

ITEM NO.20

COURT NO.1

SECTION X

S U P R E M E C O U R T O F I N D I A
RECORD OF PROCEEDINGS

Writ Petition (Civil) No. 114/2025

MUKUND CHOUDHARY

Petitioner(s)

VERSUS

UNION OF INDIA & ORS.

Respondent(s)

(FOR ADMISSION and IA No. 32307/2025 - EX-PARTE STAY)

WITH

C.A. No. 1576/2025 (XVII)

IA No. 32294/2025 - EXEMPTION FROM FILING C/C OF THE IMPUGNED JUDGMENT and IA No. 32293/2025 - GRANT OF INTERIM RELIEF

Date : 14-02-2025 These matters were called on for hearing today.

CORAM :

HON'BLE THE CHIEF JUSTICE
HON'BLE MR. JUSTICE SANJAY KUMAR

For Petitioner(s) :

Ms. Purti Gupta, AOR
Ms. Henna George, Adv.
Ms. Sunidhi Sah, Adv.

For Respondent(s) :

UPON hearing the counsel, the Court made the following
O R D E R

We do not find any merit in the present writ petition, which challenges the constitutional vires of Section 101 of the Insolvency and Bankruptcy Code, 2016, which fixes an outer limit of 180 days for operation of the moratorium.

This is a case of individual insolvency and not corporate insolvency. The object and purpose of the moratorium in the two situations, that is, corporate insolvency and individual

insolvency, is entirely different. In a case of corporate insolvency, the Corporate Insolvency Resolution Process is to examine whether the corporate debtor can be rehabilitated and revived by taking recourse to resolution plans. The purpose of individual insolvency, on the other hand as noticed below, is different.

The writ petition challenging the constitutional validity of Section 101 of Section 101 of the Insolvency and Bankruptcy Code, 2016 is dismissed.

It is, however, submitted that if the moratorium period comes to an end, one of the creditors may seek to take a march over the others and that would be contrary to the entire object and purpose of the insolvency regime.

Let notice to this limited extent be issued in the civil appeal, returnable in the week commencing 28.04.2025.

Notice will be served by all modes, including *dasti*.

The petitioner/appellant, Mukund Choudhary, is given liberty to produce this order before the National Company Law Tribunal for appropriate orders/directions.

(DEEPAK GUGLANI)
AR-cum-PS

(R.S. NARAYANAN)
ASSISTANT REGISTRAR