

**IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI, COURT-III
(IB)-144(ND)/2024**

Order under Section 9 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

IN THE MATTER OF:

M/s. Bajrang Fire Protection

Having Its Registered Office at:

LG-9, Kamla Palace, Jail Road,
Near Sohna Chowk, Gurugram-122001.

... Operational Creditor

Versus

M/s. GRJ Distributors & Developers Private Limited

Having Its Registered Office at:

64, Scindia House, Connaught Place
New Delhi-110001.

... Corporate Debtor

Order Pronounced On: 10.05.2024

CORAM:

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

**SHRI RAHUL BHATNAGAR
HON'BLE MEMBER (TECHNICAL)**

APPEARANCES:

For the Applicant :
For the Respondent :

ORDER

PER ORAL: BACHU VENKAT BALARAM DAS, MEMBER (JUDICIAL)

1. The present application has been filed by M/s. Bajrang Fire Protection, the Operational Creditor herein, under Section 9 of the IBC, 2016 with the prayer to initiate CIRP against, M/s. GRJ Distributors & Developers

(IB)-144(ND)/2024

Date of Order: 10.05.2024

Page 1 of 7

Private Limited, the Corporate Debtor herein, declares a Moratorium and appoint an Interim Resolution Professional.

2. The Operational Creditor is a turnkey contractor. The Corporate Debtor was entrusted with the work of supply and installation of a Ventilation, Fire Alarm and Fire Fighting System in one of the residential projects developed by the Corporate Debtor under the name of “Avalon Rangoli, Dharuhera”, Rewari, Haryana by the Corporate Debtor.
3. The Corporate Debtor issued three Purchase Orders to the Operational Creditor against which several RA Bills were raised by the Operational Creditor.
4. The work was completed by the Operational Creditor but the Corporate Debtor failed to make the payments. The Operational Creditor issued a demand notice in Form 3 under Section 8 of IBC, 2016 on 05.02.2024 to the Corporate Debtor demanding of Rs. 1,24,16,610/- towards the commissioning works at “Avalon Rangoli, Dharuhera”, Rewari, Haryana. The Corporate Debtor neither gave a reply to the said Section 8 notice nor made any payment.
5. The Operational Creditor has placed on record a copy of the Bank Statement for the year 2016-2017 showing part payments from the Corporate Debtor and RA Bill dated 15.01.2016, 22.06.2016, 10.12.2016, 06.01.2017, 06.01.2017, 12.05.2017 & 07.11.2017.
6. The Corporate Debtor has contended that due to various acts of omission and commission of the Operational Creditor, the Corporate Debtor sustained substantial damages, losses, costs and expenses. It is also contended that the Operational Creditor did not install five projection systems at the project site in accordance with the purchase orders issued by the Corporate Debtor and also failed to provide proper Ventilation work.

7. We have heard the submissions made by the Learned Counsel appearing for the Operational Creditor and the Learned Counsel appearing for the Corporate Debtor and perused the records.
8. It is evident from the purchase orders, RA Bills and the Bank Statement placed on record by the Operational Creditor that the Operational Creditor carried out the work entrusted to it by the Corporate Debtor and raised bills for payment.
9. Learned Counsel appearing for the Corporate Debtor has admitted that the Corporate Debtor did not give any reply to the Section 8 notice. However, she submitted that due to various acts of omission and commission of the Operational Creditor, the Corporate Debtor sustained heavy damages and losses and the Operational Creditor did not install the fire projection system and also did not carry out proper ventilation work as per the purchase orders. However, the Corporate Debtor has not produced any record to substantiate the said allegations. We are, therefore, unable to accept the contentions of the Learned Counsel appearing for the Corporate Debtor that there existed a dispute with regard to the quality of work.
10. Learned Counsel appearing for the Corporate Debtor during the course of the arguments submitted that the Corporate Debtor is not in a position to repay the debt amount due to financial constraints and in case the CIRP is initiated, it may be restricted to the project in question i.e. "Avalon Rangoli, Dharuhera", Rewari, Haryana.
11. Having regard to the facts and circumstances of the case, we are of the view that the Corporate Debtor has committed default in payment of the amount in question, and therefore, CIRP ought to be initiated. We, therefore, admit the present application and direct initiation of CIRP against the Corporate Debtor restricted to

the project in question i.e. "Avalon Rangoli, Dharuhera", Rewari, Haryana.

12. In view of the above facts and circumstances and the foregoing discussion, we are satisfied that the present application fulfills the criteria laid down under Section 9 of the Code. It is accordingly, ordered as follows: -

a) The Application bearing **IB-144/ND/2024** filed by the Applicant under Section 9 of the Code read with Rule 6 of the Adjudicating Authority Rules for initiating CIRP against the Respondent is **admitted.**

b) We also declare a 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:

- i. "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;*
- ii. Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*
- iii. 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;*
- iv. The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the corporate debtor.*

[Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law

for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;]”

- c)** 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.
- d)** The Operational Creditor has initially proposed the name of Mr. Sanjeet Kumar Sharma (having IBBI Registration No.: IBBI/IPA-001/IP-P01132/2018-2019/11827) as the Interim Resolution Professional (“IRP”). However, Ld. Counsel appearing for the Operational Creditor submitted during the course of the argument that this Adjudicating Authority may appoint an IRP from the panel of Resolution Professionals. Therefore, this Adjudicating Authority appoints Mr. Ranjan Chakraborti, as the IRP of the Corporate Debtor from the available list of panel of Resolution Professionals as maintained by the IBBI. The registration number of the IRP is IBBI/IPA-002/IP-N00541/2017-2018/11618, the address of the IRP is 1/22, Second Floor, Asaf Ali Road, New Delhi, National Capital Territory of Delhi, Delhi-110002 and the e-mail-Id of the IRP is ranjanns@gmail.com.

Therefore, the IRP shall file a valid Authorization for Assignment along with Written Consent in Form-2 and Registration Certificate within 3 days of the pronouncement of this order.

Accordingly, Mr. Ranjan Chakraborti is appointed as IRP.

- e) In pursuance of Section 13(2) of the Code, we direct the IRP, as the case may be to make a public announcement immediately with regard to the admission of this application under Section 9 of the Code. The expression immediately means within three days as clarified by Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- f) During the CIRP period, the management of the Corporate Debtor shall vest in the IRP/RP, in terms of Section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this order, in default of which coercive steps will follow. There shall be no future opportunity given in this regard.
- g) The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- h) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- i) The Operational Creditor 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 are subject to the approval of the Committee of Creditors ("CoC").
- j) In terms of the Code, the Registry is hereby directed to communicate a copy of the order to the Operational Creditor, the Corporate Debtor, the IRP and the Registrar of Companies, NCT of Delhi and Haryana, by Speed Post and by email, at the earliest but not later than seven days from today. The Registrar of Companies shall update his website by updating the status of the Corporate Debtor and specific mention regarding admission of this petition must be notified.

- k)** The Registry is further directed to send a copy of this order to the Insolvency and Bankruptcy Board of India (“IBBI”) for their record.
No order as to costs.

Sd/-

(RAHUL BHATNAGAR)
MEMBER (TECHNICAL)

Sd/-

(BACHU VENKAT BALARAM DAS)
MEMBER (JUDICIAL)