

NATIONAL COMPANY LAW APPELLATE TRIBUNAL, NEW DELHI

Company Appeal (AT) (Insolvency) No. 290 of 2017

IN THE MATTER OF:

M/s. Subasri Realty Private Limited

...Appellant

Vs.

Mr. N. Subramanian & Anr.

...Respondents

**Present: For Appellant: Mr. Paul Kanagaraj, Senior Advocate with
Ms. D. Revathi Karthick, Advocate.**

**For Respondents: Ms. Shenti Iyer, Advocate for
Intervener.**

ORDER

22.02.2018: Learned counsel for the respondents submits that there is no chance of settlement in the matter. In such circumstance, the case is required to be heard on merit.

Admit. Mr. Paul Kanagaraj, senior counsel appearing on behalf of the Appellant prays for and allowed to file additional affidavit within a week. The respondent may file reply within a week thereof.

Learned counsel for the IRP – 2nd Respondent requested to clarify as to who will sign the cheque on behalf of the Corporate Debtor in terms with order dated 12th January, 2018 by this Appellate Tribunal.

In this regard we may clarify that after appointment of the Resolution Professional and declaration of moratorium, the Board of Director stands suspended, but that does not amount to suspension of Managing Director or any of the Director or officer or employee of the Corporate Debtor. To ensure that the Corporate Debtor remains on going

concern, all the Director/ employees are required to function and to assist the Resolution Professional who manages the affairs of the Corporate Debtor during the period of moratorium. If one or other officer or employee had the power to sign a cheque on behalf of the Corporate Debtor prior to the order of moratorium, such power does not stand suspended on suspension of the Board of Directors nor can be taken away by the Resolution Professional. If, the person empowered to sign cheque refuse to function on the direction of the Resolution Professional or misuse the power, in such case it is always open to the Resolution Professional to take away such power after notice to the person concerned.

Post the case for hearing on 12th March, 2018. Case may be disposed of on the next date.

(Justice S.J. Mukhopadhaya)
Chairperson

(Justice Bansi Lal Bhat)
Member(Judicial)

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