**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/ VC Mode (Hybrid)]*

**ITEM No.09**
**I.A No.315/2024 in**
**CP (IB) No.76/BB/2024**

**IN THE MATTER OF:**

M/s Sarvaloka Services -on- Cell Pvt Ltd … Petitioner

**Petition under Section 10 of the I & B Code 2016**

**Order delivered on: 07.01.2026**

**CORAM:**

**SHRI. SUNIL KUMAR AGGARWAL**
**HON'BLE MEMBER (JUDICIAL)**

**SHRI. RADHAKRISHNA SREEPADA**
**HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the Petitioner : None

**ORDER**

1. Heard Ld. Counsel for the petitioner.
2. **The C.P is admitted to CIRP vide separate order. List on 03.03.2026 for report.**
3. **I.A No.315 of 2024 is rendered infructuous and the same is dismissed in view of moratorium.**

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| **-Sd-** | **-Sd-** |
| **RADHAKRISHNA SREEPADA** | **SUNIL KUMAR AGGARWAL** |
| **MEMBER (TECHNICAL)** | **MEMBER (JUDICIAL)** |

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**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)

**CP (IB) No.76/BB/2024**

Application U/s. 10 of the IBC, 2016
read with Rule 7 of the IBC (AAA) Rules, 2016

**IN THE MATTER OF:**

**SARVALOKA SERVICES-ON-CALL PRIVATE LIMITED**
GMCC Group No. L-371, 5th Main,
Sector-6, HSR Layout,
Bangalore- 560 102. …Petitioner/Corporate Applicant

**Order delivered on: 07.01.2026**

**Coram:** Shri. Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
Shri. Radhakrishna Sreepada, Hon'ble Member (Technical)

**COUNSELS PRESENT:**

For Petitioner: Shri Anupam Agarwal

## O R D E R

**1.** The present Petition has been filed by Sarvaloka Services-On-Call Private Limited ('Petitioner/Corporate Applicant') under section 10 of IBC, 2016, read with Rule 7 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) qua itself for committing default in payment of debt of **Rs 8,19,68,220/-** (Rupees Eight Crore, Nineteen Lakhs, Sixty Eight Thousand, Two Hundred and Twenty Rupees Only).

**2.** Brief relevant facts of the case, as emanating from the Company Petition are as follows:

(i) The Petitioner was incorporated on 17.09.2014 with the Registrar of Companies, Karnataka and given CIN U45100KA2014PTC076441 and is engaged in the business of construction and allied services.

(ii) The Petitioner experienced strong financial performance until March 2020 but faced significant distress due to the COVID-19 pandemic, which disrupted construction projects and timelines.

(iii) Following the delay in projects, clients demanded refunds, leading to multiple legal actions against the Corporate Debtor, including consumer complaints and civil suits, with pending claims totalling Rs. 1,17,76,238.

(iv) The Petitioner is dealing with various pending cases, including cheque bounce cases amounting to Rs. 61,66,687 and has disposed cases with a decreed amount of Rs. 4,09,14,830.

(v) Further, there are ongoing execution cases with an outstanding amount of Rs. 2,61,77,966, reflecting the financial strain and legal complexities faced by the Corporate Debtor.

(vi) The Petitioner has also defaulted on rental payments totalling Rs. 1,66,84,084 and has a financial debt of Rs. 18,75,424 leading to a **total default of Rs. 8,19,68,220.**

(vii) The Petitioner however asserts that there was no wilful default or malafide intention to evade debt repayment, attributing its financial instability to external circumstances.

(viii) Even after so many attempts to revive, the Petitioner has encountered a depletion of funds as is not in a condition to pay its debts. Hence this application.

**3.** After a careful examination of the facts of the case it transpires that there was a debt due and there was a default of the same. It is also observed that the Petitioner was not earning sufficient profit to repay its debts. The Petition was supported with the special resolution passed by the shareholders of the Corporate Applicant.

**4.** On 24.04.2024, this Tribunal had directed the Petitioner to file **a)** Latest Audited Financials containing position of Loans and Advances, Debtors and Inventory along with Auditors report **b)** Financials/Books of accounts in a pen drive **c)** Affidavit regarding pending legal proceedings **d)** An affidavit to the effect that it has not received any notice under SARFAESI Act and that this application is not to defeat the provisions of law & **e)** Affidavit under Section 11 of IBC, 2016. The Documents were filed vide Diary No. 2761 dated 13.05.2024 in furtherance of said order.

**5.** Notice of petition was issued all the Creditors through paper publication. However, neither any of the Creditors appeared nor any objections have been filed.

**6.** Heard the Learned Counsel for the Petitioner and we have carefully perused the pleadings of the party and the extant provisions of the Code and the law.

**7.** As per Section 10 of Insolvency and Bankruptcy Code, 2016 a Corporate Applicant can file an application before the Adjudicating Authority, seeking initiation of Corporate Insolvency Resolution Process of the Corporate Debtor that has committed a default, in a prescribed form by enclosing the following:

a. The information relating to its books of account and such other documents for such period as may be specified:

b. The information relating to the resolution professional proposed to be appointed as an interim resolution professional; and

c. The Special resolution passed by shareholders of the Corporate Debtor or the resolution passed by at least three-fourth of the total number of partners of the Corporate Debtor, as the case may be, approving filing of the application.

Further, as per sub-section 4 of Section 10 the Adjudicating Authority can admit an application if the same is complete and no disciplinary proceedings are pending against the proposed Resolution Professional.

**8.** The legal principles laid down by the Hon'ble NCLAT, New Delhi with regard to the Petitions filed u/s. 10 of the IBC, 2016 may be briefly couched as under:

(i) ***M/s. Unigreen Global Private Limited Vs. Punjab National Bank & 3 Ors.,*** *Company Appeal (AT) (Insolvency)No.81 of 2017* dated 01.12.2017,

*"...20. Under both Section 7 and Section 10, the two factors are common i.e. the debt is due and there is a default. Sub-section (4) of Section 7 is similar to that of sub-section (4) of Section 10. Therefore we, hold that the law laid down by the Hon'ble Supreme Court in "**Innoventive Industries Ltd.** (Supra) is applicable for Section 10 also, wherein the Hon'ble Supreme Court observed as "The moment the*

*adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority".*

*21.In an application under Section 10, the 'financial creditor' or 'operational creditor', may dispute that there is no default or that debt is not due and is not payable in law or in fact. They may also oppose admission on the ground that the Corporate Applicant is not eligible to make application in view of ineligibility under Section 11 of the I&B Code. The Adjudicating Authority on hearing the parties and on perusal of record, if satisfied that there is a debt and default has occurred and the Corporate Applicant is not ineligible under Section 11, the Adjudicating Authority has no option but to admit the application, unless it is incomplete, in which case the Corporate Applicant is to be granted time to rectify the defects.*

*22.Section 10 does not empower the Adjudicating Authority to go beyond the records as prescribed under Section 10 and the information as required to be submitted in Form 6 of the Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules, 2016 subject to ineligibility prescribed under Section 11. If all information are provided by an Applicant as required under Section 10 and Form 6 and if the Corporate Applicant is otherwise not ineligible under Section 11, the Adjudicating Authority is bound to admit the application and cannot reject the application on any other ground.*

*23.Any fact unrelated or beyond the requirement under I & B Code or Forms prescribed under Adjudicating Authority Rules (Form 6 in the present case) are not required to be stated or pleaded. Non-disclosure of any fact, unrelated to Section 10 and Form 6 cannot be termed to be suppression of facts or to hold that the Corporate Applicant has not come with clean hand except the application where the "Corporate Applicant" has not disclosed disqualification, if any, under Section 11. Non-disclosure of facts, such as that the 'Corporate Debtor' is undergoing a corporate insolvency resolution process; or that the 'Corporate Debtor' has completed corporate insolvency resolution process twelve months preceding the date of making of the application; or that the corporate debtor has violated any of the terms of resolution plan which was approved twelve months before the date of making of an application under the said Chapter; or that the corporate debtor is one in respect of whom a liquidation order has already been made can be a ground to reject the application under Section 10 on the ground of suppression of fact/not come with clean hand.*

(ii) ***Armada Singapore Pte. Ltd. Vs. Ashapura Minechem Ltd.****, in I.A.No.3052 of 2019 in Company Appeal (AT) (Insolvency)No.350 of 2019 and batch* order dated 30.09.2019 – 'a Petition filed under Section

10 of IBC, 2016 is not maintainable without the approval of the shareholders of the Corporate Debtor in its 'Annual General Meeting'/'Extra-Ordinary General Meeting'.

(iii) ***Vyomit Shares Stock & Investments Pvt. Ltd. vs. Securities and Exchange Board of India,*** *Company Appeal (AT) (Insolvency) No.258 of 2019* dated 15.05.2019 - an Application filed under Section 10 of the IBC, 2016, can be rejected on the ground that the 'Corporate Debtor' is earning sufficient profit.

**9.** The petitioner has filed its audited financials for the year 2021-2022, 2022-2023 which reflect that the Corporate Applicant is suffering from substantial Losses.

**10.** The Corporate Applicant satisfies the conditions for initiating an Application U/s 10 of the Code viz., there is an existence of debt above prescribed threshold, there is a default and the Corporate Debtor is not disqualified U/s 11 of the Code. The shareholders of the Corporate Applicant have unanimously passed a Special Resolution in the Extraordinary General meeting held on 02.01.2024 for initiation of Corporate Insolvency Resolution Process.

**11.** The Applicant has suggested a qualified Insolvency Professional namely **Mr. Rakesh Kumar Jain**, with Registration No. *IBBI/IPA-002/IP-N00053/2017-18/10105,* who has also filed his written Consent in Form-2 dated 13.02.2024, by inter alia declaring that he is eligible to be appointed as resolution professional in respect of the corporate applicant and there are no disciplinary proceedings pending against him with the Board or Indian Institute of Insolvency Professionals of ICAI.

**12.** In view of the above facts and circumstances of the case, and the settled position of law on the issue, **CP(IB) 76/BB/2024 is allowed and Corporate Applicant** Sarvaloka Services-on-call Private Limited is admitted to undergo Corporate Insolvency Resolution Process (CIRP). Simultaneously moratorium is declared in terms of Section 14 of the Code imposing following prohibitions to be followed by all and sundry: -

a. the institution of suits or continuation of pending suits or proceedings against the Corporate Applicant/Debtor including execution of any judgement, 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.

**13.** The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33 as the case may be.

**14.** It is further directed that the supply of essential goods or services to the CD as may be specified, shall not be terminated or suspended or interrupted during the moratorium period.

**15.** The provisions of Section 14(3) shall however, not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a CD.

**16.** We do hereby appoint **Mr. Rakesh Kumar Jain, Insolvency Professional**, bearing Registration No. *IBBI/IPA-002/IP-N00053/2017-18/10105*. email Id sirshree.rakesh@gmail.com Mobile No. 9810060524, address: E-205, Basement, Greater Kailash Part – II, New Delhi - 110048, as Interim Resolution Professional(IRP) of the CD to carry on the functions as contemplated under

IBC and Rules/Regulations framed thereunder. The IRP shall be entitled to fee as per the provisions of IBBI Regulations/Circulars/Directions issued in this behalf. The term of appointment of IRP shall be in accordance with the provisions of Section 16(5) of the Code;

**17.** In terms of Section 17 of the Code, from the date of this appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs of Corporate Debtor shall vest with the Interim Resolution Professional and the officers and the managers of the Corporate Debtor shall report to the Interim Resolution Professional, who shall be enjoined to exercise all the powers as are vested with and strictly perform all the duties as are enjoined on the Interim Resolution Professional under Section 18 and other relevant provisions of the Code, including taking control and custody of the assets over which the Corporate Debtor has ownership rights recorded in the balance sheet of the Corporate Debtor etc. as provided in Section 18 (1) (f) of the Code. The Interim Resolution Professional is directed to prepare a complete list of inventory of assets of the Corporate Debtor;

**18.** The Interim Resolution Professional shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government and in accordance with the Code of Conduct governing his profession as an Insolvency Professional with high standards of ethics and moral.

**19.** The Interim Resolution Professional shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the Corporate Insolvency Resolution Process in terms of Section 13 (1) (b) of the Code read with Section 15 calling for the submission of claims against Corporate Debtor;

**20.** The petitioner shall deposit a sum of **Rs 2,00,000/- (Rupees Two Lakhs Only**) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses shall be subject to approval by the Committee of Creditors. The IRP shall give individual notices to all the statutory authorities to enable them to submit their claims and submit proof of service with progress report.

**21.** It is hereby directed that the Corporate Debtor, its Directors, personnel and the persons associated with management shall extend all cooperation to the Interim Resolution Professional in managing the affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records, physical & electronic, including by providing him the login ID and passwords, as well as assets of the Corporate Debtor;

**22.** The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying of the committee to this Authority on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the committee within seven days of filing the report of constitution of the committee. He is directed to send regular monthly progress reports to this Authority.

**23.** A copy of this order be communicated to the parties. Learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith. The Registry shall also forthwith forward a soft copy of this order to the Interim Resolution Professional at his email address.

**-Sd-**
**(RADHAKRISHNA SREEPADA)**
**MEMBER (TECHNICAL)**

**-Sd-**
**(SUNIL KUMAR AGGARWAL)**
**MEMBER (JUDICIAL)**