



IN THE NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(Through Hybrid Mode)

(Supplementary Cause list)
Item No.1
CP (IB)/57/7/AMR/2024

IN THE MATTER OF:

M/s. Global Enterprise and Another

... Financial Creditor

Versus

M/s. Suvarnabhoomi Infra Developers Pvt Ltd

... Corporate Debtor

Under Section: 7 of IBC, 2016

Order delivered on 20.01.2026

CORAM:

SHRI UMESH KUMAR SHUKLA
HON'BLE MEMBER (TECHNICAL)

SHRI KISHORE VEMULAPALLI
HON'BLE MEMBER (JUDICIAL)

PRESENT:

For the Financial Creditor

: Ms.Aparana Devi, Adv.

For the Corporate Debtor

: (Ex-parte)

ORDER

Orders pronounced and recorded *vide* separate sheets. The instant Petition bearing **CP (IB)/57/7/AMR/2024** filed by the Financial Creditors under Section 7 of the IBC, 2016 is **admitted**, and the IRP is appointed.

Sd/-
UMESH KUMAR SHUKLA
MEMBER (TECHNICAL)

Sd/-
KISHORE VEMULAPALLI
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH AT MANGALAGIRI**
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)

CP (IB)/57/7/AMR/2024

**Application under section 7 of the
Insolvency and Bankruptcy Code, 2016
read with Rule 4 of the Insolvency and
Bankruptcy (Application to Adjudicating
Authority) Rules, 2016**

IN THE MATTER OF:

1. M/s. Global Enterprise
(PAN No. AANFG1888M)
Represented by its Partner
Mr. Amit Kumar Jain,
At No.15, Vasu Street, Kilpauk,
Chennai-600010

2. M/s. S C Shah Corporation
(PAN No. AEPFS9891C)
Represented by its Partner
Mr. Suresh Kumar B Jain
At no.57, Ormes Road,
Kilpauk, Chennai-600 010

...Financial Creditors

Vs.

M/s. Suvarnabhoomi Infra Developers Private Limited

[CIN: U70100AP2016PTC103390],

Having its registered Address at:

Door No. 50-22-12, Flat No.201, Sri Balaji Residency,

T P T Colony, Seethammadhara,

Vishakhapatnam-530013, Andhra Pradesh.

Also at # 8-2-595/3, 3rd Floor

Road No.12, Banjara Hills, Above Ratnadeep Super Market,

Hyderabad-500034

...Corporate Debtor

Date of order: 20.01.2026



CORAM:

HON'BLE KISHORE VEMULAPALLI, MEMBER (JUDICIAL)

HON'BLE UMESH KUMAR SHUKLA, MEMBER (TECHNICAL)

Parties/Counsels Appearance:

For Financial Creditors : Ms. Aparna Devi, Advocate

For Corporate Debtor : (Ex-parte)

[ORDER]

[PER: BENCH]

The instant Joint Application has been filed on 05.11.2024 (vide Diary No. 1609) by **M/s. Global Enterprise** (hereinafter referred to as the “**1st Financial Creditor**”) and **M/s. S C Shah Corporation** (hereinafter referred to as the “**2nd Financial Creditor**”) (hereinafter 1st Financial Creditor and 2nd Financial Creditor collectively referred to as the “**Financial Creditors**”) under section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “**IBC**” or “**Code**”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as the “**IB Regulations**”) seeking initiation of Corporate Insolvency Resolution Process (hereinafter referred to as the “**CIRP**”) against **M/s. Suvarnabhoomi Infra Developers Private Limited** (hereinafter referred to as the “**Corporate Debtor**”) for default in repayment of financial debt amounting to Rs.1,68,41,330/- (Rupees One Crore Sixty-Eight Lakhs Forty-One Thousand Three Hundred Thirty only), comprising Principal loan amount of Rs.1,48,60,000/-, and accrued interest of Rs.19,81,330/-, calculated at the rate of 16% per annum.

2. The Corporate Debtor is a company incorporated on 02.06.2016 under the provisions of the Companies Act, 2013 with its registered office at Door No.50-22-12, Flat No.201, Sri Balaji Residency, T P T Colony, Seethammadhara, Vishakhapatnam-530013, Andhra Pradesh, as per the copy of the Master Data of the Corporate Debtor



attached with the Application. Hence, the territorial jurisdiction lies with this Adjudicating Authority.

FACTS OF THE CASE:

3. The facts of the case, as stated in the Application, are summarised below:

- (i) The 1st Financial Creditor is a registered partnership firm, incorporated on 05.06.2014 under the Indian Partnership Act, 1932, and registered in the Register of Firms vide Registration No. 574 of 2014¹. It is represented by its Partner, Mr. Amit Kumar Jain, residing at No. 15, Vasu Street, Kilpauk, Chennai-600010, Tamil Nadu.
- (ii) The 2nd Financial Creditor is a partnership firm and is represented by its Partner, Mr. Suresh Kumar B Jain, At no.57, Ormes Road, Kilpauk, Chennai-600 010.
- (iii) The Financial Creditors, jointly and severally, sanctioned a short-term loan amounting to Rs.2,45,40,000/- (comprising Rs.1,71,78,000/- from the 1st Financial Creditor and Rs.73,62,000/- from the 2nd Financial Creditor) to the Corporate Debtor on 01.04.2023. The loan was extended to meet the short-term business requirements of the Corporate Debtor, based on mutual understanding that the amount would be repaid within a period of three months, in six equal fortnightly instalments, along with interest at the rate of 16% per annum. In consideration of the said loan, the Corporate Debtor executed separate Promissory Notes dated 01.04.2023 in favour of the respective Financial Creditors, thereby acknowledging the debt and agreeing to the repayment terms.

¹ Copy of the Certificate of Registration of the 1st Financial Creditor is annexed at Page 32 of the Application



- (iv) Till date, the Corporate Debtor has repaid only a part of the total loan amount, namely: (i) a sum of Rs.72,26,000/- to the 1st Financial Creditor; (ii) a sum of Rs.24,54,000/- to the 2nd Financial Creditor.
- (v) On account of continued default in repayment of the financial debt, the Financial Creditors issued legal notices dated 25.10.2023 and 28.11.2023, followed by a final demand notice dated 26.12.2023, calling upon the Corporate Debtor to pay the outstanding dues. These demand notices were duly received and acknowledged by the Corporate Debtor. However, despite receipt of the same, the Corporate Debtor failed to make the full payment and continued to offer false assurances without effecting any substantial repayment.
- (vi) The Corporate Debtor issued a cheque dated 02.06.2023 for a sum of Rs.12,27,000/-, drawn on ICICI Bank, Hyderabad, in favour of the 2nd Financial Creditor. Upon presentation, the said cheque was returned dishonoured on 18.07.2023 with the endorsement "Funds Insufficient". Consequently, the 2nd Financial Creditor has initiated criminal proceedings by filing a complaint under the Negotiable Instruments Act before the learned Magistrate Court, Chennai, which is presently pending adjudication.
- (vii) From the documents filed along with the Application, it is evident that the Corporate Debtor has committed default in repayment of the financial debt, despite multiple opportunities and extensions granted by the Financial Creditors.



(viii) As per Part IV of the Application, the total outstanding dues after adjusting the amounts repaid by the Corporate Debtor is Rs.1,68,41,330/-, comprising: (a) Rs.1,48,60,000/- towards principal, and (b) Rs.19,81,330/- towards interest calculated at the agreed rate of 16% per annum and the date of default is mentioned as 01.07.2023.

4. The matter was listed on various dates including 11.11.2024, 03.02.2025, 07.03.2025, 08.04.2025, 21.04.2025, 25.04.2025, 02.05.2025, 09.06.2025, and 25.06.2025.

5. The matter was first listed for hearing on 11.11.2024, on which date the Adjudicating Authority directed the Financial Creditors to serve notice upon the Corporate Debtor. Thereafter, the matter was posted for hearing on 03.02.2025. Despite service of notice, there was no appearance on behalf of the Corporate Debtor on 03.02.2025. Accordingly, the matter was adjourned and posted for further hearing on 07.03.2025. On 07.03.2025, once again, there was no representation or appearance on behalf of the Corporate Debtor. In view of continued non-appearance despite due service of notice, the Corporate Debtor was **set ex parte**, and the matter was directed to be listed for final hearing on 08.04.2025.

6. During the hearing held on 08.04.2025, it was observed that the date of default mentioned in Part IV of Form 1 is 01.07.2023, whereas the Application is based on a promissory note payable on demand, and the demand notice dated 25.10.2023 granted 15 days for repayment, indicating the actual date of default as 10.11.2023. Further, the Financial Creditors sought time to substantiate that the disbursed amount was actually transferred from the 2nd Financial Creditor to the Corporate Debtor. In view of the above, one week's time was granted to the Financial Creditors to cure the



defects and furnish the necessary documents to establish disbursement and clarify the date of default, but the same was not filed till next date of hearing on 21.04.2025 and therefore, the costs of Rs.50,000/- (Rupees Fifty Thousand Only) was imposed on the Financial Creditors to be deposited in the Prime Minister's National Relief Fund (PMNRF) through online mode at "<https://pmnrf.gov.in>" and the Counsel for the Financial Creditors was directed to file a memo enclosing proof of payment well before next date of hearing on 25.04.2025.

7. In compliance of this Adjudicating Authority above order dated 08.04.2025, the Financial Creditors paid the cost on 22.04.2025 and filed a Memo dated 22.04.2025 vide Diary No.748 dated 25.04.2025. The Financial Creditors also filed compliance memo dated 15.04.2025 vide Diary No. 699 dated 21.04.2025 enclosing therewith the following Additional Documents:

S.No.	PARTICULARS
1.	<u>Additional Document 1</u> Copy of the Confirmation Letter dated 07.04.2023 by the Corporate Debtor to the 1 st Financial Creditor
2.	<u>Additional Document 2</u> Copy of the Confirmation Letter dated 07.04.2023 by the Corporate Debtor to the 2 nd Financial Creditor
3.	<u>Additional Document 3</u> Copy of the Form C submitted by the 1 st Financial Creditor to the NESL dated 11.10.2024
4.	<u>Additional Document 4</u> Copy of the Form C submitted by the 2 nd Financial Creditor to the NESL dated 24.10.2024
5.	<u>Additional Document 5</u> Copy of the NESL Authentication Status of the 1 st Financial Creditor
6.	<u>Additional Document 6</u> Copy of the NESL Authentication Status of the 2 nd Financial Creditor
7.	<u>Additional Document 7</u> Copy of the E-Mail dated 09.04.2025 by the 1 st Financial Creditor to NESL seeking for Form-D Record of Default
8.	<u>Additional Document 8</u> Copy of the E-Mail dated 09.04.2025 by the 2 nd Financial Creditor to NESL seeking for Form-D Record of Default



8. During the course of hearing held on 25.04.2025, the Financial Creditors sought time to prove the disbursement of the amounts as per the promissory notes executed with the Corporate Debtor. Subsequently, the Financial Creditors filed Compliance Memo dated 29.04.2025 vide Diary No. 876 dated 07.05.2025 enclosing therewith the copy of the email dated 28.04.2025 by the Deputy Manager, Yes Bank confirming the transfer of the loan amount to the Corporate Debtor's account.

9. During the hearing on 02.05.2025, the Financial Creditors sought time to produce the Minutes of the Board Meeting of the Corporate Debtor, authorising the signatory to execute the promissory note and borrow funds from the Financial Creditors on behalf of the Corporate Debtor. The Counsel was also directed to submit the audited Balance Sheet of the Corporate Debtor.

10. At the hearing on 09.06.2025, the Financial Creditors submitted that no Board Resolution was available, however, the audited Balance Sheet of the Corporate Debtor for the financial year ending 31.03.2021 is annexed with the Application. Upon perusal of the MCA Master Data dated 21.10.2023, it was observed that the latest Balance Sheet available with the Registrar of Companies (herein after referred to as the "**RoC**") pertained to the financial year ending 31.03.2024. Accordingly, this Adjudicating Authority vide its Order dated 09.06.2025, directed the Financial Creditors to file the latest MCA Master Data and the most recent Balance Sheet filed by the Corporate Debtor with the RoC. The Financial Creditors sought two weeks' time to file a Compliance Memo along with a net worth certificate of the Financial Creditors.



11. In compliance of above order, the Financial Creditors filed Compliance Memo dated 17.06.2025 vide Diary No.1181 dated 19.06.2025 enclosing therewith the following Additional Documents:

S.No.	PARTICULARS
1.	<u>Additional Document 10</u> Copy of the latest Company Master Data of the Corporate Debtor Company
2.	<u>Additional Document 11</u> Copy of the Financial Statement of the Corporate Debtor for the period from 01.04.2023 to 31.03.2024
3.	<u>Additional Document 12</u> Copy of the Net worth Certificate of the 1 st Financial Creditor dated 11.06.2025
4.	<u>Additional Document 13</u> Copy of the Net Worth Certificate of the 2 nd Financial Creditor dated 10.06.2025

12. During the course of hearing on 20.08.2025, it was observed that that the service of the Application was effected on the Corporate Debtor only through email dated 20.07.2024 and subsequent notice of hearing, pursuant to the direction of this Adjudicating Authority vide order dated 11.11.2024, sent to the Corporate Debtor through Registered Post with Acknowledgement Due (hereinafter referred to as the “RPAD”) was returned with the endorsement “No Such Person”. Therefore, the Financial Creditor was directed to issue substituted service on the Corporate Debtor, by way of paper publication in two newspapers, one in English and one in the vernacular language, having wide circulation in the area, where the Registered Office and Corporate Office of the Corporate Debtor are situated. It was further observed that the Financial Creditor have submitted the financial accounts of the Corporate



Debtor for the financial year 2023-24 as evidence of acknowledgement of financial debt by the Corporate Debtor, however, as per the Independent Auditor's Report on the above financial accounts, there is no financial debt other than vehicle loan of Banks and NBFC. The Financial Creditors sought time to clarify the acknowledgement of the financial debt in the above financial accounts of the Corporate Debtor.

13. During the hearing on 17.09.2025, the Financial Creditor submitted that proof of substituted service by way of paper publication was filed on the e-portal yesterday, and the hard copies thereof dispatched by courier are in transit. In view thereof, the Financial Creditor was directed to issue notice to the Corporate Debtor through RPAD, informing them the next date of hearing, and to file a Compliance Memo well before the next date of hearing. The Financial Creditor was also directed to clarify the acknowledgement of financial debt in the financial accounts of the Corporate Debtor for the financial year 2023-2024 as per order dated 20.08.2025.

14. In compliance with the order dated 20.08.2025, the Financial Creditor, vide Diary No. 1891 dated 19.09.2025, filed proof of publication on 07.09.2025 in two newspapers at Hyderabad and Visakhapatnam. In compliance with the order dated 17.09.2025, the Financial Creditor, vide Diary No. 2099 dated 21.10.2025, filed a Memo dated 17.10.2025 enclosing proof of service of personal notice on the Corporate Debtor at its Registered Office and Corporate Office, as well as email service. It was reported that notices sent through Speed Post were returned with the endorsements "Addressee Left" and "Insufficient Address".

15. During the hearing held on 07.11.2025, it was observed that that the Corporate Debtor has not reflected the debt of the Financial Creditors in its Balance Sheet and the Financial Creditor is also unable to produce the Board Resolution of the Corporate



Debtor authorising the borrowing of the loan by the Corporate Debtor from the Financial Creditors, upon which the Financial Creditor sought time to produce the legal propositions concerning the doctrine of constructive notice as prevailing in the record.

16. In compliance with the order dated 07.11.2025, the Financial Creditors, vide Diary No. 2435 dated 05.12.2025, filed a Memo dated 29.11.2025 enclosing therewith the legal propositions and authorities relied upon by the Financial Creditors concerning the doctrine of constructive notice and the exception of indoor management. The principal authorities cited by the Financial Creditors include the judgment of the Hon'ble NCLAT in the matter of ***Dr. Gopal Krishna MS & Anr. v. Ravindra Beleyur & Anr., Company Appeal (AT)(Ins) No. 316 of 2022 (order dated 28.09.2022)***, which in turn considered the Supreme Court's decision in ***MRF Ltd. v. Manohar Parrikar & Ors., (2010) 11 SCC 374***. The relevant extracts of judgment are as follows:

".... 31. The Learned Counsel for the Appellant also pleaded Reliance on the case of MRF Ltd. v. Manohar Parrikar [(2010) 11 SCC 374] against the records being improperly maintained and the 'Board Resolutions' of the Corporate Debtor not being updated for which the 'Appellants' cannot be faulted with. The doctrine of indoor management as expounded in the above-mentioned judgment protects the Appellants from the burden of ensuring whether the appropriate 'Board Resolutions' and other compliances have been carried on by the 'Corporate Debtor' when the money brought in has clearly been for the benefit of the 'Corporate Debtor'.

"Para-110. The doctrine of indoor management is also known as the Turquand rule after the case of Royal British Bank v. Turquand, [1856] 6 E. & B. In this case, the directors of a company had issued a bond to Turquand. They had the power under the articles to issue such bond provided they were authorized by a resolution passed by the shareholders at a general meeting of the company. But no such resolution was passed by the company. It was held that Turquand could recover the amount of the bond from the company on the ground that he was entitled to assume that the resolution was passed.

Para-111. The doctrine of indoor management is in direct contrast to the doctrine or rule of constructive notice, which is essentially a presumption operating in favour of the company against the outsider. It prevents the outsider from alleging that he did not know that the constitution of the company rendered a particular act or a particular delegation of authority ultra vires. The doctrine of indoor management is an



exception to the rule of constructive notice. It imposes an important limitation on the doctrine of constructive notice.

According to this doctrine, persons dealing with the company are entitled to presume that internal requirements prescribed in memorandum and articles have been properly observed. Therefore doctrine of indoor management protects outsiders dealing or contracting with a company, whereas doctrine of constructive notice protects the insiders of a company or corporation against dealings with the outsiders. However suspicion of irregularity has been widely recognized as an exception to the doctrine of indoor management. The protection of the doctrine is not available where the circumstances surrounding the contract are suspicious and therefore invite inquiry.

Para-112. This exception was highlighted in the English case of J.C Houghton & Co. v. Nothard, Lowe & Wills Ltd, [1927] 1 KB 246 (CA) where the case involved an agreement between fruit brokers and fruit importing company. There was an allegation that the agreement was entered into by the company's directors without authority. It was held that the nature of transaction was found to have been such as to put the plaintiffs on inquiry. To this effect Lord Justice Sargant held:- "Cases where the question has been as to the exact formalities observed when the seal of a company has been affixed, such as Royal British Bank v. Turquand, 6 E. & B. 327, or the County of Gloucester Bank v. Rudry Merthyr, &c., Co., [1895] 1 Ch 629, are quite distinguishable from the present case. In re Fireproof Doors, Ltd., sup., tends rather against than in favour of the plaintiffs, since if a single director has as towards third parties the authority now contended for, the whole of the elaborate investigation of the facts in that case was entirely unnecessary. Perhaps the nearest approach to the present case is to be found in Biggerstaff v. Rowlatt's Wharf, [1896] 2 Ch. 93. But there the agent whose authority was relied on had been acting to the knowledge of the company as a managing director, and the act done was one within the ordinary ambit of the powers of a managing director in the transaction of the company's affairs. It is, I think, clear that the transaction there would not have been supported had it not been in this ordinary course or had the agent been acting merely as one of the ordinary directors of the company. I know of no case in which an ordinary director, acting without authority in fact, has been held capable of binding a company by a contract with a third party, merely on the ground that that third party assumed that the director had been given authority by the Board to make the contract. A limitation of the right to make such an assumption is expressed in Buckley on the Companies Acts, 10th Edition, at p. 175, in the following concise words: -- And the principle does not apply to the case where an agent of the company has done something beyond any authority which was given to him, or which he was held out as having."

17. The Financial Creditors have also placed reliance on two additional judgments of the Hon'ble NCLAT, namely **M/s. Agarwal Polysacks Ltd. v. M/s. K.K. Agro Foods and Storage Ltd.** and **Ravi Auto Ltd. v. Surana Mercantiles Pvt. Ltd.** Upon careful perusal, this Adjudicating Authority finds that the said decisions pertain primarily to the determination of existence of debt and default under the IBC and do



not specifically deal with the doctrine of constructive notice or the exception of indoor management arising from absence of internal corporate authorisations. Accordingly, the aforesaid judgments do not materially advance the Financial Creditors' case on the limited issue under consideration and are, therefore, not of assistance in adjudicating the applicability of the doctrine of indoor management in the present matter.

ANALYSIS AND FINDINGS:

18. We have heard the counsel for the Financial Creditors and have also perused the records.

19. The first issue for consideration before us in ***“Whether the Application has been filed with the limitation period.”***

- (i) The date of default as corrected vide memo on 21.04.2025 vide Diary No. 700 is 19.11.2023 and the Application has been filed on 05.11.2024 (vide Diary No. 1609).
- (ii) Since the Application has been filed within 3 years of the date of default, the Application falls within the limitation period.

20. The next issue for consideration before us in ***“Whether the Financial Creditors have established the existence of a ‘financial debt’ within the meaning of Sections 5(7) and 5(8) of the Code against the Corporate Debtor?”***

- (i) At the outset, it is necessary to examine whether the Financial Creditors qualify as “Financial Creditors” within the meaning of Section 5(7) of the Code and whether the claim constitutes a “financial debt” as defined under Section 5(8) of the Code. Section 5(8) defines “financial debt” to mean a



debt along with interest, if any, which is disbursed against consideration for the time value of money and includes money borrowed against payment of interest or any transaction having the commercial effect of borrowing.

- (ii) The present Section 7 Application has been jointly filed by two Financial Creditors on the basis of promissory notes dated 01.04.2023, executed in the name of the Corporate Debtor, which stipulate repayment along with interest at the rate of 16% per annum, thereby satisfying the essential requirement of consideration for time value of money. The extracts of promissory notes are reproduced below:

Rs. 1,71,78,000/-

Suvarnabhoomi Infra Developers Pvt. Ltd.
8-2-595/3, 3rd Floor,
Road No: 12, Banjara Hills,
Above Ratnadeep Super Market,
Hyderabad, Telangana - 500 034.

Place : CHENNAI
Date : 01/04/2023

ON DEMAND I **promise to pay to**
WE JOINTLY AND SEVERALLY

Mr. M/s GLOBAL ENTERPRISE **or order**

the sum of Rupees ONE CRORE SEVENTY ONE LAKHS SEVENTY
EIGHT THOUSAND ONLY **only together with**

interest at the rate of 16 **percent per annum for**

value received in CASH
CHEQUE / RTGS

Cheque / UTR No.

Dated For Suvarnabhoomi Infra Developers Pvt. Ltd.,

On B. Sridhar Managing Director

B. Sridhar Managing Director



Suvarnabhoomi Infra Developers Pvt. Ltd.
8-2-995/3, 3rd Floor,
Road No: 12, Banjara Hills,
Above Ratnadeep Super Market,
Hyderabad, Telangana - 500 034.

Rs. 73,62,000/-

Place : CHENNAI
Date : 01/04/2023

ON DEMAND 1 **promise to pay to**
WE JOINTLY AND SEVERALLY

Mr. M/s. S.C. SHAH CORPORATION **or order**
the sum of Rupees SEVENTY THREE LAKHS SIXTY TWO THOUSAND ONLY
only together with
interest at the rate of 16 **percent per annum for**
value received in CASH
CHEQUE / RTGS

Cheque / UTR No. _____
Dated _____
On _____

For Suvarnabhoomi Infra Developers Pvt. Ltd.,
B. S. Shah
Executive Director

For SUVARNABHOOMI INFRADEVELOPERS PVT. LTD.,
B. S. Shah
Managing Director


- (iii) In Section 7 Application, the 1st and 2nd Financial Creditors stated to have disbursed Rs.1,64,90,880/- and 70,67,520/- respectively on various dates as shown in Table below against amount of Rs.1,71,78,000/- and Rs.73,62,000/- respectively shown in the promissory notes:

	Disbursements				Promissory Note	Difference
1st Financial Creditor						
Date	03.04.2023	03.04.2023	05.04.2023	Total		
Rs.	50,00,000	54,90,880	60,00,000	1,64,90,880	1,71,78,000	6,87,120
2nd Financial Creditor						
Date	04.04.2023	04.04.2023		Total		
Rs.	26,00,000	44,67,520		70,67,520	73,62,000	2,94,480
			TOTAL	2,35,58,400	2,45,40,000	9,81,600

- (iv) The Financial Creditors have placed on record the following documentary evidence to establish actual disbursement of funds to the Corporate Debtor, namely:




- a. Bank statements of the 1st Financial Creditor (Karur Vysya Bank) evidencing transfer of Rs.1,64,90,880/- to the bank Corporate Debtor through RTGS on various dates, the relevant extracts of which are reproduced below:

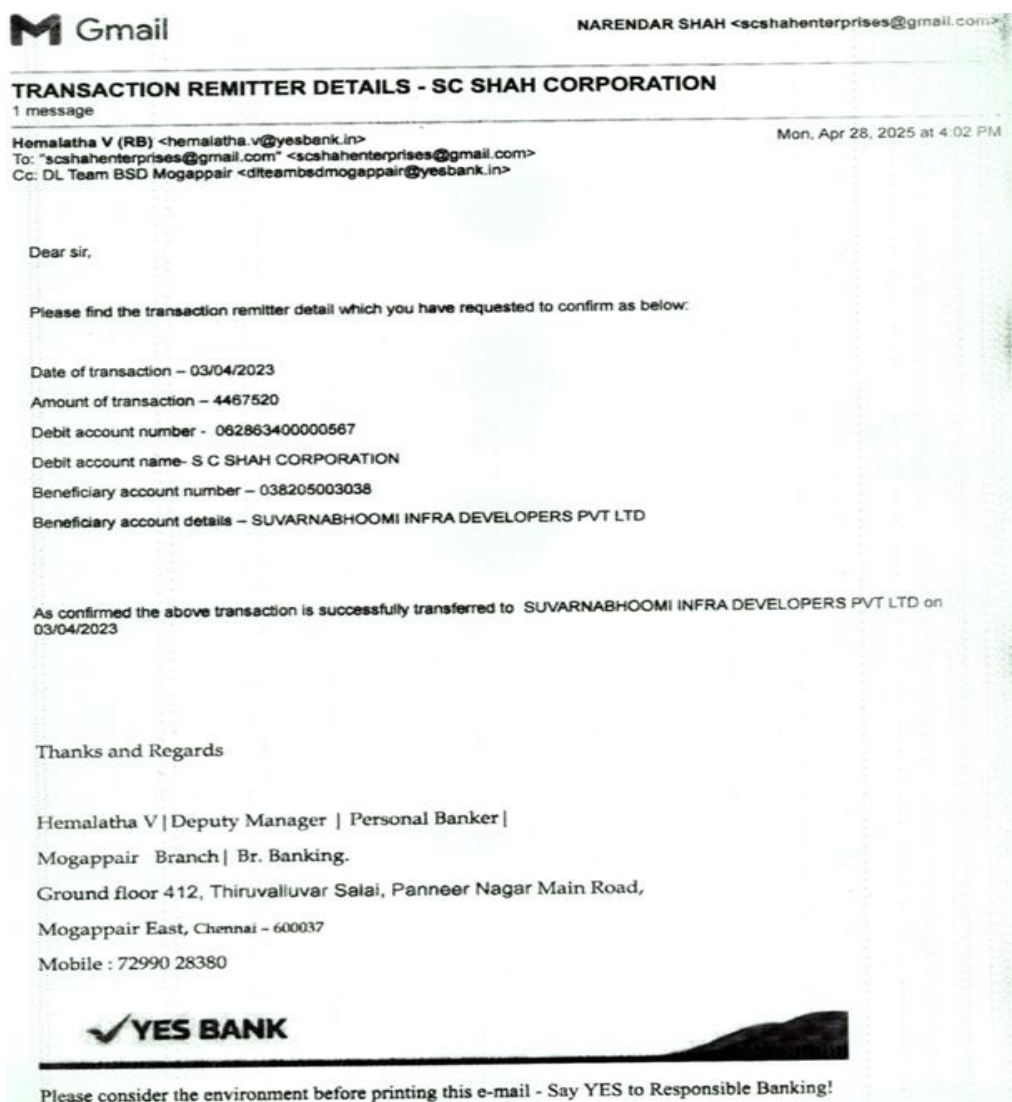
 Account Statement as of 18-10-2023 13:12:48 GMT +0530					
GLOBAL ENTERPRISE NO 127/NA BRICKLIN ROAD TVH LUMBINI SQUARE PURASALWAKKAM CHENNAI					
Account Name			GLOBAL ENTERPRISE		
Account Number			178713500004161		
Branch			CHENNAI - HARRINGTON ROAD		
Customer Id			4061517		
Account Currency			INR		
Transaction Date	Value Date	Branch	Cheque No	Description	Debit
03-04-2023 15:53:04	03-Apr-2023	1878	000000001834	RTGS DR-ICIC0000382-SUARNABHOOMI INFRA DEVELOPERS-HARRINGTONRD-KVBLR52023040394671141	50,00,000.00
03-04-2023 16:44:46	03-Apr-2023	1878	000000001835	RTGS DR-ICIC0000382-SUARNABHOOMI INFRA DEVELOPERS-HARRINGTONRD-KVBLR52023040394675894	54,90,880.00
05-04-2023 11:53:46	05-Apr-2023	1878	000000001841	RTGS DR-ICIC0000382-SUARNABHOOMI INFRA DEVELOPERS-HARRINGTONRD-KVBLR52023040594688282	60,00,000.00

- b. Bank statement of the 2nd Financial Creditor (Axis Bank) evidencing transfer of Rs.26,00,000/- on 04.04.2023, the relevant extracts of which are reproduced below:



							
S C SHAH CORPORATION							
Joint Holder :-							
NO 57							
ORMES ROAD, KILPAUK							
CHENNAI							
TAMIL NADU-INDIA							
PIN 600010							
Currency : INR							
Scheme : CA - BUSINESS CLASSIC							
Customer ID : 946688893							
IFSC Code : UTIB0001954							
MICR Code : 600211110							
Nominee Registered : N							
CKYC NUMBER : XXXXXXXXXX9332							
Statement of Axis Account No : 922020065452951 for the period (From : 04-04-2023 To : 04-04-2023)							
Tran Date	Value Date	Transaction Particulars	Chq No	Debit(INR)	Credit(INR)	Balance(INR)	Branch Name
		OPENING BALANCE				8211185.00	
04-04-2023	04-04-2023	By Clq 296147 019 Chennai			1225050.00	9436235.00	CCGOI HYDERABAD HYD TG
04-04-2023	04-04-2023	By Clq 348509 015 Chennai			1500000.00	10936235.00	CCGOI HYDERABAD HYD TG
04-04-2023	04-04-2023	By Clq 002755 053 Chennai			260416.00	11196651.00	CCGOI HYDERABAD HYD TG
04-04-2023	04-04-2023	By Clq 542141 019 Chennai			486500.00	11683151.00	CCGOI HYDERABAD HYD TG
04-04-2023	04-04-2023	INB/RTGS/UTIBR52023040400229267/Suvarnabhoomi Inf		2600000.00		9083151.00	ORMES ROAD TN

- c. Confirmation email dated 28.04.2025 issued by the Deputy Manager, Yes Bank, confirming transfer of Rs.44,67,520/- to the Corporate Debtor's account, which is reproduced below:



- (v) Thus, the Financial Creditors have established disbursement of an aggregate amount of Rs.2,35,58,400/- out of the sanctioned loan facility of Rs.2,45,40,000/-. It is also an admitted position that the Corporate Debtor has repaid Rs.72,26,000/- to the 1st Financial Creditor and Rs.24,54,000/- to the 2nd Financial Creditor, aggregating to Rs.96,80,000/-. After adjusting the said repayments, the outstanding principal amount remains Rs.1,48,60,000/-, which is well above the statutory threshold of Rs.1 crore prescribed under Section 4 of the Code, even without considering the balance amount of Rs.9,81,600/- for which proof of disbursement has not been furnished, the details of which is worked out as below:



Financial Creditor	Amount in Rs.		
	1 st	2 nd	Total
Promissory Note dated 01.04.2023	1,71,78,000	73,62,000	2,45,40,000
Amount Repaid upto 30.06.2023	72,26,000	24,54,000	96,80,000
Principal Outstanding as on 01.07.2023	99,52,000	49,08,000	1,48,60,000
Interest @ 16% p.a. upto 30.06.2023			19,81,330
Amount claimed in Section 7 Application			1,68,41,330

- (vi) The Financial Creditors have further placed on record the letter dated 07.04.2023 issued by the Corporate Debtor, expressly acknowledging receipt of the loan amounts, which constitutes an acknowledgment of debt. The extracts of the letters are reproduced below:


SUARNABHOOMI™
 Infra Developers Pvt Ltd
 శ్రీరమలక్ష్మి ఇంఫ్రా డెవలపర్స్
 An ISO 9001:2015 Certified Company

Date - 07/04/2023

To ,

Global Enterprise
Kilpauk
Chennai - 600010

This is confirm that we have availed loan of Rs 171.78 Lakhs for our short term business requirement, after deduction towards interest we have received by way of Rtgs of Rs 1,64,90,880 only

We have given the following below

1 promissory note worth Rs 171.78 Lakhs duly signed by the Director Mr. Bollineni Sridhar and Mrs. Bollineni Deepthi

6 nos post dated cheques of ICICI Bank duly signed the Director Mr. Bollineni Sridhar total worth Rs 171.78 Lakhs

3 Axis bank cheques from company security only
(each not over Rs 57.26 Lakhs)

2 personal guarantee Axisbank cheques each of Mr. Bollineni Sridhar and Mrs. Bollineni Deepthi

We hereby agree

1. Tds will be reimbursed once we give form 16 A

2. In case of delay in dues we will pay penalty charges Rs 200/- per lakh per day

Thanking you

Yours faithfully

For Suvarnabhoomi Infra Developers Private Limited


Managing Director



Head Office : # 8-2-680/3, 3rd Floor, Opp.SBI Bank, Road No.12, Banjara Hills, Hyderabad - 500 034, Telangana.
Branch Office: Flat no. 201, Ekadanta Nilaya, D.No. 60-92-4, Santhi Puram, Visakhapatnam - 530 016, Andhra Pradesh. Ph. No: 8912789595
Email : info@suvarnabhoomiinfra.com | Website : www.suvarnabhoomiinfra.com




JUARNABHOOMI™
Infra Developers Pvt Ltd
శ్రీరమణం సెంటర్ బిల్డింగ్
An ISO 9001:2015 Certified Company

Date - 07/04/2023

To ,

S C Shah Corporation
Kilpauk
Chennai - 600010

This is confirm that we have availed loan of Rs 73.62 Lakhs for our short term business requirement, after deduction towards interest we have received by way of Rtgs of Rs 70,67,520 only

We have given the following below

1 promissory note worth Rs 73.62 Lakhs duly signed by the Director Mr. Bollineni Sridhar and Mrs. Bollineni Deepthi

6 nos post dated cheques of ICICI Bank duly signed the Director Mr. Bollineni Sridhar total worth Rs 73.62 Lakhs

2 Axis bank cheques from company security only
(each not over Rs 36.81 Lakhs)

2 personal guarantee Axisbank cheques each of Mr. Bollineni Sridhar and Mrs. Bollineni Deepthi

We hereby agree

1. Tds will be reimbursed once we give form 16 A

2. In case of delay in dues we will pay penalty charges Rs 200/- per lakh per day

Thanking you,

Yours faithfully

Yours faithfully

For Suvarnabhoomi Infra Developers Private Limited


Managing Director.



Head Office : # 8-2-580/3, 3rd Floor, Opp.SBI Bank, Road No.12, Banjara Hills, Hyderabad - 500 034, Telangana.
Branch Office: Flat no. 201, Ekadanta Nilaya, D.No. 50-92-4, Santhi Puram, Visakhapatnam - 530 016, Andhra Pradesh. Ph. No: 8912789595
Email : info@suvarnabhoomiinfra.com | Website : www.suvarnabhoomiinfra.com

- (vii) The Financial Creditors have sought to overcome the admitted absence of a Board Resolution authorising the borrowing by invoking the doctrine of indoor management, which operates as a well-recognised exception to the doctrine of constructive notice. The doctrine was originally propounded in **Royal British Bank v. Turquand (1856)**, wherein it was held that a person dealing with a company is entitled to presume that internal formalities required by the Articles of Association have been duly complied with, and is not bound to inquire whether such internal approvals have, in fact, been obtained, so long as the act in question is within the apparent authority of



the company's officers. The ***Hon'ble Supreme Court, in MRF Ltd. v. Manohar Parrikar (2010) 11 SCC 374***, reaffirmed this principle and clarified that the doctrine of indoor management is intended to protect bona fide outsiders from being prejudiced by internal lapses or irregularities in corporate decision-making. At the same time, the Supreme Court expressly recognised that the doctrine is subject to important limitations, and does not apply where the transaction is ultra vires the company, contrary to statute, or attended by suspicious circumstances that ought to have put the outsider on inquiry. Thus, while the doctrine permits a presumption of regularity of internal corporate acts, such presumption is neither absolute nor automatic and must yield where statutory mandates or the company's constitutional documents clearly require specific authorisation.

- (viii) In the context of insolvency proceedings, ***the Hon'ble NCLAT in Dr. Gopal Krishna MS v. Ravindra Beleyur*** has recognised that the doctrine of indoor management may operate in favour of a creditor, where funds are demonstrably brought in for the benefit of the company and the absence of internal authorisation is attributable to deficiencies in corporate record-keeping. At the same time, NCLAT jurisprudence consistently cautions that the doctrine cannot be stretched to legitimise transactions that are facially irregular or in clear breach of statutory or constitutional requirements of the company.
- (ix) There is no material on record to suggest that the Financial Creditors had actual knowledge of any internal irregularity or that the transaction was attended by circumstances so suspicious as to mandate further inquiry at



the time of lending. Therefore, the Financial Creditors do not fall within any of the recognised exceptions, which would disentitle them from invoking the doctrine of indoor management, such as knowledge of irregularity, suspicion of irregularity, forgery, lack of authority apparent on the face of the documents, or complete failure to read the company's public documents.

- (x) As per Section 7(1) of the Code, a financial creditor either by itself or jointly with other financial creditors, or any other person on behalf of the financial creditor, as may be notified by the Central Government may file an application for initiating CIRP upon occurrence of default. In the present case, the Financial Creditors, being Financial Creditors, have jointly instituted the Application and have prima facie established disbursement of funds, consideration for time value of money, acknowledgment of debt, substantial part-repayment.
- (xi) In view of the foregoing discussion, this Adjudicating Authority is of the considered view that the Financial Creditors have established the existence of a 'financial debt' within the meaning of Sections 5(7) and 5(8) of the Code against the Corporate Debtor.

21. The next issue for consideration before us is, ***"Whether there has been a default in repayment of the financial debt by the Corporate Debtor as defined under Section 3(12) of the IBC, 2016?"***

- (i) Section 3(12) of the Code defines "default" as the non-payment of the whole or any part of the debt, when due and payable by the debtor..



- (ii) In the present case, the Financial Creditors have placed reliance on a promissory note dated 01.04.2023, in which the amount is stated to be payable on demand, in which the address of the Corporate Debtor is shown as below:

Suvarnabhoomi Infra Developers Pvt. Ltd.
8-2-595/3, 3rd Floor,
Road No: 12, Banjara Hills,
Above Ratnadeep Super Market,
Hyderabad, Telangana - 500 034.

- (iii) As per the master data of the Corporate Debtor enclosed with the Application, the address of the Corporate Debtor is Door No. 50-22-12 Flat No. 201 Sri Balaji Residency, T P T Colony, Seetammadhara, Vishakhapatnam, Andhra Pradesh-530013, the relevant extracts of the master data dated 21.10.2023 is reproduced below:

Ministry Of Corporate Affairs	
Date : 21-10-2023 2:37:37 pm	
Company Information	
CIN	U70100AP2016PTC103390
Company Name	SUARNABHOOMI INFRA DEVELOPERS PRIVATE LIMITED
ROC Name	ROC Vijayawada
Registration Number	103390
Date of Incorporation	02/06/2016
Email Id	accounts@suvarnabhoomiinfra.com
Registered Address	DOOR NO. 50-22-12 FLAT NO. 201 SRI BALAJI RESIDENCY, T P T COLONY, SEETHAMMADHARA, Vishakhapatnam, Vishakhapatnam, Andhra Pradesh, India, 530013
Address at which the books of account are to be maintained	-

- (iv) The Financial Creditors issued the Demand Notice dated 25.10.2023 calling upon the Corporate Debtor to repay the outstanding dues within 15



days from the date of receipt of the notice at the registered address of the Corporate Debtor through RPAD. The extracts of the demand notice and proof of acknowledgment are reproduced below:



SRENIK.S.JAIN
ADVOCATE

o/c

Mobile No : +91-9677015762
Email ID : adv.srenik@gmail.com
sjlegal.info@gmail.com

b

Ref No: SJL-NCLT-191/2023

Date: 25.10.2023

To,

M/s SUVARNABHOOMI INFRA DEVELOPERS PRIVATE LIMITED

Represented by its Directors/Managing Director
having office at:
Door No.50-22-12, Flat No.201,
Sri Balaji Residency, T P T Colony,
Seethammadhara, Vishakhapatnam,
Andhra Pradesh-530013

Kind Attention to the Directors/Managing Directors:

1. Bollineni Sridhar
2. Dosapati Deepthi

On behalf of My Clients:

1. M/s GLOBAL ENTERPRISE
Represented by its Partners
At No.15, Vasu Street, Kilpauk,
Chennai-600010
2. M/s S C SHAH CORPORATION
Represented by its Partner:
Mr.Suresh Kumar B Jain
At No.57, Ormes Road,
Kilpauk, Chennai-600 010

Kind Attention

This notice is issued under the instruction and on behalf of my clients as stated above (hereinafter referred to as "my client/s"), and states as follows:-

1. My Clients states that you had approached my clients and availed an aggregate loan of Rs.2,45,40,000/- on the terms and

✓

Office : #3, Manonmani Ammal Street (Near Aysa Hospital), Pavapuri Colony, Kilpauk, Chennai - 600010
Off/Chm : #160, Thambu Chetty Street, 1st Floor, Hussain Plaza, (Opposite High Court), Chennai - 600001



understanding that the same would be repaid within a period of 3 months i.e. payable in 6 installments every 15 days each along with interest at the rate of 16% per annum and accordingly the loan amount after deducting of three months interest was transferred to your account.

The details of the Loan availed is enumerated below:

LIST OF LOAN AVAILED

S.NO	NAME (MY CLIENTS)	LOAN AMOUNT Rs.
1.	M/s GLOBAL ENTERPRISE	17178000
2.	M/s S C SHAH CORPORATION	7362000
		Rs.2,45,40,000/-

2. My client state that you had managed to make first two installments to my respective clients and thereafter defaulted in making the payment. Thus, after giving credit to the amount paid so far as on date a sum of Rs.1,63,60,000/- (i.e. Rs.1,14,52,000/- to first of my client and Rs.49,08,000/- to second of my client) towards principal is due and payable by you.
3. My client further states that, in spite of several demands and repeated reminders for the aforesaid dues you have wilfully neglected to look into the matter and made my client to suffer. My client states that it is clearly evident that you have deliberately delayed and avoided the due payments for such a long time, it is further stated that my client is not inclined to accept your stories and excuses, consciously created to discard my client's lawful claim.

Thus, I hereby on behalf of my clients call upon you to pay an aggregate sum of Rs.1,63,60,000/- (i.e. Rs.1,14,52,000/- to first of my client and Rs.49,08,000/- to second of my client) towards principal, within a period of 15 days from the date of receipt of this notice and failing which my clients will be constrained to take appropriate legal action against you inclusive of IBC proceedings, and also hold you responsible for all costs and consequences thereto.

A copy of this Notice has been preserved in my office for record and future course of action.

SRENIK.S.JAIN
(Advocate)

ET257700494IN TUR:6994257700
SP CHENNAI G.P.O. (600001)
Counter No:4,01/11/2023,11:47
To:SUARNABHOOMI INFRA...
PIN:530013, P and T Colony (VII) S.O
From:SRENIK S JAIN,ADVOCATE
Wt:25gms,POB=10.0
Amt:53.10(Cash)Tax:8.10
(Track on www.indiapost.gov.in)
(Dial 18002666888) (Wear Masks, Stay Safe)

आर.पी.54
R.P.-54

भारतीय डाक विभाग
DEPARTMENT OF POSTS, INDIA
प्राप्ति स्वीकृति / ACKNOWLEDGEMENT

रजिस्ट्री-पत्र / पार्सल प्राप्त हुआ
Received Registered Letter/Parcel

क्रमांक / No. तारीख / Dated का / of
M/s SUARNABHOOMI INFRA DEVELOPERS
PRIVATE LIMITED
Represented by its Directors/Managing Director
having office at:
Door No.50-22-12, Flat No.201,
Sri Balaji Residency, T P T Colony,
Seethammadhara, Vishakhapatnam,
Andhra Pradesh-530013

रजिस्ट्री-पत्र को काट दिया जाए
Strike out if not relevant

भारतीय डाक विभाग
DEPARTMENT OF POSTS, INDIA
प्राप्ति स्वीकृति / ACKNOWLEDGEMENT

NCLT-191

ON POSTAL SERVICE

Sender's address

SRENIK.S.JAIN
ADVOCATE

No.3, Manonmani Ammal Road,
(Opp. Motcham Theater), Pavapuri, Kilpauk,
Chennai - 10. Mob: 96770 15762

PIN

Name - Stamp of Office of Posting

Space for Bar Code Printing

Please do not write or print below this line

GENIC: 511587757710691082 22-Sep-2022 14:00:00 India Post Office, Tut



Sign In Register

हिन्दी

G20 Azadi Ka Amrit Mahotsav

भारतीय डाक India Post

You are here Home>> Track Consignment

Track Consignment

Quick help

* Indicates a required field.

* Consignment Number

ET257708494IN

Track More

Booked At	Booked On	Destination Pincode	Tariff	Article Type	Delivery Location	Delivery Confirmed On
Chennai G.P.O.	01/11/2023 11:40:42	530013	53.10	Inland Speed Post	P and T Colony (VM) S.O	04/11/2023 14:55:11

Event Details For : ET257708494IN

Current Status : Item Delivered(Addressee)

Date	Time	Office	Event
04/11/2023	14:55:11	P and T Colony (VM) S.O	Item Delivered(Addressee)
04/11/2023	13:15:29	P and T Colony (VM) S.O (Beat Number:4)	Item Delivered [To: SUVARNA BHOOMI (Addressee)]
04/11/2023	08:50:34	P and T Colony (VM) S.O	Out for Delivery
04/11/2023	08:22:59	P and T Colony (VM) S.O	Item Received
04/11/2023	04:35:38	visakhapatnam TMO	Item Dispatched
04/11/2023	04:32:52	visakhapatnam TMO	Item Received
04/11/2023	04:25:22	Visakhapatnam NSH	Item Dispatched
04/11/2023	03:14:20	Visakhapatnam NSH	Item Bagged
03/11/2023	11:19:35	Visakhapatnam NSH	Item Received
03/11/2023	10:22:20	visakhapatnam TMO	Item Dispatched
03/11/2023	10:20:55	visakhapatnam TMO	Item Received
02/11/2023	12:21:26	Chennai NSH	Item Dispatched
02/11/2023	05:14:51	Chennai NSH	Item Bagged
01/11/2023	22:27:25	Chennai NSH	Item Received
01/11/2023	17:31:20	Chennai G.P.O.	Item Dispatched
01/11/2023	17:24:17	Chennai G.P.O.	Item Bagged
01/11/2023	11:40:42	Chennai G.P.O.	Item Booked

- (v) Although the above demand notice has not been served at the address mentioned in the promissory note, the same shall be deemed to be proper service of the notice as per Section 20 of the Companies Act, 2013, as the same has been served at the registered address of the Corporate Debtor.



The relevant extracts of the Section 20 of the Companies Act, 2013 is reproduced below:

“20. Service of documents.—(1) A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed.”

- (vi) Since the above demand notice has been properly served on the Corporate Debtor, the debt becomes due after 15 days of the date of receipt of the notice. Since the demand notice has been received by the Corporate Debtor on 04.11.2023, the debt has become due and payable after 15 days from 04.11.2023, which works out to 19.11.2023.
- (vii) Since the Corporate Debtor has failed to repay the debt by 19.11.2023, as per the demand notice, the default has occurred on 19.11.2023.
- (viii) While Part IV of the Application mentions the date of default as 01.07.2023, in effect, the default crystallized on 10.11.2023, however, this discrepancy was rectified by way of a memo dated **21.04.2025** (Diary No. 700), wherein the Financial Creditor clarified and affirmed that the correct date of default is **19.11.2023**.
- (ix) In view of the above, we are of the considered view that there is a default in repayment of the debt, when it became due and payable.

22. However, before admission, this Adjudicating Authority has to satisfy that the Application is complete and there are no disciplinary proceedings pending against the proposed Interim Resolution Professional (hereinafter referred to as the “IRP”). Further, Rule 4 of the IB Rules prescribes the procedural requirements, including the format and supporting documents required for filing such an Application.



23. The Application is filed in the prescribed Form-1 and is accompanied by all necessary documents including the promissory note, demand notice, MCA Master Data, and acknowledgment of debt by the Corporate Debtor. As per Part III of Form 1 of the Application, the Financial Creditors have proposed the name of Mr. K.J. Vinod, Registration No. IBBI/IPA-003/ICAI/2020-2021/13451, as IRP in the matter and has also filed his written consent in Form 2 dated 05.07.2024 affirming that he is eligible to be appointed as IRP in respect of the Corporate Debtor and certified that there are no disciplinary proceedings pending against him along with AFA in Form B dated 23.02.2024 i.e., valid from 23.02.2024 to 30.06.2025. The credentials of the proposed IRP was verified on the IBBI website, which shows that proposed IRP holds the valid AFA up to 30.06.2026, The relevant extract of the IBBI website is given below:

Name of the IP	K.J.VINOD
Registration no	IBBI/IPA-003/ICAI-N-00291/2020-2021/13451
Date of Registration	26-Mar-21
Member of IPA	Insolvency Professional Agency of Institute of Cost Accountants of India
Member of IPA Since	14-Aug-20
Member of IPE	
Email id	kjvinod05[at]rediffmail[dot]com
Address	FLAT No B-602, Santha Towers-Phase-1, Paruthipattu, Avadi, Chennai, Tamilnadu, PIN 600 071. ,Paruthipattu, Avadi ,Behind Velammal School ,Chennai,Tamil Nadu ,600071
Have Valid AFA	Yes
AFA Certificate No.	AA3/13451/02/300626/301325
AFA Valid Upto	30-Jun-26
Total CPE Earned	125
Total Assignments	12

24. As a sequel to the discussion above, the present Application bearing **CP(IB)/57/7/AMR/2024** filed by the Financial Creditor under Section 7 of the IBC for initiating CIRP against the Corporate Debtor, namely, M/s. **Suvarnabhoomi Infra**



Developers Private Limited (CIN: U70100AP2016PTC103390), is hereby admitted and accordingly, the Moratorium is declared in terms of Section 14 of the Code:

- (i) Moratorium under Section 14 (1) for prohibiting all of the following, namely:
 - (a) The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - (b) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
 - (c) 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;
 - (d) The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the Corporate Debtor.
- (ii) 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;

- (iii) The provisions of sub-section of section 14(1) shall not apply to such transactions, agreements or other arrangement, as may be notified by the Central Government in consultation with any financial sector regulator or any other authority; and also to a surety in a contract of guarantee to a corporate debtor.
- (iv) The supply of essential goods or services to the Corporate Debtor, as may be specified, shall not be terminated or suspended or interrupted during moratorium period, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances, as may be specified.
- (v) The order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 as the case may be.

25. Accordingly, we hereby appoint Mr. K.J. Vinod, Registration No.IBBI/IPA-003/ICAI/2020-2021/13451, email ID- kjpginod05@rediffmail.com having registered address at Flat No. B-602, Santha Towers, Phase-1, Paruthipattu, Avadi, Chennai-600 071, Tamilnadu, as IRP in the instant matter, with the following directions: -

- (i) The term of appointment of Mr. K.J. Vinod shall be in accordance with the provisions of Section 16(5) of the Code, subject to his written consent to be filed within 7 days of this order;



- (ii) In terms of Section 17 of the Code, from the date of this appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs shall vest with the IRP and the officers and the managers of the Corporate Debtor shall report to the IRP, who shall be enjoined to exercise all the powers, as are vested with the IRP and strictly perform all the duties as are enjoined on the IRP under Section 18 and other relevant provisions of the Code, including taking control and custody of the assets, over which the Corporate Debtor has ownership rights recorded in the balance sheet of the Corporate Debtor, etc. as provided in Section 18(1)(f) of the Code. The IRP is directed to prepare a complete list of the inventory of assets of the Corporate Debtor;
- (iii) The IRP shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government and in accordance with the Code of Conduct governing his profession and as an Insolvency Professional with high standards of ethics and moral;
- (iv) The IRP shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the CIRP in terms of Section 13(1)(b) read with Section 15 of the Code calling for the submission of claims against Corporate Debtor;
- (v) The IRP/RP shall prepare the Audited Financial Statements as on date of the CIRP and shall submit before the CoC for consideration.



- (vi) The IRP/RP shall also ensure that all the assets appearing in the Financial Statements on the CIRP date have been considered in the valuation report. The IRP/RP shall send individual communication through post or electronic means along with a copy of public announcement to all the creditors as per last available books of accounts / financial statements on the CIRP date of Corporate Debtor as prescribed under Regulation 6A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- (vii) The Corporate Debtor, its Directors, personnel and the persons associated with the management shall extend all cooperation to the IRP in managing the affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor;
- (viii) The Suspended Board of Directors is directed to give complete access to the Books of Accounts of the Corporate Debtor maintained under Section 128 of the Companies Act. In case, the books are maintained in the electronic mode, the Suspended Board of Directors are to share with the Resolution Professional all the information regarding Maintaining the Backup and regarding Service Provider kept under Rule 3(5) and Rule 3(6) of the Companies Accounts Rules, 2014 respectively as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the Service Provider and its location, and also address of the location of the Books of Accounts maintained in the cloud. In case accounting software for maintaining the books of accounts is used by the Corporate Debtor, then IRP/RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the



Ministry of Corporate Affairs. A reference is made to the provisions of Section 128(5) of the Companies Act, 2013, whereby every company should maintain its books of accounts for not less than eight financial years immediately preceding a financial year. Minutes and statutory records are the principal documents of the company that should be maintained and preserved since inception.

- (ix) In view of the above mandatory provisions, the suspended Directors of the Board will ensure that the books of accounts for the eight previous financial years preceding the date of this order be made available to the IRP/RP within 15 days of the initiation of the CIRP order. The Statutory Auditor is also directed to share the records maintained by him in the course of the audit of the accounts of the Corporate Debtor for the period of three years prior to the date of initiation of this CIRP order within the same period of 15 days.
- (x) In case of any non-cooperation by the Suspended Board of Directors or the Statutory Auditors, the IRP/RP may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/RP in implementing this order for retrieval of relevant information from the systems of the Corporate Debtor, the IRP/RP may take the assistance of Digital Forensic Experts empanelled with this Bench for this purpose. The Suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the Corporate Debtor, particularly for government portals, for various compliances. The IRP is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this



Adjudicating Authority immediately after a month of the initiation of the CIRP.

- (xi) The IRP/RP is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with request for information/documents available with those authorities/institutions/others pertaining to the Corporate Debtor, which would be relevant in the CIRP. The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the IRP/RP to enable him to conduct the CIRP as per law.
- (xii) The IRP shall, after collation of all the claims received against the Corporate Debtor and the determination of the operational position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying constitution of the Committee to this Adjudicating Authority on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days of filing the report of constitution of the Committee;
- (xiii) The IRP shall also serve a copy of this order to all relevant statutory departments such as Income Tax, GST (Centre and State), Provident Fund authorities, trade unions, and employee associations to inform them about the commencement of CIRP.
- (xiv) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority monthly report with regard to the progress of the CIRP in respect of the Corporate Debtor.



(xv) In case a withdrawal application under Section 12A of the IBC, 2016 is proposed before CoC constitution, the IRP shall ensure that the consent of all Financial Creditors is obtained and enclosed in accordance with law.

26. The Financial Creditor is directed to deposit Rs.4,00,000/- (Rupees Four Lakhs only) with the IRP to meet out the expense to perform the functions assigned to him in accordance with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The amount, however, will be subject to adjustment by the Committee of Creditors as to be duly accounted for by IRP and shall be paid back to the Financial Creditor.

27. A copy of this Order shall immediately be communicated to the Financial Creditor, the Corporate Debtor, IBBI, and the IRP named above by the Registry of this Adjudicating Authority. The Registrar of Companies, Vijayawada shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specific mention regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

28. **Accordingly, CP (IB)/57/7/AMR/2024 stands admitted.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-
(Umesh Kumar Shukla)
Member (Technical)

Sd/-
(Kishore Vemulapalli)
Member (Judicial)

R Swamy Naidu(PS)