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**The IBC Moratorium: A Legal Pause Button for Creditors and Debtors.**

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**ABSTRACT:**

The implementation of the Insolvency and Bankruptcy Code (IBC) in India has led to a transformative shift from a "debtor in possession" to a "creditor in control" model for corporate debtors during the Corporate Insolvency Resolution Process (CIRP). This paper delves into the core of this transformation, focusing on the moratorium declared under IBC Section 14. The moratorium is a critical element that temporarily suspends various actions against the corporate debtor, allowing an Interim Resolution Professional (IRP) or Resolution Professional (RP) to manage and rehabilitate the company. The paper also examines legal precedents and exceptions to the moratorium. By analyzing the intricacies of the moratorium, this research sheds light on its significance in safeguarding the interests of both debtors and creditors within the insolvency framework

**Keywords:** Moratorium, Section 14, CIRP, Resolution Professional.

**INTRODUCTION:**

The IBC<sup>1</sup> has transformed the existing framework, moving from a "debtor in possession" system to a "creditor in control" model for corporate debtors undergoing the corporate insolvency resolution process. In this new model, control is vested in an interim resolution professional (and later, a resolution professional). Starting from the initiation of insolvency, the authority of the corporate debtor's board of directors or partners is suspended, and these powers are transferred to the interim resolution professional. Similarly, the overall management of the corporate debtor becomes the responsibility of the interim resolution professional, a status that extends throughout the entire Corporate Insolvency Resolution Process (CIRP), spanning from the insolvency commencement date (ICD) until the National Company Law Tribunal (NCLT) issues an order for resolution (approving the resolution plan) or the liquidation of the corporate debtor.

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<sup>1</sup> The Insolvency and Bankruptcy Code, 2016, No. 31, Acts of Parliament, 2016 (India).

The interim resolution professional is tasked with forming the Committee of Creditors (CoC), which can subsequently decide whether to retain the interim resolution professional as the resolution professional or replace them with another insolvency professional.

Upon the initiation of the insolvency, a "moratorium" is declared, affecting the corporate debtor and its assets. This moratorium remains in effect throughout the entire CIRP period. During this duration, the interim resolution professional manages the corporate debtor's operations to keep it functioning as a viable entity while fulfilling various responsibilities outlined in the IBC and CIRP Regulations. This management occurs under the overarching supervision of the CoC.

### **Background:**

The primary objectives of a robust insolvency law are to safeguard the value of the insolvency estate from erosion due to actions taken by various parties involved in insolvency proceedings and to facilitate the administration of these proceedings in a just and orderly manner. The entities requiring the greatest protection within the insolvency process are the debtor and its creditors.

The World Bank, in its report, highlighted that the underlying rationale behind implementing the moratorium is to maximize the entity's value by allowing its operations to continue while the viability of the entity is being evaluated during the insolvency resolution process.<sup>2</sup>

According to the Oxford Dictionary, a moratorium is described as "a temporary prohibition of an activity."<sup>3</sup> The BLRC (Bankruptcy Law Reforms Committee)<sup>4</sup> suggests that the IBC (Insolvency and Bankruptcy Code) should incorporate a provision regarding a "quiet period" to ensure that all efforts are directed toward resolution. The moratorium provisions within the IBC are designed to prevent the corporate debtor (CD) from experiencing additional stress. In its report, the BLRC proposed a two-phase approach to resolution at the outset of the "Corporate Insolvency Resolution Process (CIRP):

- A concerted effort should be made to assess the debt's viability during a "calm period," during which the interests of creditors are safeguarded without disrupting the CD's operations. This is achievable only when a moratorium is enforced, preventing any

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<sup>2</sup> Moratorium definition, Oxford Advanced American Dictionary Available at: [https://www.oxfordlearnersdictionaries.com/definition/american\\_english/moratorium](https://www.oxfordlearnersdictionaries.com/definition/american_english/moratorium) (Accessed: 11 September 2023).

<sup>3</sup> Sumant Batra, Corporate Insolvency 243 (EBC 2017).

<sup>4</sup> *The report of the Bankruptcy Law Reforms Committee Volume I: Rationale ...* Available at: [https://www.ibbi.gov.in/BLRCReportVol1\\_04112015.pdf](https://www.ibbi.gov.in/BLRCReportVol1_04112015.pdf) (Accessed: 12 September 2023).

recovery actions against the CD, thus enabling an insolvency professional (IP) to effectively manage and operate the company.

- If the assessments regarding the company's viability do not yield a workable solution, the CD may be deemed unviable, leading to the consideration of liquidation as a last resort. The Committee of Creditors (CoC) and the Resolution Professional (RP) should strive to maximize the CD's value and maintain a balance among the interests of all stakeholders.”

### **IBC Section 13: Declaration of Moratorium and Public Announcement:**

Upon admission of an application under Section 7, Section 9, or Section 10, the Adjudicating Authority (AA) is mandated to issue an order that:<sup>5</sup>

- (a) Declares a moratorium for the purposes outlined in Section 14.
- (b) Initiates a public announcement of the commencement of CIRP, accompanied by a call for the submission of claims as per Section 15.
- (c) Appoint an Interim Resolution Professional (IRP) following the procedures set out in Section 16.

It's noteworthy that the public announcement does not impact the operation of the moratorium itself. In the case of *Bijay Kumar Garodia v Anadya Properties(P) Ltd.*<sup>6</sup>, a situation arose where the appellant received payments from the CD after the resolution process had commenced against it. The appellant argued that although the moratorium order had been passed on January 15, it was only notified in newspapers on January 22. Consequently, since the appellant had no knowledge of the order until January 22, the CD's payments should be considered valid. However, the National Company Law Appellate Tribunal (NCLAT) ruled that once a moratorium order is issued, no such transactions can be conducted. Therefore, the NCLAT directed that the payments made by the CD be returned to the Resolution Professional (RP). The moratorium becomes effective on the date when the admission order is issued and an IRP is appointed, regardless of whether the admission order is subsequently uploaded to the website at a later date. Any debits made to the CD's account after the moratorium order are deemed impermissible and constitute a form of "recovery," thus violating Section 14.<sup>7</sup>

<sup>5</sup> The Insolvency and Bankruptcy Code, 2016, § 13, No. 31, Acts of Parliament, 2016 (India).

<sup>6</sup> *Bijay Kumar Garodia v Anadya Properties(P) Ltd Company Appeal (AT) (Insolvency) No. 569 of 2018*

<sup>7</sup> The Insolvency and Bankruptcy Code, 2016, § 14, No. 31, Acts of Parliament, 2016 (India).

**Section 14: Imposition of Moratorium:**

The moratorium serves to halt all activities, allowing the Interim Resolution Professional (IRP) or Resolution Professional (RP) to comprehensively assess the assets and liabilities of the corporate debtor (CD). A business entity is an intricate organization, with constant changes in asset valuations, liabilities, and other responsibilities occurring throughout the day. Finding a resolution for distressed debtors would be nearly impossible without taking a necessary pause. The moratorium is specifically designed to achieve this purpose. Its implementation aims to put a stop to all debates and financial transactions involving the CD's accounts, enabling the IRP or RP to initiate the challenging process of rebuilding and rejuvenating the company.

In the case of *Canara Bank v Deccan Chronicle Holdings Ltd*<sup>8</sup>, the National Company Law Appellate Tribunal (NCLAT) determined that there is no provision allowing the filing of money suits or suits for recovery before the Supreme Court, except under Article 131 of the Constitution of India. This provision applies to disputes involving the Government of India and one or more states, or disputes between the Government of India and any state or states on one side and one or two or more states on the other side.

The decision in *Innoventive Industries Ltd v ICICI Bank*<sup>9</sup>, later upheld by the Supreme Court, establishes that the Insolvency and Bankruptcy Code (IBC) is a comprehensive parliamentary law covering all aspects of insolvency concerning corporate entities. It is framed under Entry 9, List III, in Schedule VII of the Constitution of India.

Section 14 of the IBC elaborates on the moratorium's protective measures afforded to the CD. The entire duration of the Corporate Insolvency Resolution Process (CIRP) is encompassed by the moratorium. During this period, all lawsuits, legal proceedings, and recovery actions against the CD are temporarily suspended, allowing the CD time to resolve its financial status. Section 14(1) specifies that upon the initiation of the Corporate Insolvency Resolution Process, the Adjudicating Authority (AA) shall, through an order, declare a moratorium that prohibits certain types of actions against the CD and its assets. Nevertheless, the moratorium does not apply to specific transactions, agreements, or other arrangements unless they are notified by the Central Government (CG) in consultation with relevant financial sector regulators or authorities. As of now, no such transactions, agreements, or arrangements have been officially notified.

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<sup>8</sup> *Canara Bank v. Deccan Chronicle Holdings Limited*, 2017 SCC OnLine NCLAT 255.

<sup>9</sup> *Innoventive Industries Ltd. v. ICICI Bank Ltd.*, 2017 (11) SCALE 4.

Section 14(2) states that the supply of essential goods or services to the CD, as may be specified, must not be terminated, suspended, or interrupted during the moratorium period. Under Section 14(4), the moratorium remains in effect from the date it is ordered until the completion of the CIRP.

The AA is responsible for granting the moratorium, typically as part of the admission order. The moratorium persists until the CIRP is finalized. While technically considered the insolvency resolution period, it is often referred to as the "moratorium period" since the two concepts are closely intertwined.

Under Section 14(1)<sup>10</sup> of the IBC, the moratorium period entails the prohibition of the following "actions:

- Commencing or continuing legal actions, including the execution of judgments, decrees, or orders in any court of law, tribunal, arbitration panel, or other authority against the corporate debtor (CD).
- Transferring, encumbering, alienating, or disposing of any assets owned by the CD or any associated legal rights or beneficial interests.
- Initiating actions to foreclose, recover, or enforce security interests established by the CD concerning its property, which includes actions under the SARFAESI Act, 2002.
- Attempting to reclaim any property by an owner or lessor if it is currently occupied or in the possession of the CD."

Section 14(1)(a) of the IBC grants the Adjudicating Authority (AA) significant powers, both in terms of purpose and application, as it bars the initiation or continuation of any legal proceedings against the CD and its property upon declaring the moratorium.

#### **Legal Precedents:**

- In the case of Alchemist Asset Reconstruction Company Limited v Hotel Gaudavan Private Limited<sup>11</sup>, the Supreme Court affirmed that once a moratorium is imposed under the IBC, any ongoing legal proceedings against the CD are considered null and void.

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<sup>10</sup> The Insolvency and Bankruptcy Code, 2016, § 14(1), No. 31, Acts of Parliament, 2016 (India).

<sup>11</sup> Alchemist Asset Reconstruction Company Limited v Hotel Gaudavan Private Limited (2018) 16 SCC 94

- In *Canara Bank v Deccan Chronicle Holdings Limited*<sup>12</sup>, the National Company Law Appellate Tribunal (NCLAT) held that the moratorium does not affect proceedings initiated or pending before the Supreme Court under Article 32 of the Constitution of India or cases where orders are issued under Article 136. Furthermore, it does not impede the powers of any High Court under Article 226 of the Constitution.
- In the case of *Power Grid Corporation of India Limited vs. Jyoti Structures Limited*<sup>13</sup> the Delhi High Court emphasized that the primary objective of the IBC is to provide relief to the CD during the "standstill" period, safeguarding its assets from depletion and, alternatively, using this duration to bolster its financial position.<sup>14</sup>

In *Mr. Ajay Kumar Bishnoi vs. M/s Tap Engineering and Others*<sup>15</sup>, the CD underwent insolvency resolution while facing a pending complaint under Section 138 of the Negotiable Instruments Act, of 1881. Moreover, during this period, a resolution plan for the CD was approved, resulting in a change in management and control.<sup>16</sup> The Managing Director of the former CD sought to dismiss the prosecution under Section 138 due to the approval of the resolution plan. The High Court confirmed that the moratorium under Section 14 of the IBC applies to legal proceedings, but it does not extend to prosecution.<sup>17</sup>

In the case of *Varrsana Ispat Limited vs. Deputy Director, Directorate of Enforcement*<sup>18</sup> [Company Appeal (AT) (Insolvency) No. 493 of 2018], the Resolution Professional (RP) had previously requested the detachment of properties that were attached by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002. This request was made well before the initiation of the Corporate Insolvency Resolution Process (CIRP).<sup>19</sup> The National Company Law Appellate Tribunal (NCLAT) had ruled that Section 14 of the IBC does not apply to criminal proceedings or any punitive actions stemming from criminal

<sup>12</sup> *Canara Bank v Deccan Chronicle Holdings Limited* (2017) Company Appeal (AT) (Insolvency) No. 147 of 2017.

<sup>13</sup> *Power Grid Corporation of India Limited vs. Jyoti Structures Limited* (2018) DLT 485

<sup>14</sup> Rajeev Babel The author is an Insolvency Professional (IP). He can be reached at [babelrajeev@gmail.com](mailto:babelrajeev@gmail.com), Moratorium under CIRP: Statutory Provision Under IBC & Judicial Interpretations, Moratorium under CIRP: Statutory Provision Under IBC & Judicial Interpretations, [www.iiipicai.in](http://www.iiipicai.in), (Sep. 02, 2023, 9:29 AM), <https://www.iiipicai.in/wp-content/uploads/2022/07/22-28-Article-Moratorium-under-CIRP-Statutory-Provision-Under-IBC-Judicial-Interpretations-Rajeev-Babel-1.pdf>.

<sup>15</sup> *Mr. Ajay Kumar Bishnoi vs. M/s Tap Engineering and Others* Criminal Original Petition No. 34996 of 2019

<sup>16</sup> *Id.*, at 896.

<sup>17</sup> *Id.*, at 896.

<sup>18</sup> *Varrsana Ispat Limited vs. Deputy Director, Directorate of Enforcement* Company Appeal (AT) (Insolvency) No. 493 of 2018

<sup>19</sup> Rajeev Babel The, *Supra* note 14, at 896.

proceedings, or actions characterized as criminal or related to criminal proceedings.<sup>20</sup> The Supreme Court also upheld this NCLAT order in the case of Varrsana Ispat Limited vs. Deputy Director<sup>21</sup>, Directorate of Enforcement, Civil Appeal No. 5546 of 2019. While the prohibition under the IBC is automatic, in practice, the Insolvency Resolution Professionals (IRPs)/Resolution Professionals (RPs) may need to file applications before various forums where proceedings against the corporate debtor (CD) are ongoing. These applications would inform the relevant forums about the commencement of the CIRP and the moratorium declared by the Adjudicating Authority (AA) under Section 14 of the IBC, and request these forums to issue orders to halt the proceedings. Section 14(1)(b) restricts the CD from transferring, encumbering, alienating, or disposing of any of its assets or any associated legal rights or beneficial interests. This restriction applies to the CD, but the IRP/RP, while managing the CD as an ongoing concern, can sell the CD's assets in the normal course of business or following the provisions of Regulation 29 of the CIRP Regulations (unless such sales are not part of ordinary business operations).

Section 14(1)(c) prohibits actions to foreclose, recover, or enforce any security interest that the CD may have created concerning its property. This includes cases where creditors may have initiated actions under any law for security enforcement. However, once the moratorium begins, any further steps for enforcing security interests must be suspended.

In the case of Anand Rao Korada vs. M/s Varsha Fabrics (P) Limited and Others<sup>22</sup>, the RP appealed before the Supreme Court, contesting the High Court's decision to auction the assets. The RP argued that since the CIRP had already commenced, the High Court should have stayed its proceedings. The Supreme Court observed that considering the provisions of the IBC, the High Court should not have proceeded with the auction of the CD's property.<sup>23</sup> It was further noted that if the assets of Respondent No. 4 Company were disposed of during the ongoing proceedings under the IBC, it would significantly jeopardize the interests of all stakeholders.

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<sup>20</sup> Rajeev Babel The, *Supra* note 14, at 897.

<sup>21</sup> Rajeev Babel The, *Supra* note 14, at 897.

<sup>22</sup> Anand Rao Korada vs. M/s Varsha Fabrics (P) Limited and Others (2019) SCC Online SC 1508

<sup>23</sup> Rajeev Babel The, *Supra* note 14, at 897.



In the case of *Amira Pure Foods Pvt. Ltd. vs. Canara Bank and Others*<sup>24</sup>, the Debt Recovery Appellate Tribunal (DRAT) had appointed two joint court commissioners to assume control of the properties owned by the corporate debtor (CD).<sup>25</sup> However, shortly after the initiation of the Corporate Insolvency Resolution Process (CIRP) for the CD, the Insolvency Resolution Professional (IRP) approached the DRAT to request control over the CD's properties. The DRAT held the view that due to the moratorium prescribed in Section 14 of the IBC, any continuation of proceedings against the CD was prohibited. Consequently, the relief sought by the IRP could not be granted. The IRP then escalated the matter to the High Court, which observed that the DRAT had the authority to modify its own order that had initially appointed the two court commissioners to take control of the CD's assets. In the context of this case, the DRAT should have reconsidered its order so that the IRP/RP could take charge of the CD's assets in accordance with its responsibilities under the IBC. Consequently, the High Court overturned the DRAT's order, revoked the appointment of the two court commissioners, and allowed the IRP/RP to act in accordance with the provisions of the IBC.<sup>26</sup>

Regarding Section 14(1)(b) and (c), the restrictions apply exclusively to the CD and its assets. Therefore, any property not owned by the CD would not fall under the protective scope of Section 14, unless that property is currently occupied by or in the possession of the CD. In such cases, recovery of that property would be prohibited under Section 14(1)(d) of the IBC.

In the case of *Srei Infrastructure Finance Ltd. vs. Sundresh Bhatt, RP Sterling Biotech Ltd.*<sup>27</sup>, the National Company Law Appellate Tribunal (NCLAT) determined that even when properties were not owned by the CD, Section 14(1)(d) of the IBC would prevent the CD from being evicted or disturbed from those premises during the moratorium period. In the matter of *M/s Embassy Property Developments Pvt. Ltd. vs. the State of Karnataka and Others*<sup>28</sup>, one of the issues presented before the Supreme Court was whether the Adjudicating Authority (AA) had the authority under the IBC to review the government of Karnataka's decision, made during the moratorium period, to reject the automatic extension of a mining lease granted to the CD. The Supreme Court made several observations, including the fact that the moratorium

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<sup>24</sup> *Amira Pure Foods Pvt. Ltd. vs. Canara Bank and Others* WP(C) No. 5467/2019, Rajeev Babel The, *Supra* note 14, at 895.

<sup>25</sup> Rajeev Babel The, *Supra* note 14, at 898.

<sup>26</sup> Rajeev Babel The, *Supra* note 14, at 898.

<sup>27</sup> *Srei Infrastructure Finance Ltd. vs. Sundresh Bhatt, RP Sterling Biotech Ltd. Company Appeal (AT) (Insolvency)* No. 781 of 2018

<sup>28</sup> *M/s Embassy Property Developments Pvt. Ltd. vs. State of Karnataka and Others* (2019) SCC Online SC 1542, Rajeev Babel The, *Supra* note 14, at 898.

established by Section 14 did not affect the government's right to deny the lease extension. It clarified that Section 14 aimed to maintain the existing state of affairs and did not create new rights. Even Section 14(1)(d), which prohibited property recovery by an owner/lessor during the moratorium, did not come to the CD's rescue because it only protected the right to not be dispossessed, not the right to have the lease renewed. The Court emphasized that this right to not be dispossessed did not interfere with the rights granted by a mining lease, especially on government land. It pointed out that the CD did not have exclusive possession of the land in question, making Section 14(1)(d) of the IBC inapplicable.<sup>29</sup>

The provisions of Section 14 have been construed by various Adjudicating Authorities (AAs) as well as the National Company Law Appellate Tribunal (NCLAT) to encompass a prohibition on any recovery actions initiated by creditors against the corporate debtor (CD) or its assets for claims or dues stemming from the period preceding the Insolvency Commencement Date (ICD), which pertains to pre-CIRP (Corporate Insolvency Resolution Process) dues. The moratorium effectively bars creditors from pursuing the recovery of any pre-CIRP dues from the CD. Consequently, the Insolvency Resolution Professional (IRP) or Resolution Professional (RP) is not obligated to make payments to any creditors for debts or claims originating before the ICD. When the CIRP for the CD is initiated, the moratorium extends to the payment and recovery of all pre-CIRP dues and claims. Creditors with such pre-CIRP dues or claims are required to file their claims with the IRP for due consideration.

In the case of *Union of India and Another vs. Videocon Industries Ltd. and Others*<sup>30</sup>, a creditor issued a demand notice during the CD's CIRP, requesting the CD to allocate 100 percent of the sale proceeds or oil and gas invoices to the government for the recovery of unpaid government profits from petroleum. The Resolution Professional (RP) contested the demand notice before the Adjudicating Authority (AA), which ruled in favor of the RP. The National Company Law Appellate Tribunal (NCLAT), acknowledging the prohibition on recovery actions against the CD following the declaration of the moratorium under Section 14 of the IBC, upheld the AA's order to stay the demand notice during the CIRP of the CD. This decision also restrained

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<sup>29</sup> Rajeev Babel The, *Supra* note 14, at 899.

<sup>30</sup> *Union of India and Another vs. Videocon Industries Ltd. and Others* Company Appeal (AT) (Insolvency) No. 408 of 2019

various petroleum and natural gas producers from remitting the sale proceeds to the Union of India, which were owed to the CD during the CIRP period.

Once the moratorium comes into effect, banks are precluded from invoking any lien or set-off arrangements in settling their pre-CIRP dues. Such actions would be categorized as "recovery actions" by the banks. Therefore, it has been established by the Adjudicating Authorities and the NCLAT that under Section 14, when a CIRP commences, banks cannot attach or appropriate funds held in accounts maintained by them to offset their pre-CIRP dues, even if the banks were unaware of the CIRP's initiation until after taking these actions. Typically, when an IRP assumes control of the CD, the company's bank accounts are frozen, and banks are instructed to release payments only upon receiving approval from the IRP. In some instances, the authorized signatories are changed to ensure that all payments from the bank account are executed with the specific approval or signatures of the IRP or RP.

In the case of ICICI Bank Ltd. vs. IRP for Ruchi Soya Industries<sup>31</sup>, ICICI Bank debited a certain amount from the CD's current account after the moratorium had been declared. The NCLAT ruled that once the moratorium is declared, the bank is not permitted to debit any amount from the CD's account.

*This principle was reiterated in the case of State Bank of India vs. Debashish Nanda<sup>32</sup>, where the NCLAT emphasized that the bank is prohibited from debiting any amount from the CD's account after the order of moratorium, as it amounts to the recovery of funds after the temporary prohibition has taken effect.*

### **Exceptions to the Moratorium:**

Section 14(3)<sup>33</sup> of the IBC outlines certain exceptions to the moratorium and specifies that the following actions are not prohibited during the Moratorium:

- A surety in a contract of guarantee for the benefit of a corporate debtor. This exception was introduced through the Insolvency and Bankruptcy (Amendment) Ordinance 2018 (later replaced with the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018).

<sup>31</sup> ICICI Bank Ltd. vs. IRP for Ruchi Soya Industries Company Appeal (AT) No. 309 of 2018

<sup>32</sup> State Bank of India vs. Debashish Nanda Company Appeal (AT) (Insolvency) No. 49 of 2018

<sup>33</sup> The Insolvency and Bankruptcy Code, 2016, § 14(3), No. 31, Acts of Parliament, 2016 (India).

- Any transactions, agreements, or other arrangements that may be officially notified by the Central Government in consultation with financial regulators or other relevant authorities. It's worth noting that as of now, no such transactions or arrangements have been officially notified.

In the case of *State Bank of India vs. Ramkrishnan*<sup>34</sup> [Civil Appeal Nos. 3595 & 4553 of 2018, (2018) 17 SCC 394], the Supreme Court clarified that section 14 of the IBC does not extend to the personal guarantor of the corporate debtor; it applies solely to the corporate debtor itself. The court emphasized that in a contract of guarantee, the liabilities of the surety and the principal debtor are coextensive. Consequently, the creditor has the right to pursue the assets of either the principal debtor the surety, or both, without any particular sequence.<sup>35</sup> Additionally, the court considered the Insolvency and Bankruptcy (Amendment) Ordinance, 2018, which amended the provisions of section 14, and concluded that these amendments were retrospective in nature and clarificatory.<sup>36</sup>

#### CONCLUSION:

The imposition of the moratorium under Section 14 of the Insolvency and Bankruptcy Code plays a pivotal role in the Corporate Insolvency Resolution Process. It shifts control from the corporate debtor to an Interim Resolution Professional or Resolution Professional, allowing for a comprehensive assessment of the debtor's financial position and assets. This temporary prohibition of various actions, including legal proceedings and recovery efforts, serves to protect the interests of all stakeholders involved. While exceptions exist for certain transactions and personal guarantors, the moratorium remains a vital tool for maintaining the status quo during insolvency proceedings. Understanding the nuances and implications of this moratorium is crucial for practitioners, policymakers, and scholars in the field of insolvency law and practice in India.

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<sup>34</sup> *State Bank of India vs. Ramkrishnan* Civil Appeal Nos. 3595 & 4553 of 2018, (2018) 17 SCC 394

<sup>35</sup> *Rajeev Babel The, Supra* note 14, at 901.

<sup>36</sup> *Rajeev Babel The, Supra* note 14, at 901.