



**IN THE NATIONAL COMPANY LAW TRIBUNAL**

**NEW DELHI BENCH, COURT –III**

**IB-640(ND)/2024**

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

**IN THE MATTER OF:**

**Indian Renewable Energy Development Agency Limited**

(Public Limited Government Company)

*Having its registered office at:*

Core-4A, East Court, 1<sup>st</sup> Floor,

India Habitat Centre Complex, Lodhi Road,

New Delhi – 110003.

**.... Applicant/ Financial Creditor**

**Versus**

**Siri Ram Syal Hydro Power Private Limited**

*Having its registered office at:*

87A, Adhachini, Sri Aurobindo Marg,

New Delhi-110017.

**.... Respondent/ Corporate Debtor**

**Order Pronounced On: 11.06.2025**

**CORAM:**

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

**SHRI DR. SANJEEV RANJAN, HON'BLE MEMBER (TECHNICAL)**

**APPEARANCES:**

For Applicant : Mr. Sagar Arora, Mr. Karundeep Singh, Mr.  
Abhinandan Sharma, Advs.

For Respondent : ex-parte vide order dated 04.04.2025

**ORDER**

**PER: DR. SANJEEV RANJAN, MEMBER (TECHNICAL)**

**IB-640(ND)/2024**

**Date of Order: 11.06.2025**



1. This Application has been filed by Indian Renewable Energy Development Agency Limited, the Applicant/Financial Creditor before this Adjudicating Authority under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“IBC” or “Code”) read with 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 Siri Ram Syal Hydro Power Private Limited, the Respondent/Corporate Debtor on the ground that the Corporate Debtor has defaulted/failed to clear the total outstanding amount of Rs. 5,76,39,687/- as on 30.06.2024. The date of default in the present matter is 31.12.2021. The date of classification of Non-Performing Asset (NPA) is 31.03.2022.

## **2. Submissions of the Applicant/Financial Creditor:**

- i. It is submitted that the Indian Renewable Energy Development Agency, Financial Creditor is a public limited government company that is wholly owned by the Government of India and is registered under the provisions of the Companies Act, 1956 and incorporated on 11<sup>th</sup> March, 1987. The Financial Creditor is a Navratna, Government of India Enterprise under the administrative control of Ministry of New and Renewable Energy (MNRE) and also a public financial institution within the meaning of Section 2(72) of the Companies Act, 2013. The present application is being filed through Ms. Ridhi Vohra, Chief Manager (Projects), who is duly authorized by way of Board Resolution dated 21.05.2004.
- ii. Siri Ram Syal Hydro Power Private Limited, Corporate Debtor is a private limited company registered under the provisions of the Companies Act, 1956. The Corporate Debtor is engaged in inter alia, the power generation sector.
- iii. It is contended that the Corporate Debtor approached the Financial Creditor and sought financial assistance in the form of a term loan for



the setting up of a 1.80 MW (2 X 900 KW) Kotlu Small Hydro Power Project at Nevli (Village), Kullu, Himachal Pradesh ("Project No. 1780").

- iv. Therefore, the Financial Creditor agreed to extend the credit facilities to the Corporate Debtor and sanctioned the Rupee Term Loan vide Sanction Letter dated 02.06.2006 to the Corporate Debtor, proposing to grant a Rupee Term Loan of Rs. 6,42,00,000/- (Rupees Six Crores Forty-Two Lakhs Only) to the Corporate Debtor, subject to the terms and conditions provided under the said Sanction Letter.
- v. The Corporate Debtor by way of the Board Resolution dated 07.06.2006, inter alia, accepted the terms and conditions of the Sanction Letter dated 02.06.2006 and subsequently, the parties executed the Rupee Term Loan Agreement dated 11.08.2006. By way of the said Loan Agreement, the Financial Creditor granted credit facilities to the tune of Rs. 6,42,00,000/- (Rupees Six Crores Forty-Two Lakhs Only) to the Corporate Debtor for the setting up of the said Project No. 1780.
- vi. In order to secure the financial amount advanced under the Term Loan Agreement dated 11.08.2006, the Corporate Debtor or its associated entities executed, inter alia, the following instruments:
  - a. **Hypothecation Deed dated 11.08.2006:** The Corporate Debtor created an exclusive first charge upon the whole of movable properties of the Corporate Debtor, wherever situated, including and pertaining to the proposed Project No. 1780 and other assets elsewhere. Furthermore, by way of the said instrument, the Financial Creditor also had an exclusive first charge on all the receivables of the power generated from the Project No. 1780, wherever lying or held in Trust and Retention Account, including any other amount credited therein or held by or due from any purchaser of power including the Himachal Pradesh State Electricity Board.
  - b. **Corporate Guarantee by Subba Microsystem Ltd. by Deed of Corporate Guarantee dated 05.09.2006, Deed of Undertaking**



**(s) dated 05.09.2006:** This instrument was executed by the Corporate Guarantor i.e., Subba Microsystem Limited in favour of the Financial Creditor with respect to the credit facility advanced by the Financial Creditor by way of the Term Loan Agreement dated 11.08.2006.

Further, a Deed of Undertaking dated 05.09.2006, was issued by Subba Microsystem Ltd. wherein it undertook to meet any shortfall related to, inter alia, the working capital of the Corporate Debtor with regard to the effective operation of Project No. 1780 and another Deed of Undertaking of even date was also issued by two directors of Subba Microsystem Ltd., wherein they undertook to not dispose/pledge their existing shares in the Corporate Debtor, to secure the credit facilities.

**c. Deed of personal guarantee dated 20.10.2006 and Deed of Undertaking dated 31.10.2006, issued by Mr. Sanjay Raj Subba:**

The said instrument was executed by Mr. Sanjay Raj Subba in favour of the Financial Creditor with respect to the credit facility advanced by the Financial Creditor by way of the Loan Agreement dated 11.08.2006 and further, the Deed of Undertaking dated 31.10.2006, was also issued by Mr. Sanjay Raj Subba, wherein he undertook to not dispose/pledge his existing shares in the Corporate Debtor, to secure the credit facilities.

**d. Mortgage by way of deposit of title deeds on 26.12.2006 and Deed of Undertaking dated 26.12.2006:**

A collateral security has also been created by Mr. Ramesh Chander through mortgage by deposit of title deeds on 26.12.2006 pertaining to all the parcel of land being Plot No. 19, Block-G, measuring 50 sq. meters in the residential colony known as Greenwood's city situated in village Jharsa, Gurugram, Haryana. Further, Mr. Ramesh Chander also executed Deed of Undertaking wherein, inter alia,



he undertook to furnish various documents related to the property mortgaged by him to the Financial Creditor.

**e. Mortgage by deposit of title deeds on 27.12.2006:** A collateral security has also been created by way of mortgage by deposit of title deeds by M/s. Subba Micro Systems Ltd. on 27.12.2006 pertaining to all the parcel of land being Plot No. C-195, measuring 208 sq. meters in the residential colony known as Sushant Lok-I, Gurugram, Haryana.

**f. Registered Mortgage created by the Corporate Debtor by Deed of Mortgage dated 19.02.2007:** The Corporate Debtor created a registered mortgage by deposit of title deeds and created a first charge in favour of the Financial Creditor for securing the credit facilities extended by the Financial Creditor. All pieces or parcel of the land hereditaments and premises containing an area of 3-16-2 Bigha 1.5 hectares comprised in Shikmi Khasra No. 7/1, 43/1, 54/1 contained in Khata Khatauni No. 30/34 min. Shikmi Khasra No. 55/1, 66/1 contained in Khata Khatauni No. 48/58 min. and Shikmi Khasra No. 56/1 contained in Khata Khatauni No. 93/108 min. and Shikmi Khasra No. 936/631/1 contained in Khata Khatauni No. 102/117 min., lying and situated in village Phati and Kothi Shangad, Village Neuli, Sub-Tehsil: Sainj, Kullu, Himachal Pradesh were mortgaged by the Corporate Debtor.

**vii.** Thereafter, on 05.03.2007, the parties entered into an Amendatory Agreement whereby the Term Loan Agreement dated 11.08.2006 was amended in order to, inter alia, incorporate certain changes in the rate and scheme of the interest applicable on the credit facilities extended to the Corporate Debtor under the Term Loan Agreement dated 11.08.2006. Subject to the aforesaid changes, the Term Loan Agreement dated 11.08.2006 remained unaltered and in full force and effect.

**viii.** Further, on 16.03.2007, the parties entered into an Amendatory Agreement whereby Clause 3.1 in Article-III on pages 6 and 7 of the



Loan Agreement dated 11.08.2006 was substituted. Subject to the aforesaid changes, the Term Loan Agreement dated 11.08.2006 remained unaltered and in full force and effect.

- ix.** Subsequently, the Corporate Debtor also executed further security instruments, including the Deed of Indemnity dated 16.03.2007 executed by Ms. Minu Subba and Mr. Hari Babu Neupane in favour of the Financial Creditor with respect to the credit facility advanced by the Financial Creditor by way of the Loan Agreement dated 11.08.2006 read with the Amendatory Agreements dated 05.03.2007 & 16.03.2007.
- x.** However, at the end of 2008, the Corporate Debtor approached the Financial Creditor for the extension of further credit facilities in relation to the setting up and operation of the said Project No. 1780. After deliberation and discussion on the same, the Financial Creditor agreed to sanction the extended requisitioned credit facilities by way of a Sanction Letter 06.01.2009, which was accepted by the Corporate Debtor by way of its Board Resolution dated 10.01.2009.
- xi.** Thereafter, the Financial Creditor further issued an amendatory Sanction Letter dated 09.02.2009, which was duly accepted by the Corporate Debtor by way of Board Resolution dated 10.02.2019, wherein it accepted the terms and conditions contained in both the Sanction Letters dated 06.01.2009 and 09.02.2009.
- xii.** Subsequently, the parties executed another Term Loan Agreement dated 12.02.2009 whereby the Financial Creditor granted the Corporate Debtor further credit facilities to the tune of Rs. 1,38,00,000/- (Rupees One Crore Thirty-Eight Lakhs Only) for the setting up of said Project No. 1780. The financial credit facility extended to the Corporate Debtor under the Term Loan Agreement dated 11.08.2006, Amendatory Agreements dated 05.03.2007 and 16.03.2007 and the Term Loan Agreement dated 12.02.2009 are collectively referred to as "Credit Facilities", unless specified otherwise.



**xiii.** In order to secure the financial amount advanced under the Term Loan Agreement dated 12.02.2009, the Corporate Debtor or its associated entities executed, inter alia, the following instruments:

- a. Deed of personal guarantee dated 12.02.2009:** This instrument was executed by Ms. Minu Subba in favour of the Financial Creditor with respect to the credit facility advanced by the Financial Creditor by way of the Loan Agreement dated 12.02.2009.
- b. Hypothecation Deed dated 12.02.2009:** By way of the said instrument, the Corporate Debtor created an exclusive first charge upon the whole of movable properties of the Corporate Debtor, wherever situated, including and pertaining to the proposed Project No. 1780 and other assets elsewhere. Furthermore, by way of the said instrument, the Financial Creditor also had an exclusive first charge on all the receivables of the power generated from the Project No. 1780, wherever lying or held in Trust and Retention Account, including any other amount credited therein or held by or due from any purchaser of power including the Himachal Pradesh State Electricity Board.
- c. Corporate Guarantee by M/s. Subba Microsystem Ltd. by Deed of Corporate Guarantee dated 12.02.2009 and a Deed of Undertaking dated 12.02.2009:** In favour of the Financial Creditor with respect to the credit facility advanced by the Financial Creditor by way of the Loan Agreement dated 12.02.2009. Further, a Deed of Undertaking dated 12.02.2009, was issued by M/s. Subba Microsystem Ltd., wherein it undertook to meet any shortfall related to, inter alia, the working capital of the Corporate Debtor with regard to the effective operation of Project No. 1780.
- d. Deed of personal guarantee dated 05.03.2009:** This instrument was executed by Mr. Sanjay Raj Subba in favour of the Financial



Creditor with respect to the credit facility advanced by the Financial Creditor by way of the Loan Agreement dated 12.02.2009.

- e. Deed of personal guarantee dated 05.03.2009:** This instrument was executed by Mr. Hari Babu Neupane, in favour of the Financial Creditor with respect to the credit facility advanced by the Financial Creditor by way of the Loan Agreement dated 12.02.2009.
- f. Hypothecation Deed dated 19.05.2009:** By way of the said instrument, the Corporate Debtor created an exclusive first charge upon the whole of movable properties of the Corporate Debtor, wherever situated, including and pertaining to the proposed Project No. 1780 and other assets elsewhere. Furthermore, by way of the said instrument, the Financial Creditor also had an exclusive first charge on all the receivables of the power generated from the Project No. 1780, wherever lying or held in Trust and Retention Account, including any other amount credited therein or held by or due from any purchaser of power including the Himachal Pradesh State Electricity Board.
- g. Mortgage by way of deposit of title deeds on 19.05.2009:** Collateral security has also been created by way of mortgage by deposit of title deeds by Mr. Ramesh Chander pertaining for all the parcel of land being Plot No. 19, Block-G, measuring 50 sq. meters in the residential colony known as Greenwood's city situated in village Jharsa, Gurugram, Haryana.
- h. Mortgage by deposit of title deeds on 19.05.2009:** Collateral security has also been created by way of mortgage by deposit of title deeds by M/s. Subba Micro Systems Ltd. on 19.05.2009 pertaining for all the parcel of land being Plot No. C-195, measuring 208 sq. meters in 195, Sushant Lok-I, Gurugram, Haryana.





- i. Registered Mortgage created by the Corporate Debtor by Deed of Mortgage dated 05.11.2009:** The Corporate Debtor has created a mortgage by deposit of title deeds, thereby creating a first charge in favour of the Financial Creditor for securing the credit facilities extended by the Financial Creditor. All pieces or parcel of the land hereditaments and premises containing an area of 3-16-2 Bigha 1.5 hectares comprised in Shikmi Khasra No. 7/1, 43/1, 54/1 contained in Khata Khatauni No. 30/34 min. Shikmi Khasra No. 55/1, 66/1 contained in Khata Khatauni No. 48/58 min. and Shikmi Khasra No. 56/1 contained in Khata Khatauni No. 93/108 min. and Shikmi Khasra No. 936/631/1 contained in Khata Khatauni No. 102/117 min., lying and situated in village Phati and Kothi Shangad, Village Neuli, Sub-Tehsil: Sainj, Kullu, Himachal Pradesh have been mortgaged in favour of the Financial Creditor.
- j. Deed of personal guarantee dated 17.03.2010:** This instrument was executed by Ms. Jyoti Subba (personal guarantee of Mr. Hari Babu Neupane was replaced) in favour of the Financial Creditor with respect to the credit facility advanced by the Financial Creditor by way of the Loan Agreement dated 12.02.2009.
- xiv.** Subsequently, based upon the Corporate Debtor's requests, the Financial Creditor revised the repayment schedule of the amount due under credit facilities to the Financial Creditor vide Reschedulement Letter dated 15.03.2010, whereby the repayment schedule pertaining to the debt owed by the Corporate Debtor was re-scheduled and the Corporate Debtor was obligated to pay the main loan repayments on a quarterly basis starting from 30.09.2010 and ending on 30.06.2020. It is pertinent to note that by accepting the terms of this letter, the Corporate Debtor also undertook that it would not approach the Financial Creditor for any further re-scheduling in the future.



**xv.** By way of a Sanction Letter dated 15.03.2017, the Financial Creditor approved the revision of the terms of advanced credit facilities under the NCEF Scheme to the Corporate Debtor. Pertinently, the terms of the said sanction letter dated 15.03.2017 mandated that, inter alia:

- a.** The credit facility extended under the NCEF Scheme would be repayable with 2% interest under the terms and conditions of the Loan Agreement dated 11.08.2006, as if the same was payable under the said Agreement.
- b.** In case of any default in payment of the NCEF loan, the entire NCEF loan amount shall be treated as a normal loan and the balance amount shall attract the same interest rate as applicable to the other commercial loan(s).
- c.** Due to the sanction of credit facilities under the NCEF Scheme, the repayment schedule of the outstanding loan relating to Project No. 1780 would stand revised, as under:

<b>Particulars</b>	<b>Amount (in Lakhs)</b>	<b>Interest Rate (per annum)</b>	<b>Start Date</b>	<b>End Date</b>
Main Loan (Excluding NCEF)	511.65	12.65%	June 2017	December 2030
FITL including interest overdue as on 30.09.2016 (excluding NCEF)	210.33	12.65%	June 2016	December 2030
NCEF Component	331.75	2.00%	June 2017	March 2027

**xvi.** Despite the fact that the Financial Creditor duly extended its cooperation to the Corporate Debtor by time and again rescheduling the repayment terms, the Corporate Debtor, to the further shock and surprise of the Financial Creditor, defaulted on the repayment obligations under the credit facilities extended by the Financial



Creditor. Despite multiple requests and communications by the Financial Creditor, urging repayment, the Corporate Debtor continued to be in default of the terms of the credit facilities extended by the Financial Creditor and the loan account bearing serial no. 1780 was classified as a Non-Performing Asset ("NPA") on 31.03.2022.

**xvii.** Despite repeated reminders regarding the failure of the Corporate Debtor to service the credit facilities, the Corporate Debtor failed to do the same and therefore, the Financial Creditor was constrained to issue a notice dated 24.05.2023, under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI ACT") upon the Corporate Debtor and the Corporate Guarantor/Mortgagor.

**xviii.** By way of the aforesaid notice, the Financial Creditor recalled the entire amount advanced under the credit facilities and sought repayment of the outstanding amount i.e., Rs. 5,43,63,783/- (Rupees Five Crores Forty-Three Lakhs Sixty-Three Thousand Seven Hundred and Eighty Three Only) along with applicable interest, within a period of 60 (sixty) days from the date of the said notice. The Financial Creditor further informed the Corporate Debtor that in an event the outstanding amount was not remitted within a period of sixty days, the Financial Creditor would be constrained to pursue the appropriate remedies under extant law, including approaching the jurisdictional Ld. National Company Law Tribunal under the provisions of the Insolvency and Bankruptcy Code, 2016.

**xix.** Due to the continued failure of the Corporate Debtor to service the payment obligations under the credit facilities, on 03.11.2023, the Financial Creditor was constrained to issue a Guarantor notice for repayment upon the guarantors of the Corporate Debtor. By way of the said notice dated 03.11.2023, the Financial Creditor called upon the personal and corporate guarantors of the debt owed by the Corporate Debtor to repay the outstanding debt, to the extent that they had



guaranteed the same. Subsequent to the same, an Amendatory Guarantor Notice dated 24.05.2024 was also issued to the personal and corporate guarantors of the debt owed by the Corporate Debtor to repay the outstanding debt, to the extent that they had guaranteed the same.

- xx.** Despite further reminders by the Financial Creditor, the Corporate Debtor or the guarantors of the Corporate Debtor failed to discharge their obligations under the credit facilities extended by the Financial Creditor, leading to a substantial loss to the Financial Creditor. As of 30.06.2024, a total amount of Rs. 5,76,39,687/- (Rupees Five Crores Seventy Six Lakhs Thirty Nine Thousand Six Hundred And Eighty Seven), (including interest amounting to Rs. 70,44,637/-) is still outstanding, which is due and payable by the Corporate Debtor.
- xxi.** A statement of account maintained by the Financial Creditor depicting the total outstanding amount as on 30.06.2024 and a detail sheet depicting the complete breakdown of the total outstanding amount of Rs. 5,76,39,687/- (Rupees Five Crores Seventy Six Lakhs Thirty Nine Thousand Six Hundred And Eighty Seven), due and payable by the Corporate Debtor.
- xxii.** It is contended by the Financial Creditor that till date, the Corporate Debtor or its guarantors have failed to clear the outstanding debt. Further, the present Section 7 Application is well within the period of prescribed limitation as the date of default is 31.12.2021.  
Hence the present Application.

3. It is noted that on 12.12.2024, the Respondent/Corporate Debtor's right to file a reply was closed. Furthermore, on 04.04.2025, no one appeared on behalf of the Respondent/Corporate Debtor to argue the matter. Therefore, Respondent/Corporate Debtor was set ex-parte on 04.04.2025.



#### **4. Analysis and Findings:**

- i.** We have heard the submissions of Ld. Counsel appearing for the Applicant. We have also perused the records.
- ii.** The Learned Counsel for the Applicant stated that in 2006, the Corporate Debtor sought financial assistance for a hydro-power project in Himachal Pradesh. Based on representations and warranties, the Financial Creditor sanctioned a ₹6,42,00,000 term loan via a Sanction Letter dated 02.06.2006, formalized through a Loan Agreement on 11.08.2006. Amendatory Agreements on 05.03.2007 and 16.03.2007 modified the interest rate and substituted certain clauses while keeping the original Loan Agreement intact. In late 2008, the Corporate Debtor sought additional credit, leading to the sanction of ₹1,38,00,000 via Sanction Letters dated 06.01.2009 and 09.02.2009, formalized through an Additional Loan Agreement on 12.02.2009.
- iii.** The Learned Counsel for the Applicant further stated that a total of ₹7,30,93,390/- was disbursed to the Corporate Debtor under the credit facilities provided by the Financial Creditor, with the final disbursement made on 15.02.2011. These facilities were secured through various agreements, including a Deed of Hypothecation (11.08.2006), Corporate Guarantee (05.09.2006), Mortgages by deposit of title deeds (26.12.2006 and 27.12.2006), a Registered Mortgage (19.02.2007), and Deeds of Personal Guarantee (12.02.2009 and 05.03.2009). Due to the Corporate Debtor's repeated requests citing difficulties in servicing the credit, the repayment schedule was revised through rescheduling letters dated 15.03.2010, 30.03.2011, and 28.03.2014, along with an NCEF Sanction Letter dated 15.03.2017 under the Financial Creditor's NCEF Scheme. These modifications adjusted the Corporate Debtor's repayment obligations.
- iv.** It is a matter of record that the Corporate Debtor defaulted on its repayment obligations to the Financial Creditor on 31.12.2021, leading to the classification of its loan account as a Non-Performing Asset



(NPA) on 31.03.2022. Consequently, the Financial Creditor issued a Notice on 24.05.2023, recalling the entire amount advanced and demanding repayment. However, the Corporate Debtor failed to fulfill its financial obligations.

v. The following issues arise for consideration:

(a) Whether the Applicant falls in the category of “Financial Creditor” as per Section 5(7) of the Code or not?

(b) Whether there is a “Financial Debt” as per Section 5(8) of the Code and default in repayment thereof, when it became due and payable or not?

vi. At this stage, it is pertinent to refer to the definition of the expression “Financial Creditor” in sub-section 7 of Section 5 of the Code.

Section 5 of sub-section 7 reads as follows:

*“Financial Creditor” means any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned or transferred to;”*

vii. At this stage, it is also pertinent to refer to the definition of the expression “Financial Debt” in sub-section 8 of Section 5 of the Code.

Section 5 of sub-section 8 “Financial Debt” reads as follows:

*“Financial Debt” means a debt along with interest, if any, which is disbursed against the consideration for the time value of money and includes—*

(a) *money borrowed against the payment of interest;*

(b) \*\*\*\*\*

(c) \*\*\*\*\*

(d) \*\*\*\*\*

(e) \*\*\*\*\*

(f) *any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;*

(g) \*\*\*\*\*



(h) \*\*\*\*\*

(i) \*\*\*\*\*”

- viii.** On perusal of the various clauses of the Loan Agreement dated 11.08.2006, the Additional Loan Agreement dated 12.02.2009 and rescheduling letters dated 15.03.2010, 30.03.2011, and 28.03.2014, along with an NCEF Sanction Letter dated 15.03.2017 makes it amply clear that there is an element of financial debt that has been extended to the Corporate Debtor as well as the transactions in question involved a commercial effect of borrowing.
- ix.** From the perusal of the records and the contentions raised by the Ld. Counsel appearing for the Applicant, it emerges that the Corporate Debtor owes a financial debt of Rs. 5,76,39,687/-. Due to default in repayment, the Corporate Debtor's account was classified as NPA on 31.03.2022, and a recall notice was issued by the Financial Creditor to the Corporate Debtor on 24.05.2023.
- x.** We find that the outstanding 'Financial Debt' surpasses ₹1 Crore, satisfying the threshold requirement under Section 4 of the IBC. Additionally, the Application has been filed within the prescribed three-year limitation period, thereby meeting all essential criteria of debt and default under Section 7 of the IBC.
- xi.** The Applicant, in order to substantiate its case, has relied upon the Record of Default (Form-D) available with the Information Utility (NeSL). On perusal of the Record of Default (RoD) of the Corporate Debtor maintained by the Information Utility namely National E-Governance Services Limited (NeSL) dated 25.02.2025, we find that this is the record w.r.t. the status of authentication by the debtor is shown as “DEEMED TO BE AUTHENTICATED” (Colour Code Yellow). Therefore, we are satisfied that there exists debt and default, and the same is corroborated by the IU certificate filed via Additional Affidavit dated 07.03.2025.



- xii.** On the basis of the above analysis, we are of the considered view that the amount involved in the present case should be considered as a Financial Debt within the definition of sub-section 8 of Section 5 of the Code.

We are of the opinion that the Applicant is a Financial Creditor holding financial debt which is in default of payment by the Corporate Debtor, and the present Application under Section 7 of the Code is maintainable.

- xiii.** It is settled law that the prerequisites for an application under Section 7 of the Code are the existence of 'financial debt' and a 'default'.

In the light of the above facts and circumstances, the existence of debt and default is reasonably established by the Applicant as a major constituent for admission of the Application under Section 7 of the Code.

Therefore, the Application under sub-section (2) of Section 7 is taken as Complete.

## 5. **Order**

In light of the above facts and circumstances, it is hereby ordered as follows: -

- i.** The Application bearing **IB-640(ND)/2024** filed by the Applicant, 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 Applicant has proposed the name of Mr. Vikram Bajaj as the Interim Resolution Professional (“IRP”) having address: 214, Second Floor, Tower-A, Spaze Edge, Sector-47, Gurgaon, Haryana-122018. His Email id is bajaj.vikram@gmail.com. His registration number is IBBI/IPA-002/IP-N00003/2016-2017/10003. The Applicant filed a copy of the Consent Issued by Mr. Vikram Bajaj in Form 2, Written Communication by proposed IRP, as per the requirement of Rule 9(1) of the Adjudicating Authority Rules, along with the Certificate of Registration and Authorization for Assignment in Form B. Accordingly, Mr. Vikram Bajaj is appointed as IRP.
- 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 the 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 a periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- ix.** The Financial Creditor 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 Creditor. 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 Creditor.
- 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 Creditor, 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 application must be notified.
- xii.** The Registry is 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/-

**(DR. SANJEEV RANJAN)  
MEMBER (TECHNICAL)**

Sd/-

**(BACHU VENKAT BALARAM DAS)  
MEMBER (JUDICIAL)**

**IB-640(ND)/2024**

**Date of Order: 11.06.2025**