



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

**Item No.-202**  
IB-995/PB/2020

**IN THE MATTER OF:**

Manab Datta & Ors

**....Applicant**

**Vs.**

Grandstar Reality Pvt. Ltd.

**.....Respondent**

**SECTION**

U/s 7 IBC

**Order delivered on 26.09.2023**

**CORAM:**

**SHRI P.S.N PRASAD,**  
**HON'BLE MEMBER (JUDICIAL)**

**DR. BINOD KUMAR SINHA,**  
**HON'BLE MEMBER (TECHNICAL)**

**ORDER**

Order pronounced in open Court vide separate sheets.

IB-995/PB/2020 stands admitted.

**Sd/-**

**(DR. BINOD KUMAR SINHA)**  
**MEMBER (T)**

**Sd/-**

**(P.S.N PRASAD)**  
**MEMBER (J)**



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

**COMPANY PETITION (IB) No.995/PB/2020**

ORDER UNDER SECTION 7 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016 R/W RULE 4 OF THE INSOLVENCY AND BANKRUPTCY (APPLICATION TO ADJUDICATING AUTHORITY) RULES, 2016.

IN THE MATTER OF:

**MANAB DATTA & ORS.**

No.40/150, Ground Floor,  
CR Park, New Delhi -  
110019

...Applicants/Financial Creditors  
**Versus**

**GRANDSTAR REALTY PVT. LTD.**

H-65, Connaught Circus,  
New Delhi- 110001

...Respondent/Corporate Debtor

**CORAM:**

**SHRI P.S.N PRASAD, HON'BLE MEMBER (JUDICIAL)**

**DR. BINOD KUMAR SINHA, HON'BLE MEMBER (TECHNICAL)**

**APPEARANCES:**

For the Applicant : Adv. Shreya Mahalwar,  
Adv. Arveena Sharma

For the Respondent : Adv. Rohit Singh

**Order Pronounced on: 26.09.2023**



## ORDER

PER- SHRI P.S.N PRASAD, MEMBER (JUDICIAL)

PER- DR. BINOD KUMAR SINHA, MEMBER (TECHNICAL)

1. The present application is filed by Shri Manab Datta & 52 others ('Applicants') under section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rule, 2016 for initiation of Corporate Insolvency Resolution Process, against M/s. Grandstar Realty Private Limited, for alleged default of Rs.78,09,94,385.56/- (Rupees Seventy Eight Crore Nine Lac Ninety Four Thousand Three Hundred Eighty Five and Fifty Six Paisa) only. The Applicants claim to constitute more than 10% of the total number of the allottees of the real estate project Akme Raaga as prescribed under section 7 of the Code for the purpose of filing the Application

### **Averments of the Applicants:**

2. The brief facts as averred by the Applicants for filing the present Application are as follows

- i. The Corporate Debtor 'M/s. Grandstar Realty Private Limited' was incorporated on May 2011 as per the provisions of the Companies Act, 1956 and is engaged in the business of buying, selling, renting and operating of self- owned or leased real estate such as apartment building and dwellings, non-



residential buildings, developing and subdividing real estate into lots etc.

- ii. It was submitted that the Akme Raaga project is a residential group housing project for development of a property situated in Village Lakhnaula, Tehsil Manesar, District Gurgaon, Haryana (“Property”). The project is a real estate project with 220 Home Buyers.
- iii. It was submitted that a loan of INR 60 crores was granted by Yes Bank Limited (‘Yes Bank’) to another company M/s. Akme Projects Limited (“Original Borrower”) for completing the construction of its real-estate project namely “Akme Raaga” (‘Akme Raaga’)
- iv. It was submitted that in respect of the “Akme Raga” real estate project, the Applicants had entered into flat buyer agreement with the Original Borrower i.e., M/S Akme Projects Limited pursuant to which the Original Borrower promised to construct and deliver possession of the flats to the Applicants within the stipulated time. Further, it was submitted that each homebuyer being a Financial Creditor was issued a financial contract in the form of a document, duly signed by the Original Borrower, which explicitly mentioned that the failure to offer the possession of the flat within time attracted delay charges @ Rs.5 per Sq Ft/per month.



- v. It was submitted that the loan extended by the Yes Bank to the Original Borrower was secured by an exclusive charge created on receivables and equitable mortgage on the land on which “Akme Raga” real estate project is situated. Further, it was submitted that in August 2014, the account of Original Borrower was declared a Non- Performing Asset (“NPA”) by Yes Bank consequent to which, the bank issued a notice for enforcing the security interest on the Property under Section 13(2) of the Securitization and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002.
- vi. It was submitted that proceedings were initiated under Section 14 of SARFAESI before the District Magistrate, Gurgaon *inter-alia* for taking over the possession of the Project – Property which was security charged in favour of the Secured Lender “Yes Bank”. In the said application, the Hon’ble District Magistrate passed an order dated 10 November 2015 and held that the secured creditor’s authorized officer is entitled to take possession of the said assets and appointed Tehsildar, Manesar as Duty Magistrate to take the possession of the Property
- vii. It was submitted that Yes Bank had issued a notice of sale dated 02.04.2016 with ‘*as is where is*’, ‘*as is what is*’, *whatever is basis*’ of the said property on which the project was situated on 02.04.2016. Therefore in May 2016, the Corporate Debtor



herein i.e 'M/s Grandstar Realty Private Limited' submitted a bid for the said Property to Yes Bank and the same was sold to the Corporate Debtor *on an "as is where is basis"* including its liabilities in June 2016 and being the auction purchaser of the Property, the Corporate Debtor became responsible for completing the Akme Raaga project at the Property, including liability qua 220 Home Buyers.

viii. It was submitted that even after the sale of Land to the Corporate Debtor, the Corporate Debtor had failed to offer the possession of the flats as promised and failed to pay the delay charges @ Rs.5 per Sq Ft/Per Month. This failure of Corporate Debtor has resulted in default in payment of financial debt under the Code.

**Reply of the Respondent Corporate Debtor:**

3. The Respondent Corporate Debtor had filed its Reply against the said Application filed by the Applicants under Section 7 of the Code, 2016.

The main objections raised by the Respondent are summarized below :-

i. The Respondent submitted that the 'Akme Raaga' Project has been restrained since order dated 24.04.2015 in the case titled 'Rameshwar and Others vs. State of Haryana & Others [Civil Appeal No. 8788 of 2015] decided on 12.03.2018, due to which the respondent could not have proceeded with the project,



therefore, there is no default on part of the Respondent. It is submitted that the Respondent was prevented by the said reason to deliver the project within the stipulated timeline and the same is beyond the control of the Respondent.

- ii.* The Respondent further submitted that the foregoing events inter alia constitute an event of force majeure in terms of agreement and/or in law, therefore, no default committed by the Respondent within the meaning of the Code.
- iii.* It is further submitted that the Respondent is not the original developer of the project but a bonafide subsequent purchaser of the project in the sale by the Yes Bank under the SARFAESI Act, 2002. The very auction in favour of the Respondent by the Yes Bank is a fraudulent transaction, which was discovered by the Respondent as the land License in question was part of CBI investigation (not disclosed by the Yes Bank at the time of the auction sale to the Respondent) and the license file of the said project remained seized by the CBI and the license could never be transferred in the name of the Respondent nor could sale deed be executed in its favour as such the Respondent never became the legal owner of the Project.
- iv.* It is submitted that the agreement under which the default is alleged to have been committed by the Respondent herein were all executed in 2012-13 between the Applicants and M/S Akme



Project Limited (‘original developer). Moreover, as per the clause 4.1 of the Agreement, the possession was to be handed over within 36+6 months from the date of execution of the agreement or sanction of plans whichever was later, therefore it can be said that the present Application is also barred by limitation.

v. Further the Respondent submitted that in view of the admission on part of the Applicants that M/s. Akme project Limited (‘original developer’) is undergoing CIRP vide order dated 18.04.2018 passed by the Hon’ble Adjudicating Authority, Delhi Bench II and the Applicants have already filed their claims (with respect to the said project) before the Resolution Professional and their claims stand admitted by the said Resolution Professional, the present application is liable to be dismissed on the ground of the unequivocal admission of the Applicants as the Applicants cannot be permitted to raise the very same claim in two separate insolvency proceedings against two separate corporate debtors.

### **Rejoinder by the Applicants**

4. The Applicants have filed rejoinder in response to the reply submitted by the Respondent stating following:
  - i. The Applicants submitted that the Flat Buyer Agreement entered between the Original Borrower and the Applicants



clearly states that the term ‘Company’ would include not only the Original Borrower, but also, its successors, executors, administrators, and assigns. Since, the Corporate Debtor is a Successor of the Original Borrower, the respective flat buyers’ agreement are binding on the Corporate Debtor.

- ii. It was further submitted that the Section 3(8) of the Code, 2016 defines “corporate debtor” as a corporate person who owes debt to any person. Since, the liabilities/obligations over the property concerning the allottees including the Applicants has been transferred to the Corporate Debtor by the Sale Confirmation, therefore, the Respondent come under the definition of ‘corporate debtor’ as defined under the Code.
- iii. It was submitted that the *Force Majeure* is no defense in proceeding under Section 7 of the Code and the Respondent, despite purchasing the Property on “*as in where basis*”, “*whatever there is basis*”, “*as is what is basis*” and “*no recourse basis*” the Corporate Debtor has not taken any steps in fulfilling its obligation qua the Applicants.
- iv. It was submitted that the CBI undertook the investigation against the licensed land via FIR no. RCCHG2015A0019 dated September 2015 which is much prior to the sale of the Property by Yes Bank. It is also mentioned in the auction Sale Notice that the said license stands expired and therefore, the



successful bidder shall apply for renewal of the same. Hence, Corporate Debtor cannot allege that they were not aware of any pending CBI enquiry.

- v. The Applicants further submitted that the present Application is filed within the limitation as the default occurred in year 2014-2016 whereas the Sale Certificate in favor of Corporate Debtor was issued on 19 July 2016, thereby, a fresh cause of action was available to the Applicants qua the Corporate Debtor
- vi. The Applicants submitted that on 7 January 2020, the Sale confirmation in favour of Corporate Debtor had achieved finality when, the Hon'ble DRT-II, New Delhi in S.A. 148 of 2017 confirmed the sale and also noted that the Corporate Debtor had supported the sale since 2017 and only in 2019, the Corporate Debtor had started challenging the sale. Moreover, the Hon'ble DRAT vide order dated 07.06.2021 had dismissed the appeal filed by the Corporate Debtor against the Hon'ble DRAT order dated 07.01.2020.

5. We have heard Ld. Counsels for both the parties and perused the averments made in this petition, reply, rejoinder and written submissions filled by the parties. The relevant documents annexed with the respective submissions have been examined in detail. On the basis of the pleadings, the following issues have to be answered:



- I. Whether the present petition is barred by limitation?**
- II. Whether the petitioners are entitled to maintain the present petition being homebuyer and meet the threshold limit of 100 of such allottees or 10% of the total number of such Allottees?**
- III. Whether M/s. Grandstar Reality Private Limited, respondent herein is a Corporate Debtor in terms of Section 3(8) of the Code, 2016 and the Applicants are Financial Creditor to the Corporate Debtor?**
- IV. Whether there was any default on the part of the Respondent Corporate Debtor in completion of the project 'Akme Raaga' and in repayment of the amount to the Petitioners and on that basis corporate insolvency resolution proceedings can be initiated against this Corporate Debtor?**
- V. Relief (s).**

## **ISSUE I**

6. With regard to the issue of the claim of the Applicants being barred by the law of limitation, we observe that the cause of action or default in a case of homebuyers who have a booked unit/flat, for filing a petition continues to run till the time the actual delivery is given. Given the fact that the default is for the actual delivery of the unit, the limitation for the said period does not end because the date of possession does not arrive, until and unless the project is completed and the possession is handed over to the homebuyers/Applicants, thereby, resulting in a continuing/recurring cause of action. This settled proposition of law has been reiterated by the Hon'ble Supreme Court in the case of Samruddhi Co-operative Housing Society Ltd v. Mumbai Mahalaxmi Construction



Private Limited (Civil Appeal No 4000 of 2019), decided on 11.01.2022

wherein it was held that:

“12. Section 22 of the Limitation Act 1963 provides for the computation of limitation in the case of a continuing breach of contract or tort. It provides that in case of a continuing breach of contract, a fresh period of limitation begins to run at every moment of time during which the breach continues. “

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“15. A continuing wrong occurs when a party continuously breaches an obligation imposed by law or agreement. Section 3 of the MOFA imposes certain general obligations on a promoter. These obligations inter alia include making disclosures on the nature of title to the land, encumbrances on the land, fixtures, fittings and amenities to be provided, and to not grant possession of a flat until a completion certificate is given by the local authority.”

7. We find that the present Application filed under Section 7 of the Code, 2016 qualifies the test of limitation since the possession of the units in the project ‘Akme Raaga’ are not handed over till date, which is in clear breach of the Flat Buyer Agreement and therefore, amounts to a continuing default committed by the Corporate Debtor.

## **ISSUE II**

8. In order to initiate the CIRP against a corporate debtor on an application filed by financial creditors who are allottees under Section 7 of the Code, 2016 it must primarily qualify the threshold limit of not less than 100 of such allottees under the same real estate project or not less than 10% of the total number of such allottees under the same real estate project, whichever is less as envisaged under second proviso to



the Section 7(1) of the Code. We are satisfied that in compliance of the said proviso, the instant application has been jointly filed by 53 allottees/homebuyers out of total of 220 allottees i.e., more than 10% in the 'Akme Raaga' project, which satisfies the criteria as provided in second proviso to the Section 7(1) of the Code, 2016. Therefore, the instant application is maintainable with reference to the aforesaid threshold.

### **ISSUE III**

9. As regard to the issue whether M/s. Grandstar Realty Private Limited i.e., respondent herein, is a Corporate Debtor in terms of the Code, 2016, it would be necessary to discuss the thumbnail sketch of sequence of facts which are necessary for the determination of the present issue.
  
10. The genesis of the case arises from the 'Flat Buyer Agreement' entered into between the Applicants and M/s. Akme Projects Limited ('Original Borrower') for the purchase of subject dwelling units in the project namely 'Akme Raaga' which is a residential housing project situated in Village Lakhnaula, Tehsil Manesar, District Gurgaon, Haryana ('Property'). The Original Borrower i.e., M/s. Akme Projects Limited had taken secured loan from Yes Bank Limited and the said loan was secured by an equitable mortgage on the said Property. The Original Borrower had defaulted in the repayment of the loan extended by the Yes Bank Limited, consequent to which the Bank Account of the Original Borrower



maintained with Yes Bank Limited was declared a Non Performing Asset and notice for enforcing security interest under Section 13(2) of SARFAESI Act, 2002 was issued. The Hon'ble District Magistrate, Gurgaon on an application made under Section 14 of the SARFAESI Act, 2002 vide order dated 10.11.2015 after noting that the Yes Bank have agreed to take over both assets and liabilities and thus, the rights of the allottees are secured, had authorized the Secured Creditors i.e., Yes Bank's authorized officer to take possession of the property and its documents.

11. Further, Yes Bank had issued a Sale Notice dated 02.04.2016 for the said property under Rule 8(6) of the Security Interest (Enforcement) Rules, 2002 on 02.04.2016 wherein it was clearly mentioned that the property will be sold on 'as is where is', 'as is what is', 'whatever there is' basis. Moreover, pursuant to the sale notice, the said property was sold to M/s. Grandstar Reality Private Limited by the Yes Bank and a sale certificate dated 19.07.2016 was issued in favor of the Corporate Debtor.
12. This Adjudicating Authority had carefully perused the Sale Notice dated 02.04.2016, Sale Confirmation advice dated 17.06.2016 and Sale Certificate dated 19.07.2016 which are annexed as Annexure A-7, Annexure A-8 and Annexure A-9 to the present Company Application. It was observed that the covenants of the Sale Notice dated 02.04.2016 clearly mentioned that the property will be sold on "AS IS WHERE IS",



AS IS WHAT IS', 'WHATEVER THERE IS' basis. The Sale Certificate dated 19.07.2016 issued by the Yes Bank to the Corporate Debtor confirming the sale of the said property contains the list of 221 allottees of the project 'Akme Ragaa' being constructed on the said property. Further, the Sale Confirmation dated 17.06.2016 clearly contains the disclosure about the obligation/liability of the Corporate Debtor towards the allottees of the project 'Akme Raaga'. The relevant extract of the Sale Confirmation dated 17.06.2016 is reproduced below in verbatim:

*"That it is reiterated that 221 number of flats are allotted in the project as per the record of YES Bank Ltd. Further, out of the said 221 allotment, at least 38 flats are financed by HDFC Ltd. and 42 flats are financed by different Banks/Financial Institution (FI). That you have to abide by the existing tripartite agreement executed between such Banks/FI/HDFC Ltd., Akme Projects Ltd. and the lawful allottees of the said units or if required shall enter into a fresh tripartite agreement with HDFC Ltd./Banks/Fl. It is also clarified that the right of lawful allottees on respective Units/flats is not undergoing any change In the auction process and the successful bidder will be required to honour and acknowledge all lawful allotments and such bidder will be entitled to receive the unpaid portion of the consideration of the allotted flats."*

13. Therefore, on a combined reading of the connected documents as referred to above, clearly establishes that (i) the Corporate Debtor M/s. Grandstar Reality Private Limited is very well aware that the said property is sold subject to third party rights i.e., the liability towards the Allottees of the Project 'Akme Ragaa' and (ii) the said property was purchased by the Corporate Debtor with all assets and liabilities including the liability to deliver the possession of the units of the project 'Akme Ragaa' to the



allotees. Therefore, there is an obligation on the Corporate Debtor and onus is arising out of underlying transaction/relation between the Corporate Debtor and the Applicants.

14. Section 3(8) of the I&B Code, 2016, defines the expression 'Corporate Debtor' which means a corporate person who owes a debt to any person. It is an admitted fact on the part of the applicants that the amount towards the units of the flat was being paid to the Original Borrower. However, the Sale Confirmation advice dated 17.06.2016 and Sale certificate dated 19.07.2016 clearly provides that, the consideration of INR 40.75 Crores being the sale price in full as the highest bid amount in the auction, the successful bidder will be required to honour and acknowledge all lawful allotments and such bidder will be entitled to receive the unpaid portion of the consideration of the allotted flats. Thus, it is evident that the Respondent i.e., M/s. Grandstar Reality Private Limited has the right to receive the unpaid portion of the consideration of the allotted flats as well the liability towards the allottees for completion and delivery of possession of respective units of the project.

15. It is pertinent to note that the recitals of Flat Buyer Agreements executed between the Applicant and the Original Borrower, categorically mentioned that, "*expression M/s. Akme Projects Limited ('Original Borrower') shall unless excluded by or repugnant to the context or meaning thereof, shall mean and include its successors, executors, administrators and assigns.*" Therefore, the Flat Buyer Agreements clearly provides that the said agreements will be binding on the executors and successors of the Original Borrower. Therefore, the stand taken by the Corporate Debtor that there exist no agreement between the applicants and corporate debtor cannot be accepted by this Adjudicating Authority.



16. As regards the Corporate Debtor's contention that the 'Akme Raaga' Project has been restrained vide Hon'ble Supreme Court's order dated 24.04.2015 in the case titled 'Rameshwar and Others vs. State of Haryana & Others [Civil Appeal No. 8788 of 2015], on an examination of the Hon'ble Supreme Court's Judgement dated 12.03.2018 in Civil Appeal No. 8788 of 2015 [Para no. 39 (a), (b), (c) and (e)] and Judgement dated 21.07.2022 in M.A. No. 50 of 2019 in Civil Appeal No. 8788 of 2015 [Para(s) 46-50], this Adjudicating Authority is of the view that the said property is not covered under the purview of the Hon'ble Supreme Court's Judgement dated 12.03.2018 in Civil Appeal No. 8788 of 2015.

17. Considering the above, we are of the view that the Corporate Debtor had consciously submitted its bid for the purchase of the said property after being aware of the encumbrances created on the said property and therefore, automatically stepped into the shoes of the original borrower. Accordingly, the Corporate Debtor i.e., M/s. Grandstar Reality Private Limited is estopped from taking defence that there is no contract between the Corporate Debtor and Allotees or that the Corporate Debtor was not aware of the CBI investigation against the property. Therefore, we hold that M/s. Grandstar Reality Private Limited is a Corporate Debtor in terms of the provisions of IB Code, 2016, in relation to the Applicants/homebuyers.

#### **ISSUE IV**

18. From the above it transpires that the sale confirmation certificate dated 17.06.2016 as extracted in paragraph 12 of this order, we are satisfied that the Applicants are home buyers/Financial Creditors who have not received the possession of the units in project 'Akme Ragaa' within the agreed and prescribed timeline, therefore the Corporate Debtor is in default of the alleged amount of Rs.78,09,94,385.56/- including principal amount of Rs. 32,16,54,757.99/- paid to M/s. Akme Projects Limited.



19. As regards to the Corporate Debtor's contention that CIRP has already been initiated against the Original Borrower and the Applicants had submitted their claims in the CIRP of the Original Borrower, this Adjudicating Authority is of the view that the admissibility of the Applicants claim in the CIRP of the Original Borrower shall not preclude the claim of the Applicants against the Corporate Debtor, as the Corporate Debtor herein is now in the ownership as well as in the physical possession of the Project land and also undertaken the liability to complete construction and deliver possession by receiving the unpaid portion of the consideration from the Allottees.
20. We find that the instant application is filed in the proforma prescribed under Section 7 of the Code, 2016 read with Rule 4(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and is complete. We are satisfied that there is a debt of more than Rs.1 crore i.e., above the threshold limit as envisaged under Section 4 of the Code, 2016 and the same is in default.
21. It is trite that when a default takes place i.e., the debt becomes due and is not paid, the Insolvency Resolution Process shall begin against the corporate debtor. Therefore, on the basis of discussion in the aforesaid paragraphs, we are satisfied that the present application is complete in all respects, the Applicants are financial creditors and are therefore, entitled to move the instant application against the Corporate Debtor in view of the outstanding financial debt in default for an amount above the pecuniary threshold limit as provided under Section 4 of the Code, 2016. As a sequel to the above discussion and in terms of Section 7 (5) (a) of the Code, the instant petition ***I.B./995/PB/2020 stands admitted*** and CIRP of ***M/s. Grandstar Reality Private Limited*** shall be initiated.



22. The petitioner in Part-III of the petition has proposed the name of Mr. Jalesh Kumar Grover having Registration Number IBBI/IPA-001/IP-P00200/2017-2018/10390 as the Interim Resolution Professional. Mr. Jalesh Kumar Grover, having registration number IBBI/IPA-001/IP-P00200/2017-2018/10390 and email – id [jk.grover27@gmail.com](mailto:jk.grover27@gmail.com) is appointed as an Interim Resolution Professional (IRP) for corporate debtor. The consent of the proposed interim resolution profession in Form-2 is taken on record. The IRP so appointed shall file a valid AFA and disclosure about non-initiation of any disciplinary proceedings against him, within **five working days (5)** of pronouncement of this order.

23. We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:

“(a)The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

(b)Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;

(c)Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(d)The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the corporate debtor.”

(e)The IB Code 2016 also prohibits *Suspension or termination of any license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concessions, clearances or a similar grant or right during the moratorium period.*”



24. 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.

25. In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (within 3 days as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016) with regard to admission of this application under Section 7 of the Insolvency & Bankruptcy Code, 2016.

26. We direct the applicant Financial Creditor to deposit a sum of Rs. 2 Lakhs (Two Lakh Rupees) with the Interim Resolution Professional namely Mr. Jalesh Kumar Grover 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 three days from the date of receipt of this order by the Financial Creditor. The said amount, however, is subject to adjustment towards Resolution Process cost as per applicable rules

27. The Interim Resolution Professional shall perform all his functions as 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.



28. 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'. In case there is any violation committed by the ex-management or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this Tribunal with a prayer for passing appropriate orders.

29. 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 his 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.

30. The office is directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor, the Interim Resolution Professional and the Registrar of Companies, NCT of Delhi & Haryana at the earliest possible but not later than seven days from today. A copy of this order shall also be forwarded to IBBI for information and updation.

31. Accordingly, the instant application filed under Section 7 of the Code, 2016 bearing **I.B./995(PB)/2020 stands admitted.**

**Sd/-**

**(DR. BINOD KUMAR SINHA)**  
**MEMBER (TECHNICAL)**

**Sd/-**

**(SHRI P.S.N. PRASAD)**  
**MEMBER (JUDICIAL)**