



**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, CHANDIGARH**

(through web-based video conferencing platform)

CP (IB) No.270/Chd/Hry/2021

**Under Section 9 of the
Insolvency and Bankruptcy
Code, 2016.**

In the matter of:

M/s Varshit Electricals Private Limited
having its office at
435, Vidyut Nagar-A, Ajmer Road,
Jaipur-302021
E-mail:-varshit53@refiffmail.com
Mob:-9414072084

...Applicant-Operational Creditor

Vs.

M/s Adarsh Buildestate Limited
having its office at
410,4th Floor, Vatika Atrium Block-B,
Golf Course Road Sector-53,
Gurugram-122002
E-mail:-info.adarshbuildestate@gmail.com
Mob:9829041505

...Respondent-Corporate Debtor

Judgment delivered on: 29.08.2022

**Coram: Hon'ble Mr. Harnam Singh Thakur, Member (Judicial)
Hon'ble Mr. Subrata Kumar Dash, Member (Technical)**

For the Applicant-Operational Creditor : Mr. Prateek Kedawat, Advocate

For the respondent-Corporate Debtor : Respondent ex-parte vide
Order dated 23.03.2022.



Per: Harnam Singh Thakur, Member (Judicial)

JUDGMENT

The present petition is filed, under Section 9 of the Insolvency and Bankruptcy Code, 2016 (for brevity '**IBC**' / '**Code**'), by M/s Varshit Electricals Private Limited (for brevity '**Operational Creditor**' / '**Applicant**'), represented by its Authorised Representative, Mr. Vishnu Dusad, with a prayer to initiate Corporate Insolvency Resolution Process (**CIRP**) in case of M/s Adarsh Buildestate Limited (for brevity '**Corporate Debtor**' / '**Respondent**').

2. The Corporate Debtor namely, M/s Adarsh Buildestate Limited, is a Company incorporated on 20.04.2000 under the provisions of Companies Act, 1956 with CIN No. U45201HR2000PLC045738 with its registered office at 410,4th Floor, Vatika Atrium Block-B,Golf Course Road Sector-53, Gurugram-122002. Hence, the territorial jurisdiction lies with this Adjudicating Authority. Copy of master data of the corporate debtor is attached with the main petition and marked as Annexure A-1.

3. The facts of the case, briefly, as stated in the petition are that the operational creditor was approached by the corporate debtor to provide internal electrification work and various invoices were raised which were duly received and acknowledged. Copy of ledger account statement of the corporate debtor maintained by operational creditor is attached as Annexure A-7. Copy of details of invoices (Annexure A-6). Copy of agreement executed between the applicant and Corporate Debtor dated 15.04.2013



along with work order for internal electrification work dated 20.04.2016 is attached as Annexure A-5.

4. It is submitted by the petitioner in Form 5, Part IV that the amount claimed to be in default is Rs.1,02,54,021/- and the default occurred on 23.05.2019.

5. A demand notice in Form 3 & 4 dated 28.08.2021 is stated to be issued to the Corporate Debtor through e-mail at info.adarshbuildestate@gmail.com. The same has not been bounced back as evident from the affidavit under Section 9(3)(b) (Annexure A-9).

6. In Part-III of Form No. 5, Mr. Jai Prakash Rawat, Interim Resolution Professional has been proposed by the petitioner. Keeping in view of this, we appoint Mr. Jai Prakash Rawat, Insolvency Resolution Professional.

7. Notice of this petition was issued to the corporate debtor vide order dated 20.12.2021 to show cause as to why this petition be not admitted. None appeared on behalf of the corporate-debtor. Thereafter as per order dated 25.03.2022 of this Adjudicating Authority, two affidavits of service have been filed. One bearing diary No.1265/1 dated 10.02.2022 vide which the service through speed post was effected and other bearing Diary No.1265/2 dated 10.03.2022 for substituted mode of service by way of publication in two newspapers published on 22.02.2022. However, despite service, there was no representation from the respondent-corporate debtor and even no reply is filed. In these circumstances, this Adjudication Authority was constrained to proceed with the matter and the respondent has been set *ex parte*.



8. We have heard the learned counsel for the petitioner and have perused the records.

9. The first issue for consideration is whether the demand notice in Form 3 & 4 dated 28.08.2021 was properly served. The petitioner has placed a copy of e-mail which was delivered to the corporate debtor.

10. The next issue for consideration is whether the operational debt was disputed by the corporate debtor. It is to be noted that none appeared on behalf of the corporate debtor despite repeated service and has been set ex parte vide order dated 25.03.2022. Moreover, the petitioner has appended affidavit u/s 9(3)(b) stating that there is no reply to the demand notice, the corporate debtor has not cleared the outstanding dues and the corporate debtor has not raised any dispute regarding the amount due. Thus, there is no pre existing dispute between the parties.

11. The other issue for consideration is whether this application is filed within limitation. This application was filed on 02.12.2021 vide Diary No.01265. Whereas the date of default is 23.05.2019, therefore, this Adjudicating Authority finds that this application has been filed within limitation.

12. We have gone through the contents of the application filed in the Form 5 and find the same to be complete. As discussed above, there is a total unpaid operational debt (in default) of ₹1,02,54,021/-. The operational creditor has provided internal electrification work to the corporate debtor and raised invoices attached as Annexure A-6. Accordingly, the petitioner proved the debt and the default, which is more than Rupees one crore by the respondent-corporate debtor.



13. It is noted that the corporate debtor has failed to make payment of the aforesaid amount due as mentioned in the statutory notice till date. Thus, the conditions under Section 9 of the Code stand satisfied. It is evident from the above-mentioned facts that the liability of the corporate debtor is undisputed. Accordingly, the petitioner proved the debt and the default, which is above threshold limit.

14. In the present petition, all the aforesaid requirements have been satisfied. It is seen that the petition preferred by the petitioner is complete in all respects. The material on record clearly goes to show that the respondent committed default in payment of the claimed operational debt even after demand made by the petitioner. In view of the satisfaction of the conditions provided for in Section 9(5)(i) of the Code, we admit the petition for initiation of the CIR Process in the case of the Corporate Debtor, M/s Adarsh Buildestate Limited and also direct moratorium in terms of sub-section (1) of Section 14 of the code to take effect and appoint Interim Resolution Professional as below.

- 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 Operational 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.

15. It is further directed that 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. 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 operational sector regulator and to a surety in a contract of guarantee to a corporate debtor.

16. 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.

17. The Law Research Associate of this Tribunal has checked the credentials of Mr. Jai Prakash Rawat and there is nothing adverse against him. In view of the above, we appoint Mr. Jai Prakash Rawat, Registration No. IBBI/IPA-001/IP-P-01969/2020-2021/13039 E-mail: ipjprawat@gmail.com Mobile No.9785842000 as the Interim Resolution Professional with the following directions: -



- i.) The term of appointment of Mr. Jai Prakash Rawat shall be in accordance with the provisions of Section 16(5) of the Code;
- ii.) 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 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 Interim Resolution Professional 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;
- iii.) 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 and as an Insolvency Professional with high standards of ethics and moral;

- iv.) 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;
- v.) It is hereby directed that the Corporate Debtor, its Directors, personnel and the persons associated with the 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 as well as assets of the Corporate Debtor;
- vi.) This Adjudicating Authority further directs the ex-management and promoters of the corporate debtor to specifically comply with the provisions of the Sub Regulation (2) of Regulation 4 of the Insolvency Resolution Process for Corporate Persons Regulations, 2016. The RP is directed to make a specific mention of any non-compliance in this regard in his status report filed



before this Bench and move an application seeking appropriate remedy, if required. This is imperative for meeting the Code's objectives for maximising the value of the assets of the corporate debtor and by completing the resolution process in a time-bound manner.

- vii.) The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the operational position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying the constitution of the Committee to this Tribunal 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; and
- viii.) The Interim Resolution Professional is directed to send regular progress report to this Tribunal every fortnight.

18. The petitioner is directed to deposit an amount of ₹75,000/- (Rupees Seventy-Five Thousand Only) with the Interim Resolution Professional to meet the immediate expenses of the CIRP within two weeks. The same shall be fully accountable by Interim Resolution Professional and shall be reimbursed by the Committee of Creditors (CoC) to the petitioner to be recovered as the CIRP cost.

19. This petition is accordingly allowed and admitted.



20. A copy of this order be communicated to both the parties. The learned counsel for the petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith. The Registry is also directed to send copy of this order to the Interim Resolution Professional at his email address forthwith.

Sd/-
(Subrata Kumar Dash)
Member (Technical)

August 29, 2022
NB/ASH

Sd/-
(Harnam Singh Thakur)
Member (Judicial)