



**NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – II
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 19.06.2026 AT
10.30 A.M. THROUGH VIDEO CONFERENCING:**

**CORAM : SHRI. JYOTI KUMAR TRIPATHI, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)**

APPLICATION NUMBER : --

PETITION NUMBER : CP(IB)/246(CHE)2022

NAME OF THE PETITIONER : M/s Anantha PVC Pipes Private Limited

NAME OF THE RESPONDENT(S) : M/s SP Coal Resources Private Limited

UNDER SECTION : Sec 9 Rule 6 of IBC, 2016

ORDER

Present: Ld. Counsel for the Applicant.

Vide separate order pronounced in open court, **CP(IB)/246(CHE)2022** is

Allowed.

Sd/-
RAVICHANDRAN RAMASAMY
Member (Technical)

Sd/-
JYOTI KUMAR TRIPATHI
Member (Judicial)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI**

CP (IBC) / 246 (CHE) / 2022

*(Filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 6 of
Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)*

M/s Anantha PVC Pipes Private Limited,

Represented by Mr. S. Ganapathi Rao

Door No. 8-3-833/188, Plot No. 188,

Page – II, Kamalapuri Colony,

Hyderabad – 500 073

... Operational Creditor/Petitioner

-Vs-

M/s SP Coal Resources Private Limited,

Old No. 77, New No. 111,

IIIrd Floor, Perambur, Redhills Road,

Vinayagapuram,

Chennai – 600 009

...Corporate Debtor/Respondent

Order Pronounced on 19th June 2026

CORAM

SHRI JYOTI KUMAR TRIPATI, MEMBER (JUDICIAL)

SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

For Petitioners :- J Basava Raju, D. Gopalakrishna, Advocates

For Respondent :- Jesus Moris Ravi, J. Pravin, D. Thirugnanam, M.

Bharathavendhan, Advocates

ORDER

(Heard Through Hybrid Mode)

1. This Petition has been filed under Section 9 of the Insolvency and Bankruptcy code, 2016 (“IBC”) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by M/s



Anantha PVC Pipes Private Limited, (hereinafter referred to as '*Operational Creditor*') seeking to initiate Corporate Insolvency Resolution Process against **M/s SP Coal Resources Private Limited** (hereinafter referred to as '*Corporate Debtor*').

2. Part-I of the Petition sets out of the details of the Operational Creditor. It is averred that the Anantha PVC Pipes Private Limited is engaged in the business of supply leather, which is represented by Mr. S. Ganapathi Rao with its office situated at Door No. 8-3-833/188, Plot No. 188, Page – II, Kamalapuri Colony, Hyderabad – 500 073.

3. Part-II of the Petition sets out the details of the Corporate Debtor, M/s SP Coal Resources Private Limited, with Identification No. U10100TN2010PTC075812, incorporated on 25.05.2010, with an Authorized Share Capital of Rs. 3,50,00,000/- and the Paid-up Share Capital of Rs. 3,25,00,000/- having its registered office at Old No. 77, New No. 111, IIIrd Floor, Perambur, Redhills Road, Vinayagapuram, Chennai – 600 009.

4. In Part-III of the Petition the Operational Creditor has not proposed any Insolvency Professional to act as a Resolution Professional and therefore, prayed the Tribunal to make a reference to the board for appointment of Interim Resolution professional.

5. Part-IV of the Petition states that the total outstanding Debt is Rs. 1,33,10,985/- (Rupees One Crore Thirty Three Lakhs Ten Thousand Nine



Hundred and Eighty Five Only) as the principal amount along with an interest of 18% payable towards interest from 29.09.2021. It is stated that the Date of Default is 29.09.2021.

6. Part-V of the Petition describes the Particulars of the Operational Debt, documents, records and evidence of the default as below:

- Provision of Law, Contract or Other Document under Which Operational Debt Has Become Due - IBC 2016, Sale Goods Act, Etc.
- A Statement of Bank Account Where Deposits Are Made or Credits Received Normally By The operational Creditor In Respect Of The Debt Of The Corporate Debtor - Certificate From The Bank Is Attached
- List of Other Documents Attached To This Application In Order To Prove the Existence of Operational Debt and the Amount In Default- Statement of Account Is Attached

7. SUBMISSIONS OF PETITIONER:

7.1 It is submitted that claim in the present case arises out of commercial transactions between the Operational Creditor and the Corporate Debtor. Pursuant to requests made by the Corporate Debtor, the Operational Creditor supplied PVC Resin, a raw material used in the manufacture of PVC pipes and allied products. According to the Operational Creditor, an amount of Rs.4,55,84,111.40/- became due and payable by the Corporate Debtor towards such supplies.

7.2 It is further submitted that one of its group companies, namely M/s. SPY Agro Industries Limited, was engaged in separate business transactions



with the Corporate Debtor. In the course of such transactions, the Corporate Debtor supplied coal to M/s. SPY Agro Industries Limited, in respect of which an amount of Rs.3,22,73,125.75/- became payable by SPY Agro Industries Limited to the Corporate Debtor.

7.3 It was submitted that, pursuant to mutual discussions between M/s. SPY Agro Industries Limited and the Corporate Debtor, the Corporate Debtor proposed that the amount receivable from SPY Agro Industries Limited be adjusted against the amount payable by the Corporate Debtor to the Operational Creditor. Considering the said proposal and the fact that SPY Agro Industries Limited is a group company of the Operational Creditor, the parties agreed to such adjustment. Consequently, an amount of Rs.3,22,73,125.75/- was adjusted against the outstanding dues of the Corporate Debtor.

7.4 Accordingly, it is submitted that in view of the above, the liability of the Corporate Debtor stood reduced from Rs.4,55,84,111.40/- to Rs.1,33,10,985.69/-, which remains unpaid.

7.5 It is submitted that the Corporate Debtor is not making payment for the amount owed to the Operational Creditor in spite of repeated requests made by the Operational Creditor in various meetings that took place.

7.6 It is submitted that the Corporate Debtor had availed certain Credit Facilities from the Karnataka Bank, Porur Branch, Chennai and informed the



Bank that the Operational Creditor is the debtor of Corporate Debtor. The said fact was known from Karnataka Bank Limited letter dated 24.01.2022. The Karnataka Bank had informed to Operational Creditor that the Corporate Debtor account has become NPA on 02.12.2021 and the outstanding liability was Rs. 17,98,55,477.52/-.

7.7 It is further submitted that on the basis of information given by Corporate Debtor to Karnataka Bank, the Bank requested the Operational Creditor to remit an amount of Rs.3,32,58,265.48/- to the loan account of Corporate Debtor. However, The Operational Creditor, by letter dated 05.02.2022, denied any liability towards the Corporate Debtor and informed the Bank that, on the contrary, the Corporate Debtor was indebted to the Operational Creditor.

7.8 It is additionally submitted that the Operational Creditor had received another communication dated 08.08.2022 from Vigilance Department, Head office, Karnataka Bank Limited seeking confirmation as to whether the Operational Creditor owed any amount to the Corporate Debtor.



Karnataka Bank Ltd.

A 16

Regd. & Head Office
P. O. No.599, Mahaveera Circle
Kankanady
Mangalore - 575 002

Phone : 0824-2228366 Fax:0824-2228361
E-Mail : vigilance@kbnkbank.com
Website : www.karnatakabank.com
CIN : LB8110KA1824PL0001128

VIGILANCE DEPARTMENT

HO:VD:FRGC:K :2022-23

August 08, 2022

To,
M/s. Anantha PVC Pipes Pvt Ltd
D.No.8-3-833/188, Plot No.188,
1st Floor, Phase II, Kamalapuri Colony,
Hyderabad-500073,
Telangana

Sir,
Sub:- Requesting confirmation.

One of our customers M/s. SP Coal Resources Pvt Ltd had shown your company as debtors in their statements submitted to us. As on 31.08.2021, it was stated that your company owe them Rs.33258265.48. We request you to kindly confirm us as to whether you are indeed a debtor and owe them the amount as stated.

Yours truly

Kaushik R
OFFICER



7.9 By letter dated 24.08.2022, the Operational Creditor informed the Bank that the Corporate Debtor was liable to pay a sum of Rs.1,33,10,985/- and further informed the Bank that a demand notice under the Insolvency and Bankruptcy Code, 2016 had already been issued against the Corporate Debtor.

Monarch

ANANTHA PVC PIPES PRIVATE LIMITED

S.NO. 26, N.H.7, BANGALORE ROAD, HAMPAPURAM - 515 721, ANANTAPUR DIST. (A.P)

Anantha PVC (5759)
Cell: +91 94402 51552
+91 98666 89333

CIN No. U25209TG2006PTC049592

To
The Manager
Karnataka Bank Limited
Vigilance Department
Head Office: Mahaveera Circle
Kankanady,
MANGALORE-575002

Date: 24.08.2022

Dear Sir,

Sub: SP Coal Resources Pvt Ltd

We are in receipt of your letter dated: 08.08.2022, we would like to inform you that your Porur Branch, Chennai addressed a letter dated 24.01.2022 and we have given a reply vide our letter dated: 05.02.2022. We understand that your Porur Branch has not placed the said letter before you at the time of addressing the subject matter letter dated 08.08.2022.

We would like to draw your kind attention that M/s. S.P. Coal Resources Pvt, Ltd is liable to pay a sum of Rs. 1,33,10,985/- to us and we have issued a Demand Notice under IB Code and we are taking necessary steps for initiation of proceedings under IB Code.

We hope we are very clear to you.

Yours faithfully,
For Anantha PVC Pipes Pvt. Ltd

Authorized Signatory



8. SUBMISSIONS BY RESPONDENT:

8.1 It is submitted in the reply dated 04.03.2023 that there it was an admitted fact by the operational creditor that SPY Agro Industries Limited is one of the group companies of the operational creditor and that the liability of SPY Agro Industries Limited had been adjusted against the liability of the Corporate Debtor towards the Operational Creditor.

8.2 It was submitted that there existed substantial dues payable by SPY Agro Industries Limited to the Corporate Debtor arising out of independent commercial transactions between them.

8.3 It is submitted that with respect to the transactions in between the Corporate Debtor and SPY Agro Industries Limited, the Corporate Debtor had issued a Form 3, Demand Notice dated 25.01.2022 for a Sum of Rs. 6,53,17,022/- to the said SPY Agro Industries Limited and upon receipt of the said notice, issued a reply dated 05.02.2022 disputing the claim.

8.4 Under the circumstances, according to the Corporate Debtor, the adjustment entries made by the Operational Creditor itself establish that SPY Agro Industries Limited is a group company of the Operational Creditor and that inter-company adjustments were effected in the books of accounts.

8.5 It is submitted that after crystallization of the accounts of various group companies, an aggregate sum of Rs.13,38,22,576.50/- became due and



payable by the group companies of the Operational Creditor. Consequently, the Corporate Debtor initiated insolvency proceedings against SPY Agro Industries Limited by filing CP (IB) No.140/2022 before the National Company Law Tribunal, Hyderabad Bench.

8.6 It was further contended that, in order to circumvent the proceedings initiated against SPY Agro Industries Limited, the Operational Creditor manipulated its books of accounts by removing and suppressing journal entries, particularly entries pertaining to M/s. Sujala Pipes Private Limited amounting to Rs.4,50,00,000/-. It was alleged that selective adjustments amounting to Rs.3,22,73,125.71/- were made in the books of account and that the present petition has been filed on the basis of manipulated records.

8.7 The Corporate Debtor also submitted that the accounts relating to SPY Agro Industries Limited and Integrated Thermoplastics Limited have been produced in CP (IB) No.140/2022 and CP (IB) No.142/2022 before the NCLT, Hyderabad, where the genuineness of such accounts is presently under consideration.

8.8 It was therefore contended that the statement of accounts relied upon by the Operational Creditor is manipulated and unreliable.

8.9 The Corporate Debtor further relied upon an acknowledgment of debt dated 28.10.2021 executed by SPY Agro Industries Limited, confirming and reconciling the outstanding balance payable to the Corporate Debtor.



9. REPLY FILED BY THE CORPORATE DEBTOR

9.1 It is submitted in the reply dated 15.11.2025 that the Operational Creditor and its group concerns have been using inter-company transactions and adjustments as a mechanism to shield one another from liabilities and insolvency proceedings by selectively introducing and removing entries from their books of accounts.

9.2 It was further submitted that the Corporate Debtor had filed CP (IB) No.140/2022 against SPY Agro Industries Limited for recovery of Rs.6,53,17,022/- and that Company Appeal No.68 of 2024 is pending before the NCLAT, Chennai, against Integrated Thermoplastics Limited in respect of an amount of Rs.4,78,97,149/-. According to the Corporate Debtor, the Operational Creditor and its group concerns are collectively liable to pay an amount of Rs.11,41,31,314/-.

9.3 It is submitted that in regards to the same debt towards part settlement of liability to be paid by the operational creditor and its sister concerns the following cheques had been issued by M/s.SPY Agro Industries Ltd;

"a. Cheque bearing No.254948, dated 05.05.2025 for Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District.

b. Cheque bearing No.254949, dated 08.05.2025 for Rs.25,00,000/- (Rupees Twenty Five lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District.



c. Cheque bearing No.254950, dated 14.05.2025 for Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, a sum of Nandyal, Kurnool District.

d. Cheque bearing No.254951, dated 22.05.2025 for a sum Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, of Nandyal, Kurnool District.

e. Cheque bearing No.254952, dated 29.05.2025 for a sum of Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District.”

9.4 It is submitted that SPY Agro Industries Limited issued several cheques aggregating to Rs.2,25,00,000/- towards partial discharge of its liability. However, all such cheques were dishonoured upon presentation.

9.5 It is submitted that further one of the sister concerns of the petitioner herein named M/s. Sujala Pipes Private Limited had issued the following Cheques to the respondent towards Part settlement of the amount in default by the group concerns of petitioner and petitioner herein.

“a) cheque bearing No.147816, dated 02.06.2025 for a sum Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District

b) cheque bearing No.147817, dated 05.06.2025 for Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District a sum of

c) cheque bearing No.147818, dated 06.06.2025 for Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, a sum of Nandyal, Kurnool District

d) cheque bearing No.147820, dated 09.06.2025 for a sum of Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District.

e) cheque bearing No.147821, dated 11.06.2025 for Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District.



f) cheque bearing No.147822, dated 13.06.2025 for Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District.

g) cheque bearing No.147823, dated 16.06.2025 for Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District.

h) cheque bearing No.147824 dated 20.06.2025 for a sum Rs.50,00,000/- (Rupees Fifty lakhs Only) drawn on State Bank of India, Nandyal, Kurnool District, totalling to a sum of Rs.4,00,00,000/- (Rupees Four Crores only) and promised that the cheques would be honored without any default.”

9.6 Similarly, M/s. Sujala Pipes Private Limited, another group concern of the Operational Creditor, issued eight cheques aggregating to Rs.4,00,00,000/- towards partial settlement of liabilities allegedly due from the group concerns. These cheques were also dishonoured.

9.7 On the basis of the aforesaid facts, the Corporate Debtor contended that the Operational Creditor and its group entities are themselves defaulters and that the present petition has been filed only as a counterblast to the proceedings initiated by the Corporate Debtor against the group companies of the Operational Creditor.

9.8 Accordingly, it was prayed by the respondent that the present Company Petition be dismissed as being devoid of merit.



FINDINGS OF THIS TRIBUNAL:

10. We have heard the learned Counsels for both the parties and perused the documents on record.

11. The present Company Petition has been filed by the Operational Creditor under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC") seeking initiation of Corporate Insolvency Resolution Process ("CIRP") against the Corporate Debtor for default in payment of operational debt.

12. In the present case, the contention of Operational Creditor is that it had supplied PVC Resin to the Corporate Debtor in the ordinary course of business. Pursuant to such supplies, an amount of Rs.4,55,84,111.40/- became due and payable by the Corporate Debtor.

13. It is further clarified that it is the specific case, where one of its group companies, namely SPY Agro Industries Limited of the Operational Creditor, was independently indebted to the Corporate Debtor to the extent of Rs.3,22,73,125.75/-. Upon mutual discussions among the parties, it was agreed that the amount payable by SPY Agro Industries Limited to the Corporate Debtor would be adjusted against the liability of the Corporate Debtor towards the Operational Creditor.



14. Consequently, after giving effect to the aforesaid adjustment, the outstanding liability of the Corporate Debtor stood reduced to Rs.1,33,10,985.69/-.

15. The Operational Creditor issued a Demand Notice in Form-3 under Section 8 of the Code on 16.02.2022. Despite receipt of the demand notice, the Corporate Debtor failed to liquidate the outstanding dues.

16. Per contra, the respondent's contention is that SPY Agro Industries Limited and other group companies of the Operational Creditor were indebted to the Corporate Debtor. It is further contented by the corporate debtor that the ledger accounts relied upon by the Operational Creditor are manipulated.

17. Also, the respondent further stated that the insolvency proceedings have been initiated by the Corporate Debtor against SPY Agro Industries Limited and other group concerns. It is also submitted that there were certain dishonoured cheques allegedly issued by SPY Agro Industries Limited and Sujala Pipes Private Limited in the year 2025.

18. The issue for consideration in the present case is whether there is an existing operational debt payable and whether there existed a pre-existing dispute prior to issuance of the demand notice under Section 8 of the Code.



19. As per the provision mentioned in Article 137 of Limitation Act, the limitation for recovery of debts is only three years from when the right to apply accrues. In the present case, the date of default herein is 29.09.2021. This petition has been filed on 21.11.2022. Hence, it can be seen that the said petition is filed within the period of three years from the date of default, which is well within the limitation period.

20. The supply of PVC Resin by the Operational Creditor to the Corporate Debtor is not disputed. The business relationship between the parties and the transactions giving rise to the debt stand admitted.

21. Significantly, in the Counter filed before this Tribunal, the Corporate Debtor has itself stated that:

"SPY Agro Industries Limited is one of the group companies of the Operational Creditor and the Operational Creditor has decided to adjust the SPY Agro Industries Limited's liability towards the liability of the Corporate Debtor to the Operational Creditor and accordingly the same was adjusted."

22. The aforesaid pleading amounts to a clear admission regarding the adjustment transaction relied upon by the Operational Creditor. Consequently, the operational debt to the extent of Rs.1,33,10,985.69/- stands established.



23. The Corporate Debtor has failed to place any material evidencing payment of the admitted balance amount. Accordingly, default in payment of operational debt stands proved.

24. It has been held in the case of Mobilox Innovations Pvt. Ltd. v/s. Kirusa Software Pvt. Ltd., reported in MANU/SC/1196/2017 that if there is a debt and default, and there is no pre-existing dispute the petition filed under Section 9 of IBC has to be admitted. The relevant para of the Judgment is extracted here below;

Para 25 - Therefore, the adjudicating authority, when examining an application Under Section 9 of the Act will have to determine:

(i) Whether there is an "operational debt" as defined exceeding Rs. 1 lakh? (See Section 4 of the Act)

(ii) Whether the documentary evidence furnished with the application shows that the aforesaid debt is due and payable and has not yet been paid? And

(iii) 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 of the unpaid operational debt in relation to such dispute?

If any one of the aforesaid conditions is lacking, the application would have to be rejected.

Para 40 –

..... the adjudicating authority is to see at this stage is whether there is a plausible contention which requires further investigation and that the "dispute" is not a patently feeble legal argument or an assertion of fact unsupported by evidence. It is important to separate the grain from the chaff and to reject a spurious defence which is mere bluster. However, in doing so, the Court does not need to be satisfied that the defence is likely to succeed. The



Court does not at this stage examine the merits of the dispute except to the extent indicated above. So long as a dispute truly exists in fact and is not spurious, hypothetical or illusory, the adjudicating authority has to reject the application.

25. The Hon'ble Supreme Court in the above mentioned case held that while considering a petition under Section 9, the Adjudicating Authority is required to examine whether there exists a real dispute and not a patently feeble legal argument or unsupported assertion. The Supreme Court observed that the dispute must truly exist in fact and should not be spurious, hypothetical or illusory.

26. In the present case, apart from making allegations of manipulation, the Corporate Debtor has not produced any contemporaneous material showing that the debt claimed by the Operational Creditor was disputed before issuance of the demand notice.

27. On the contrary, the adjustment relied upon by the Operational Creditor has been specifically admitted by the Corporate Debtor in their pleadings.

28. The pendency of proceedings against SPY Agro Industries Limited and other sister concerns does not extinguish or negate the liability of the Corporate Debtor towards the Operational Creditor.

29. Also, the reliance placed by the Corporate Debtor upon dishonoured cheques allegedly issued in the year 2025 is wholly subsequent to the



issuance of the demand notice dated 16.02.2022 and cannot be treated as evidence of a pre-existing dispute.

30. It is well settled that a cross-claim or independent claim against another entity cannot by itself defeat an otherwise maintainable application under Section 9.

31. This Tribunal is satisfied that the defence raised by the Corporate Debtor is in the nature of a set-off/cross-claim against group entities and does not constitute a genuine pre-existing dispute concerning the operational debt claimed in the present proceedings.

32. This Tribunal is satisfied that an operational debt exists and default has occurred and no genuine pre-existing dispute has been established by the Corporate Debtor.

33. Taking into consideration the facts and circumstances of the case, as well as the position of Law, we are of the view that the petition filed by the Operational Creditor, is to be **Admitted** under Section 9(5) of the IBC, 2016.

In the present case, the operational creditor has not proposed any IRP name and hence this Tribunal appoints **Ms. Chitra Preinkulam Ragavan** having Reg No: **IBBI/IPA-002/IP-N00720/2019-2020/12558**, (Email: *chitraprc@yahoo.com*) whose AFA is valid till **31.12.2026** as the "Interim Resolution Professional" (IRP) in respect of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Code, more specifically



in terms of Section 15, 17, 18 of the Code and file the report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

34. As a consequence of the Petition being admitted in terms of Section 9 (5) of the Code, the moratorium as envisaged under the provisions of Section 14 shall apply in relation to the Corporate Debtor as under:

“(1) Subject to provisions of subsections (2) and (3) on the insolvency commencement date the Adjudicating Authority shall by order declare prohibiting all of the following namely:

- a. The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent 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 respondent.*

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 or a similar grant or right during moratorium period;



(2) *The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.*

(2A) *Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.*

(3) *The provisions of sub-section (1) shall not apply to*

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(b) a surety in a contract of guarantee to a corporate debtor.

(4) *The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:*

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be."

35. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:

"(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from



such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(b) a surety in a contract of guarantee to a corporate debtor."

36. The duration of the period of moratorium shall be as provided in

Section 14(4) of the Code and for ready reference reproduced as follows:

"(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be."

37. The Operational Creditor is directed to pay a sum of **Rs.2,00,000/- (Rupees Two Lakhs only)** to the Interim Resolution Professional to meet out the expenses to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

38. Based on the above terms, the Petition stands **admitted** in terms of Section 9(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order shall be communicated to the Operational Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the



Interim Resolution Professional above named be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

39. Accordingly, Company Petition CP (IBC) / 246 (CHE) / 2022 is **allowed** and disposed of.

-Sd-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)