

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH, CHENNAI**

IBA/838/2019

Under Section 9 r/w Rule 6 of the IBC, 2016

In the matter of M/s. STT LIMITED

Mr. K. Rajagopal, CA

---Operational Creditor

V/s

M/s. STT LIMITED

---Corporate Debtor

Order delivered on: 30.08.2019

Coram:

B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

For the Operational Creditor: *Shri. A.M Ilango, Advocate,*

For the Corporate Debtor : *Shri. N.P. Vijay Kumar, Advocate*

Shri. Pradeep, Advocate

ORDER

Per: B. S.V. PRAKASH KUMAR, MEMBER (JUDICIAL)

Heard and dictated in Open Court on: 29.08.2019

It is an Insolvency & Bankruptcy Application filed u/s 9 of the Insolvency & Bankruptcy Code, 2016 ("the Code") by the Operational Creditor for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor on the ground the

Corporate Debtor has defaulted in paying an amount of ₹1,70,000 as stated in the Company Application.

2. On Perusal of this application, it appears that this Operational Creditor has rendered accounting services to the Corporate Debtor and raised invoice dated 15.04.2018 for an amount of ₹1,70,000, thereafter, this Operational Creditor demanded the Corporate Debtor to pay its claim by sending e-mails on 20.10.2018 and 10.12.2018. To which, the Corporate Debtor has sent reply on 02.05.2018 stating that it would pay the invoice amount due to the Operational Creditor but thereafter, no payment having come from the Corporate Debtor, the Operational Creditor on 05.04.2019 issued Section 8 notice demanding the Corporate Debtor to pay the invoice amount due of ₹1,70,000 along with interest, failing which, the Operational Creditor would proceed against the Corporate Debtor u/s 9 of the Insolvency & Bankruptcy Code.

3. Though Section 8 notice was received by the Corporate Debtor on 06.04.2019, for there being neither reply nor payment from

the Corporate Debtor, the Operational Creditor has initiated this proceeding against the Corporate Debtor.

4. As against this application, the Corporate Debtor counsel has categorically stated that the liabilities of the company are far in excess of the assets of the Corporate Debtor and it has not been doing business since 2015-2016, the Operational Creditor counsel therefore says that though the Corporate Debtor acknowledged the debt, since the Corporate Debtor is not in a position to pay the same, the Operational Creditor has sought for admission of this Company Petition.

5. Looking at the facts aforementioned, this Bench is of the view that the Operational Creditor has proved existence of debt and default, therefore, we hereby admit this company application looking at the consent given by Mr. P. Sriram with a direction to the Operational Creditor to pay remuneration to the IRP and his expenses until the constitution of CoC.

6. Accordingly, this Company Application is hereby **admitted** with the following directions:

- (I) That Moratorium is hereby declared prohibiting all of the following actions, 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 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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act);
 - (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) 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.

- (III) 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.
- (IV) That the order of moratorium shall have effect from **29.08.2019** 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, as the case may be.
- (V) That the public announcement of the Corporate Insolvency Resolution Process shall be made immediately as specified under Section 13 of the Code.
- (VI) That this Bench hereby appoints **Mr. P. Sriram** as **Interim Resolution Professional** (Reg. No. **IBBI/IPA-002/IP-N00292/2017-2018/10895**), **10/17 Anadm Colony, South**

Canal Bank Road, Mandaveli, Chennai-600 028, E-mail:
sriampcs@gmail.com, Mobile No: 9940336666 with his
consent to carry the functions as mentioned under The
Insolvency & Bankruptcy Code.

7. The Registry is hereby directed to immediately communicate this order to the Operational Creditor, the Corporate Debtor and the Interim Resolution Professional by way of e-mail.

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-Sd-
(B. S.V. PRAKASH KUMAR)
Member (Judicial)

vs/TJS