

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO:II
SPECIAL BENCH(Video Conference)**

**CORAM: HON'BLE MADAN BHALCHANDRA GOSAVI – MEMBER JUDICIAL
HON'BLE DR.BINOD KUMAR SINHA-MEMBER TECHNICAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 26.03.2021 AT 10:30 AM THROUGH VIDEO CONFERENCE**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CP(IB) No.498/9/HDB/2019
NAME OF THE COMPANY	Maave Electronics Pvt Ltd
NAME OF THE PETITIONER(S)	Korea Trade Insurance Corporation
NAME OF THE RESPONDENT(S)	Maave Electronics Pvt Ltd
UNDER SECTION	9 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

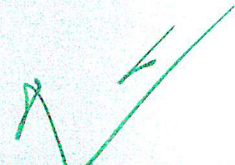
ORDER

This case is fixed for pronouncement of order.

CP(IB)No. 498/9/HDB/2019 is admitted vide separate sheets.



MEMBER TECHNICAL



MEMBER JUDICIAL

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD**

CP (IB) No.498/9/HDB/2019
Under section 9 of the IB Code, 2016
Read with Rule 6 of the Insolvency and Bankruptcy
(Application to Adjudicating Authority) Rules, 2016

**In the matter of:-
M/s. Maave Electronics Private Limited**

Between:

M/s. Korea Trade Insurance Corporation
A Company having its Office at:
14, Jong-ro, Jongno-gu, Seoul,
03187, South Korea.

...Petitioner/
Operational Creditor

And

M/s. Maave Electronics Private Limited
Having Regd. Office at Plot No.192/B,
3rd Floor IDA, Phase-II,
Cherlapally, Hyderabad – 500 051,
Telangana.

...Respondent/
Corporate Debtor

Date of Order: 26.03.2021.

**Coram: Shri. Madan B. Gosavi, Member Judicial
Dr. Binod Kumar Sinha, Member Technical.**

Parties/Counsel Present:

For the Petitioner/
Operational Creditor:

Ms. D. Harini, Counsel.

For the Respondent/
Corporate Debtor:

Mr. S. Chidambaram, PCS

Per: Bench





ORDER

1. Under consideration is a Company Application filed by M/s. Korea Trade Insurance Corporation (in short "*Petitioner/Operational Creditor*") under section 9 of the Insolvency and Bankruptcy Code, 2016 (in short IB Code, 2016) read with rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiation of Corporate Insolvency Resolution Process (CIRP) against M/s. Maave Electronics Private Limited (in short, "*Respondent/Corporate Debtor*").
2. Brief facts of the case submitted by Operational Creditor are as follows:
 - a) The Operational Creditor is a South Korea based Company, and is engaged in providing financial and insurance activities/Transportation.
 - b) The unpaid Operational Debt was initially due for payment to Media Information Communication Co. Limited (the Insured). But the Corporate Debtor failed to pay the said Operational Debt to the Insured. As a result, the Insured recovered the said Operational Debt amount from the Operational Creditor, which had insured the said transaction of the Insured. It further assigned to the Operational Creditor all the rights and claims, etc., arising from the said transaction vide Letter of Assignment dated 27.12.2018. The Operational Creditor informed the Corporate Debtor about the said Letter of Assignment dated 27.12.2018, vide Email dated 13.03.2019.
 - c) Thereafter, as the Corporate Debtor failed to make the payment of Operational Debt to the Operational Creditor, the latter issued a Demand Notice dated 13.05.2019 to the Corporate Debtor demanding payment in respect of unpaid Operational Debt under section 8 of the Code. Within ten (10) days of receipt of the said Demand Notice dated 13.05.2019, i.e., on or around 23.05.2019, the Corporate Debtor has not paid the unpaid Operational Debt to the Operational Creditor nor issued any notice of existence of dispute under sub-section (2) of section 8 of the Code. Thus, the Operational Creditor has applied for Initiation of Corporate

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Insolvency Resolution Process under section 9 of the Code to claim the unpaid Operational Debt due from the Corporate Debtor.

3. The facts leading to filing of the instant Applicant are as under:

- a) The Media Information Communication Company (Media) agreed to supply the following goods (the Goods) to the Corporate Debtor for a sale consideration of USD 119,500 (One Hundred Nineteen Thousand Five Hundred Dollars only) which is approximately ₹83,90,625.92/- (Rupees Eighty-Three Lakhs Ninety Thousand Six Hundred and Twenty-Five only) as on 13-05-2019.

Sl. No	Description	Quantity	Unit Price USD/PCS	Amount in USD
1	Components for 18 watts tube light SMPS	5,000	3.1000	15,500
2	Components for 5 watts 4-pin CFL light SMPS	5,000	2.9000	14,500
3	Components for 18 watts tube light SMPS	5,000	3.0000	15,000
4	Components for 9 watts tube light SMPS	5,000	2.9000	14,500
	Total			59,500

- b) That the Purchase order bearing No. Maave/PUR/085/DT dated 17.11.2017 was generated by the Corporate Debtor to Media for USD 59,000/- for shipment of Goods. On 20.11.2017, a contract was executed between Media and Corporate Debtor to ship the above mentioned Goods to the Corporate Debtor at Hyderabad Airport. Subsequently on 14.12.2017, the Purchase order dated 17.11.2017 was amended via Amendment No.085/001/2017-2018 and the total order worth USD 59,500/- changed to USD 119,500/-
- c) That on 19.01.2018, the "Mode of Dispatch" and "Prices CIF" clauses were again amended vide purchase order bearing no.085/002/2017-2018 by the Corporate Debtor. The description of the amendment is hereunder as following:

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"The Mode of Dispatch was changed from "by air" to "by sea" and the Price CIF was changed from "Hyderabad Airport" to Chennai Sea Port". "

- d) That the Media issued a Commercial Invoice No.180405-01 dated 05.04.2018 directing the Corporate Debtor to make the aforesaid payment within 90 days of the issuance of Bill of Lading dated 07-04-2018, i.e. on or before 06-07-2018.
- e) That after several reminders, the Corporate Debtor issued a letter dated 28.08.2018 to Media acknowledging the debt of USD 119,500/- that they owe to Media and that they confirmed payment of the same as soon as possible.
- f) That the Korea Trade Insurance Corporation (K-SURE) (The Operational Creditor), Media's insurance company, sought answers by email dated 19.09.2018 regarding the reasons for the delay in the payments.
- g) That after numerous follow ups by the Operational Creditor, the Corporate Debtor finally replied to the email stating various reasons for operational debt.
- h) That a letter of Assignment dated 27.12.2018 was executed between Media and the Operational Creditor in which Media assigned all the rights to the Operational Creditor to recover the debt from the Corporate Debtor on behalf of Media and the same was informed to the Corporate Debtor vide email dated 13.03.2019.
- i) Thereafter, as the Corporate Debtor failed to make the payment of Operational Debt to the Operational Creditor, the letter issued a Demand Notice dated 13.05.2019 to the Corporate Debtor demanding payment in respect of unpaid Operational Debt under section 8 of the IB Code, within 10 days of receipt of the said Demand notice dated 13.05.2019 i.e., on or around 23.05.2019, the Corporate Debtor has neither paid the unpaid Operational Debt to the Operational Creditor nor issued any notice of existence of dispute under sub-section (2) of Section 8 of the Code.

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- j) Reiterating the above, counsel for the Operational Creditor prayed to admit the instant Petition.
4. During the hearing held on 26.11.2019, counsel representing both stated that the matter is settled between them and prayed time for obtaining permission from RBI for remittance of money outside the country as Petitioner is a Korean Company. After various adjournments, on 03.03.2020 counsel for the Petitioner stated that they have not received authorization from South Korea for opening an Indian Bank Account.
 5. During the hearing held on 18.03.2021, the matter was heard at length and reserved for orders.
 6. Heard and perused record.
 7. It is apparent from the record that parties have filed the consent terms dated 24.10.2019. However, Corporate Debtor failed to honor the said consent term and further expressed its inability to pay the said debt.
 8. This Adjudicating Authority is further satisfied that the Operational Creditor has proved its case by placing evidence that default has occurred for which the Corporate Debtor was liable to pay. The Operational Creditor has also placed on record of proof of sending notices to the Respondent/Corporate Debtor for their appearance and for making submissions also along with the requirements as stipulated under the provisions of the IB Code, 2016 for the purpose of initiating Corporate Insolvency Resolution Process. In these circumstances, having satisfied with the submissions made by the Petitioner/Operational Creditor, this Adjudicating Authority is inclined to admit the instant Application.
 9. Accordingly, the instant application is hereby admitted and this Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process (CIRP) which shall ordinarily be completed within the timelines stipulated in the IB Code, 2016 (as amended), reckoning from the day of this order is passed.
 10. This Adjudicating Authority hereby appoints Mr. Chakravarthi Srinivasan, having his Regn. No. IBBI/IPA-002/IP-N00649/2018-2019/11990 as IRP. He should file his written consent in Form-2 and Authorization for Assignment within three (3) days of this order. The IRP

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is directed to take charge of the Respondent/Corporate Debtor's management immediately. He is also directed to cause public announcement as prescribed under section 15 of the IB Code, 2016 within three days from the date the copy of this order is received, and call for submissions of claim in the manner as prescribed.

11. We direct the Operational Creditor/Petitioner to pay sum of Rs.50,000/- towards the advance fee of IRP, which shall be ratified later on by CoC.

12. The moratorium is hereby declared which shall have effect from the date of this order till the completion of CIRP. For the purposes referred to in section 14 of the IB Code, 2016. It is hereby ordered to prohibit 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 judgment, decree or order in any court or 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 rights 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 (54 of 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.*
- e. 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 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, concessions, clearances or a similar grant or right during the moratorium period.*

13. The supply of essential goods or services of the Corporate Debtor shall not be terminated or suspended or interrupted during moratorium period. Further, if the IRP considers supply of any goods or services critical to protect and preserve the value of the corporate debtor and manage the operations of such corporate debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted

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during the period of moratorium, except where such corporate debtor has not paid dues arising from such supply during the moratorium period. Furthermore, the provisions of Sub-section (1) of Section 14 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.

14. The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code. The Directors, Promoters or any other person associated with the management of Corporate Debtor are directed to extend all assistance and co-operation to the IRP as stipulated under Section 19 and for discharging his functions under Section 20 of the I&B Code, 2016.
15. The Petitioner/Operational Creditor as well as the Registry is directed to send the copy of this Order to IRP so that he could take charge of the Corporate Debtor's assets etc. and make compliance with this Order as per the provisions of I&B Code, 2016.
16. The Registry is directed to communicate this Order to the Operational Creditor and the Corporate Debtor.
17. The Registry shall also communicate this Order to the ROC, Hyderabad for updating the status of the Corporate Debtor in the MCA website.
18. The address details of the IRP are as follows:-
Mr. Chakravarthi Srinivasan
Regn. No. IBBI/IPA-002/IP-N00649/2018-2019/11990
Email ID: csriniirp@gmail.com.
19. The present Company Application bearing CP (IB) No.498/9/HDB/2019 is hereby admitted.



Dr. Binod Kumar Sinha
Member Technical



Madan B. Gosavi
Member Judicial