is the case of the Applicant that the Corporate Debtor had awarded certain road construction and repair work through Letter of Intent dated 16.12.2020, which was backed by a letter dated 15.12.2020 from Reliance General Insurance Co. Ltd., indicating that payment would be made by the said insurer on behalf of the Corporate Debtor. The Operational Creditor duly executed the work and raised five invoices totalling ₹19,35,50,851.20, out of which ₹17,87,88,007/- was paid, leaving a principal balance of ₹1,47,62,844.20 unpaid since 02.09.2022. Despite repeated follow-ups and the issuance of a demand notice under Section 8 of the Code, the outstanding dues remain unpaid. The Operational Creditor contends that there is no pre-existing dispute between the parties and that the Application is within limitation.
- iv. The Corporate Debtor, on the other hand, has primarily raised the defense that the Operational Creditor failed to execute the work in accordance with the quality and procedural terms stipulated in the LOI and caused delays, leading to the alleged withholding of the final payment. It further contended that the invoices were incomplete or unsupported and that the matter is subject to arbitration under the LOI. It was also submitted that the office of the Corporate



Debtor was non-functional and that the demand notice was not properly served.

- v. At the outset, it is evident from the documents filed along with the Application, including the Letter of Intent dated 16.12.2020 issued by the Corporate Debtor, and the letter dated 15.12.2020 from Reliance General Insurance Co. Ltd., that the Operational Creditor was engaged to undertake certain urgent road works on the Delhi-Gurgaon Section of NH-8. The work was duly executed and five invoices were raised totalling ₹19,35,50,851.20. A sum of ₹17,87,88,007/- has admittedly also been paid. The balance amount of ₹1,47,62,844.20 remains unpaid, and the last payment was received on 01.09.2022. The Operational Creditor has also claimed interest at 21% per annum, as per the terms of the LOI.
- vi. The Corporate Debtor has not denied the issuance of the LOI, nor the receipt of invoices, nor the partial payment already made. The primary defence taken is that the Operational Creditor did not perform the work in accordance with the required standards and that certain procedural and quality issues existed. However, these contentions are vague and unsupported by any contemporary correspondence, defect reports, or certification disputes prior to the issuance of the demand notice dated 14.05.2024. The Corporate Debtor has failed to bring on record any cogent evidence to demonstrate that there existed a bona fide dispute prior to the issuance of the statutory notice under Section 8(1) of the Code. Mere bald assertions in the reply, without any documentary trail of protest, inspection records, or invocation of arbitration at the relevant time, cannot be considered as a pre-existing dispute under Section 8(2)(a) of the Code as has been held in ***Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd., (2018) 1 SCC 353.***
- vii. The service of demand notice has been duly effected via email and courier at the registered address. Though the notice sent by speed post was returned with the remark 'left', there is sufficient evidence to establish that the Corporate Debtor had due knowledge of the notice. The Corporate Debtor has not disputed receipt of the email notice or the courier delivery. The demand notice is thus held to have been duly served as required under Section 8 of the Code.



1. The Corporate Debtor has contended that the registered office was non-functional, and therefore the demand notice was not effectively served. However, this contention is untenable in light of the fact that the Board of Directors of the Corporate Debtor held a meeting at the same registered office on 04.07.2024 to deliberate upon and authorize response to the present application. This clearly demonstrates that the office was operational and accessible, and the plea of non-functionality is an afterthought aimed at evading liability.
- ix.** The judgments relied upon by the Respondent are clearly distinguishable and not applicable in the facts of the present case, where a default is clearly established and the amount claimed qualifies as operational debt under the Code.
- x.** In view of the foregoing, the Adjudicating Authority is satisfied that the present application meets all requirements under Section 9 of the Code and is liable to be admitted.

6. ORDER:

In view of the above facts and circumstances, we are of the considered view that the present Application filed by the Operational Creditor fulfils the criteria laid down under the provisions of the Code. The Applicant has established that the Corporate Debtor is in default of a debt due arising out of professional services rendered by the Operational Creditor and the same is payable. Further, that the default amount is more than the minimum amount stipulated under section 4 (1) of the Code, stipulated at the relevant point of time. In the light of the above facts and circumstances, it is, hereby ordered as follows:

- a.** The application bearing **CP (IB) No. 773/ND/2024** filed by **C. P. Arora Engineers Contractors Pvt. Ltd.**, 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 Millennium City Expressways Pvt. Ltd., the Corporate Debtor, is hereby **admitted and CIRP is initiated**.
- b.** The Applicant in Part-III of the Application has not proposed any name to be appointed as the Interim Resolution Professional. In view thereof, this



Adjudicating Authority, based on the list provided by IBBI for J 2025 to 2025, and as per serial no. 75 in the said list, **Mr. Sudhir Kalra**, Registration Number : IBBI/IPA-001/IP-P00768/2017-2018/11314 having address E-93 Greater Kailash I, New Delhi, National Capital Territory of Delhi ,110048, with email address kalra.adv@gmail.com is hereby **appointed as IRP** of the Corporate Debtor to carry out the functions as per the Code, subject to submission of Form AA, Disclosure and a valid Authorization for Assignment in terms of Regulation 7A of the Insolvency and Bankruptcy Board of India (Insolvency Professional) Regulations, 2016.

- c.** We direct the Applicant to deposit a sum of Rs. 2,00,000/- (Rupees Two Lakhs Only) with the Interim Resolution Professional, namely Mr.Sudhir Kalra, to meet out the expenses 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, Adjudicating Authority, 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 Adjudicating Authority with a prayer for passing an appropriate order.

- h.** 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.
- i.** 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.
- j.** Accordingly, the instant Application filed under Section 9 of the Code, 2016 bearing **IB/773(ND)/2024** stands **admitted**.

-SD/-

**(ATUL CHATURVEDI)
MEMBER (TECHNICAL)**

-SD/-

**(MANNI SANKARIAH SHANMUGA SUNDARAM)
MEMBER (JUDICIAL)**