

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD**

SPECIAL BENCH - COURT 1 (HEARINGS THROUGH VIDEO CONFERENCE)

**PRESENT: HON'BLE SHRIMADAN BHALCHANDRA GOSAVI- MEMBER JUDICIAL  
HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI - MEMBER TECHNICAL**

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 05.08.2021 AT 10:30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CP (IB) No. 321/7HDB/2020
NAME OF THE COMPANY	BRS Enterprises and Trading Ltd
NAME OF THE PETITIONER(S)	Bhagyanagar Investments & Trading (P) Ltd
NAME OF THE RESPONDENT(S)	BRS Enterprises and Trading Ltd
UNDER SECTION	7 of IBC

**Counsel for Petitioner(s):**

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

**Counsel for Respondent(s):**


Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

**ORDER**

Orders pronounced vide separate orders.

CP(IB)No.321/7/HDB/2020 is admitted.

  
Member(Technical)

  
Member(Judicial)

Pavani

CP (IB) No. 321/7/HDB/2020  
Date of Order: 05/08/2021

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH-1**

**CP (IB) No. 321/7/HDB/2020**

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 between**

Bhagyanagar Investments and Trading (P) Ltd  
Plot No. 18, Nagarjuna Hills, Punjagutta,  
Hyderabad, Telangana – 82.  
Represented by its Authorized representative  
Shri Mandha Bal Reddy, Director.

**... Petitioner/  
Financial Creditor**

**VERSUS**

M/s. BRS Enterprises and Trading Limited  
R/o. Shop No. 2,  
Beside Nuzen Hair Oil Police Station Rd  
IDA, Bollaram, Jinnaram (Md),  
Bollaram – 502325, Telangana.

**... Respondent/  
Corporate Debtor**

**Date of order: 05/08/2021**

**Coram:**

Hon'ble Madan Bhalchandra Gosavi, Member (Judicial)

Hon'ble Veera Brahma Rao Arekapudi, Member (Technical)

**Appearance:**

For the Petitioner : Smt Vanteru Priyanka Reddy, Advocate along with Ms.  
Mrudula, Advocate

For the Respondent: Shri Sourabh Agarwal, Advocate

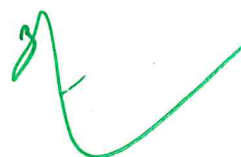
Heard on: 22/07/2021.

**PER: BENCH**

1. Bhagyanagar Investments and Trading (P) Ltd (hereinafter referred as Petitioner/Financial Creditor) was incorporated under Companies Act, 1956 on 25/01/2000, having its registered office as mentioned in the cause title.
2. M/s. BRS Enterprises and Trading Limited (hereinafter referred to Respondent/Corporate Debtor) was incorporated on 03/03/2011, having its registered office as mentioned in the cause title.
3. The present petition is filed by the Financial Creditor under Section 7 of Insolvency and Bankruptcy Code, 2016 (hereinafter referred as 'Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority Rules), 2016, seeking admission of the Petition, initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor granting moratorium and appointment of Interim Resolution Professional as prescribed under the Code and Rules thereon.
4. It is alleged by the Petitioner that the Corporate Debtor had defaulted in paying of Rs. 1, 46, 29,931/- (Rupees One Crore Forty Six Lakhs Twenty Nine Thousand Nine Hundred & Thirty One Only).

**5. Facts**

**5.1** The Corporate Debtor has availed a corporate loan of Rs. 25,00,00,000 (Rupees Twenty Five Crores Only) from Meenakshi Energy and Infrastructure which was repayable in Quarterly instalments with applicable taxes. The Corporate Debtor thereon defaulted in paying interest for 90 days and approached the Petitioner to pay the interest on behalf of the Corporate Debtor.



**CP (IB) No. 321/7/HDB/2020**  
**Date of Order: 05/08/2021**

**5.2** The Petitioner obliged the request and arranged a loan of Rs. 99,86,301/- for a period of 2 years to Corporate Debtor repayable in 8 quarterly instalments along with 18% per annum.

**5.3** The Corporate Debtor failed to fulfil the obligations of the loan agreement and could not repay a single instalment. The Petitioner had given abundant time even after the expiry of the loan agreement but Corporate Debtor failed to repay the loan.

**5.4** The Corporate Debtor is due and liable to pay a sum of Rs. 1,46,29,931/- (Rupees One Crore Forty Six Lakhs Twenty Nine Thousand Nine Hundred & Thirty One Only) consisting of Principal amount of Rs. 99,86,301/- (Rupees Ninety Nine Lakhs Eighty Six Thousand Three Hundred & One Only) and interest @18% from 01/10/2017 to 30/04/2020 amounting Rs. 46,43,630/- (Rupees Forty Six Lakhs Forty Three Thousand Six Hundred & Thirty Only). The loan agreement is annexed with the petition from page no. 31-33.

**6. Counter dated 14/12/2020**

**6.1** The Corporate Debtor is a Public Limited Company incorporated under the Companies Act, 1956 and it is in the business of steel. It is stated that both parties entered into a loan agreement on 01/07/2017 agreeing to repay the amount in 8 quarterly instalments within 2 years from the agreement.

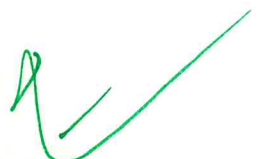
**6.2** It is stated that the Corporate Debtor has failed to pay the amount claimed to be in default due to financial problems suffered by the Corporate Debtor. Due to the global pandemic of Covid-19 the Corporate Debtor is severely affected and requested the Petitioner to grant some more time to repay the amount.

**6.3** It is submitted that the present Petition is filed against the object of maximization of value of assets of the Corporate Debtor and the



Petitioner initiated the Petition for recovering the monies from the Corporate Debtor. The Petition is also being barred by the limitation and hence it is not maintainable.

7. We heard the learned counsel for the Financial Creditor and the Learned Counsel for the Corporate Debtor and on perusal of the material papers on record and in terms of extant provisions of Section 7 of IBC, the debt due to the Financial Creditor is proved.
8. Taking into consideration of all the relevant factors we are of the view that the Petition is required to be admitted against the Corporate Debtor.
9. Hence, the Adjudicating Authority admits the Petition under Section 7 of the Code, declaring the moratorium for the purposes referred to in Section 14 of the Code, with following directions:
  - A. The Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, Tribunal, arbitration panel or other authority; Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein; any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002); the recovery of any property by an owner or lessor where such property is occupied by or in possession of the corporate Debtor;
  - B. Notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central

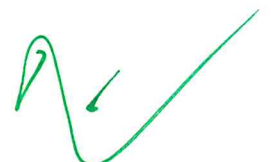


CP (IB) No. 321/7/HDB/2020

Date of Order: 05/08/2021

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.

- C. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- D. That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- E. That the order of moratorium shall have effect from the date of order till the completion of the Corporate Insolvency Resolution Process or until this Bench approves the Resolution Plan under Sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, whichever is earlier.
- F. This Bench hereby appoints **Mr. Bhaskar B** having IP Registration No. IBBI/IPA-002/IP-N00644/2018-19/12024 #R/o 4/447A, 7thStreet, Aruna Nagar, K. Vadamadurai Post, Coimbatore, Tamil Nadu, 641017, as Interim Resolution Professional,
- G. That the Public announcement of Corporate Insolvency Resolution Process shall be made immediately as specified under section 13 of the code.



CP (IB) No. 321/7/HDB/2020  
Date of Order: 05/08/2021

H. The Registry of this Tribunal is directed to send a copy of this order to RoC, Hyderabad for marking appropriate remarks against the Corporate Debtor on MCA site as being under CIRP.

I. Accordingly the Petition is admitted.



**VEERA BRAHMA RAO AREKAPUDI**  
**MEMBER (TECHNICAL)**



**MADAN BHALCHANDRA GOSAVI**  
**MEMBER (JUDICIAL)**