

31.05.2017, the National Company Law Tribunal, Principal Bench, New Delhi referred to Section 14 (1)(a) of the Insolvency Code and stated that given the moratorium that is imposed, no arbitration proceedings could go on. A notice was issued on 29.06.2017 by the National Company Law Tribunal, Principal Bench, New Delhi in C.A. No. 186(PB) of 2017.

4) A First Appeal was filed before the District Judge, Jaisalmer, Rajasthan under Section 37 of the Arbitration and Conciliation Act, 1996 and by the impugned order dated 06.07.2017, the appeal was asked to be registered and notice was issued awaiting a reply.

5) The mandate of the new Insolvency Code is that the moment an insolvency petition is admitted, the moratorium that comes into effect under Section 14(1)(a) expressly interdicts institution or continuation of pending suits or proceedings against Corporate Debtors.

6) This being the case, we are surprised that an arbitration proceeding has been purported to be started after the imposition of the said moratorium and appeals under Section 37 of the Arbitration Act are being entertained. Therefore, we set aside the order of the District Judge dated 06.07.2017 and further state that the effect of Section 14(1)(a) is that the arbitration that has been instituted after the aforesaid moratorium is *non est* in law.

7) Mr. Jayant Bhushan, learned Senior Counsel, also informs us that criminal proceeding being F.I.R. No. 0605 dated 06.08.2017 has been taken in a desperate attempt to see that the IRP does not continue with the proceedings under the Insolvency Code which are strictly time bound. We quash this proceeding.

8) As a result, the appeal is allowed and the steps that have to be taken under the Insolvency Code will continue unimpeded by any order of any other Court.

..... J.
(ROHINTON FALI NARIMAN)

..... J.
(SANJAY KISHAN KAUL)

New Delhi;
October 23, 2017.

