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**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD**

SPECIAL BENCH - COURT I (URGENT HEARINGS THROUGH VIDEO CONFERENCE)

PRESENT: HON'BLE SHRI K ANANTHA PADMANABHA SWAMY – MEMBER JUDICIAL

HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI - MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 08.12.2020 AT 10:30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CP (IB) No. 209/7/HDB/2020
NAME OF THE COMPANY	VRC Shoreline Enterprises Pvt Ltd
NAME OF THE PETITIONER(S)	IIFL Home Finance Ltd (IIFL HFL)
NAME OF THE RESPONDENT(S)	VRC Shoreline Enterprises Pvt 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**

Matter is listed today for orders.

CP(IB)No. 209/9/HDB/2020 is admitted.

Orders passed vide separate orders.

  
**MEMBER (TECHNICAL)**

  
**MEMBER(JUDICIAL)**

Pavani

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

**CP (IB) No.209/HDB/7/2020**

U/s 7 of I&B Code, 2016  
read with Rule 4 of I & B (AAA) Rules, 2016

**In the matter between :**

IIFL Home Finance Limited (IIFL HFL)  
(Formerly known as India Infoline Housing Finance Limited)  
Having registered office at:  
HFL House, Sun Infotech Park  
Road No.16V  
Plot No.B-23, MIDC, Thane Industrial Area  
Wagle Estate, Thane, MH 400604.


.. **Petitioner  
Financial Creditor**

**VERSUS**

VRC Shoreline Enterprises Pvt Ltd  
8-2-268/A/8  
Aurora Colony, Venture-2  
Road No.3, Banjara Hills  
Hyderabad – TG 500034.

.. **Respondent  
Corporate Debtor**

Date of order : 08.09.2020

08-12-2020  


**Coram:**

**HON'BLE SHRI K. ANANTHA PADMANABHA SWAMY  
MEMBER (JUDICIAL)**

**and**

**HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI,  
MEMBER (TECHNICAL)**

**Parties / counsels present:**

For the Petitioner : Shri Salvaji Raja Shekar Rao

**Per: SHRI VEERA BRAHMA RAO AREKAPUDI,**





**MEMBER (TECHNICAL)**

Heard on: 24.08.2020, 15.09.2020, 01.10.2020, 26.10.2020,  
12.11.2020 and 01.12.2020.

**AVERMENTS**

The petitioner is incorporated under the Companies Act as IIFL Home Finance Limited (IIFL HFL). The petitioner/ company was originally incorporated with the name "India Infoline Housing Finance Limited". A copy of Certificate of Incorporation pursuant to change of name is produced at page 17. Its CIN No. is U65993MH2006PLC166475. Its registered office is at HFL House, Sun Infotech Park, Road No.16V, Plot No.B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane, MH 400604.

2. The respondent is VRC Shoreline Enterprises Pvt Ltd., is a private limited company. Its Identification No. is U15209TG2011PTC073520. Its registered office is at 8-2-268/A/8, Aurora Colony, Venture-2, Road No.3, Banjara Hills, Hyderabad – TG 500034.

3. It is stated that the Corporate Debtor had approached the petitioner with a request to extend finance facility to the tune of Rs.2,37,81,865/- (Rupees two crore thirty seven lakh eighty one thousand eight hundred and sixty five only) for its working capital and allied business activities. The petitioner had acceded to the said request and Loan Agreement bearing No.761884 dated 31.10.2016 (page 18) had been entered into between the petitioner and the respondent. Under the said agreement loan amount of Rs.2,37,81,865/- was disbursed. Various records in and around Guntur Municipal Corporation limits were submitted by the applicant as guarantee for the loan. Charge was created by way of title deed registered on 24.11.2016 as Doc. No.5160/16 with the Sub-Registrar, Prathipadu. Estimated value of the secured assets as per the Corporate Debtor is 1.97 crores.

4. It is averred that the loan amount was to be repaid in 120 Equated Monthly Instalments from the date of agreement. However, the Corporate Debtor paid EMIs till the month of August 2018 and had committed default from September 2018 onwards. The Corporate Debtor had neither

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paid any amount nor settled the contract despite repeated demands by the petitioner.

5. It is further stated that the petitioner had issued Notice dated 19.12.2018 (Page 63) under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) terminating the agreement entered into by the Corporate Debtor and called the Corporate Debtor to repay the entire loan amount outstanding. The Corporate Debtor did not respond. Total amount outstanding, as on 13.12.2018, was Rs.2,38,12,882/- (Rupees two crore thirty eight lakh twelve thousand eight hundred and eighty two only). The petitioner has produced Account statement for the period from 06.02.2010 to 06.02.2020 at page 68 onwards. However, record of default has not been produced.

6. The present petition is filed by the Financial Creditor against the Corporate Debtor for default of financial debt of Rs.2,38,12,882/- (Rupees two crore thirty eight lakh twelve thousand eight hundred and eighty two only), as on 13.12.2018. Hence, this Petition is filed under Section 7 of Insolvency and Bankruptcy Code, 2016, read with Rule 4 of Insolvency & Bankruptcy (Application to the Adjudicating Authority) Rules, 2016, seeking admission of the petition, initiation of Corporate Insolvency Resolution Process (CIRP), granting moratorium and appointment of Interim Resolution Professional as prescribed under the Code and Rules thereon.

7. The said financial facilities were secured by the charge created on various immovable assets of the Corporate Debtor as described in Part-V, Colum-1.

8. The petition was filed on 03.03.2020. The Tribunal had issued notice on 24.08.2020 to the Corporate Debtor, followed by notice for appearance of the respondents issued on 15.09.2020. Such notices were returned unserved. On 01.10.2020, at the request of the Financial Creditor, newspaper publication was ordered by way of notice to the respondent for their appearance and making submissions. Besides, the petitioner was directed to send another notice apart from the above newspaper publication. The petitioner has filed proof of service of notice





to the respondents and also proof of publication in newspapers. However, there was no representation on behalf of the respondent. Such service was held sufficient and the respondent is called absent vide order dated 26.10.2020.

9. Vide order dated 12.11.2020, the Tribunal observed that the respondents have not appeared despite several notices and newspaper publication. The service effected on the respondents is held sufficient and the respondents are treated ex-parte. Consequently, the Tribunal has no option but to proceed further ex-parte in absence of the respondent.

**OBSERVATIONS :**

10. We have heard the learned counsel for the Financial Creditor through videoconference and perused the record of the case. The petition is filed under section 7 of the I&B Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (AAA) Rules, 2016 for initiation of CIRP against the Corporate Debtor.

11. The petitioner had issued Notice dated 19.12.2018 (Page 63) under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) terminating the agreement entered into by the Corporate Debtor and called the Corporate Debtor to repay the entire loan amount outstanding. The Corporate Debtor did not respond.

12. The case of the Financial Creditor is that it had disbursed loan amount of Rs.2,37,81,865/- vide Loan Agreement bearing No.761884 dated 31.10.2016 (page 18) entered into between the petitioner and the respondent. Various records in and around Guntur Municipal Corporation limits were submitted by the applicant as guarantee for the loan. Charge was created by way of title deed registered on 24.11.2016 as Doc. No.5160/16 with the Sub-Registrar, Prathipadu. Estimated value of the secured assets as per the Corporate Debtor is 1.97 crores.

13. It is averred that the loan amount was repayable in 120 Equated Monthly Instalments (EMIs) from the date of agreement. However, the Corporate Debtor paid EMIs till the month of August 2018 and had committed default from September 2018 onwards. The Corporate Debtor





had neither paid any amount nor settled the contract despite repeated demands by the petitioner. The Corporate Debtor did not respond to the Notice dated 19.12.2018 (Page 63) issued under section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) terminating the agreement entered into by the Corporate Debtor. Total amount outstanding, as on 13.12.2018, was Rs.2,38,12,882/-.

14. The Corporate Debtor did not respond to the notices/ newspaper publication issued vide orders dated 24.08.2020, 15.09.2020 and 01.10.2020. The Tribunal does not have any option but to proceed ex parte. In the circumstances, the petition deserves admission.

15. Hence, the Adjudicating Authority admits this Petition under Section 7 of IBC, 2016, declaring 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) 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.

(C) 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.

(D) That the order of moratorium shall have effect from the date of this 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.

(E) That the public announcement of the initiation of Corporate Insolvency Resolution Process shall be made immediately as prescribed under section 13 of Insolvency and Bankruptcy Code, 2016.

(F) That this Bench hereby appoints Shri Ritesh Mittal having Registration No.IBBI/ IPA-001/IP-P00888/ 2017-2018/ 11485, as Interim Resolution Professional, whose contact details are:

e-mail : mrriteshmittal@gmail.com

Address: 205, Doshi Chambers, Basheer Bagh  
Hyderabad, Telangana. 500029.

as Interim Resolution Professional to carry the functions as mentioned under the Insolvency & Bankruptcy Code.

(G) Proposed IRP has filed Form-B issued by the Institute of Insolvency Professionals. Digitally signed copy thereof is filed through e-mail. Authorisation for Assignment is valid from **25.11.2020 to 24.11.2021**. This information is also available in IBBI Website. Thus, there is compliance of Regulation 7A of IBBI (Insolvency Professionals) Regulations, 2016, as amended. Therefore, the proposed IRP is fit to be appointed as IRP since the relevant provision is complied with.

35. Registry of this Tribunal is directed to send a copy of this order to the Registrar of Companies, Hyderabad for marking appropriate remarks against the Corporate Debtor on website of Ministry of Corporate Affairs as being under CIRP.

36. Accordingly, this Petition is admitted.

  
VEERA BRAHMA RAO AREKAPUDI  
MEMBER (TECHNICAL)

  
K. ANANTHA PADMANABHA SWAMY  
MEMBER (JUDICIAL)