



S.No.5

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
10-03-2025 AT 11:00 AM**

CP (IB) No. 109/7/HDB/2020

AND

IA (IBC) 1709/2024 in IA (IBC) 1116/2023 in CP (IB) No. 109/7/HDB/2020
u/s. 7 of IBC, 2016

IN THE MATTER OF:

Syndicate Bank

...Financial Creditor

AND

Kranthi Edifice Pvt Ltd

...Corporate Debtor

C O R A M:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

O R D E R

IA (IBC) 1709/2024 in IA (IBC) 1116/2023

Before pronouncement of the order, learned counsel Mr Lokesh for 1st respondent present through Video Conference and submitted that he was not heard. Matter passed over.

Matter called again. After verification, it was found that learned counsel for 1st respondent was heard on 23.10.2024, hence the contentions of 1st respondent is not tenable.

Orders pronounced. In the result, **this application is allowed.**

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)



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

IA (IBC) 1709/2024

In

IA No. 1116/2023

In

CP (IB) No. 109/7/HDB/2020

(Filed under section 60(5) of Insolvency and Bankruptcy Code, 2016 read with section 424(3) of the Companies Act, 2013 and Rule 56 of National company Law Tribunal Rules, 2016)

IN THE MATTER OF M/s KRANTHI EDIFICE PRIVATE LIMITED

Between:

Kalpana G,
Resolution Professional of M/s Kranthi Edifice private limited
Reg No. (IBBI/IPA-001/IP-P00756/2017-118/11288)
H.No. 16-11-19/4, G-1, Sri Laxminilayam,
Saleem Nagar Colony, Malakpet,
Hyderabad- 500036.

...Applicant

Versus

1) Sri Bhagawan Mahaveer Educational & Cultural Trust,
Having Office at #91/2, Dr. A.N. Krishna Rao Road,
V.V. Puram, B'Lore-56004,
Represented by its chairman & secretary
Sri R Chenraj Jain.

2) Mr. Suresh Kumar Reddy Medipally
Suspended Director of the Corporate Debtor,
H.No. 1-62/K/1/44 on Plot No. 44,
Sy No. 41 part & 42, Kavuri Hills,
Hyderabad.

...Respondents

Date of Order: 10.03.2025



Coram:

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member (Judicial)

Shri Charan Singh, Hon'ble Member (Technical)

Appearance:

For Applicant : Mummaneni Vazra Laxmi, Advocate

For Respondent : Bokaro Lokeshwar Reddy, Advocate

PER: BENCH

ORDER

This is an application filed by the Resolution Professional of 'M/s Kranthi Edifice Private Limited' (hereinafter also referred as 'Corporate Debtor') under Section 60(5) of 'The Insolvency and Bankruptcy Code, 2016' hereinafter referred as 'IBC') read with section 424(3) of the Companies Act, 2013 and Rule 56 of National company Law Tribunal Rules, 2016 seeking the following reliefs:

1. *Pass an Order/s to create a lien/ attachment over the below mentioned Bank Account of the Respondents as per Section 424 (3) of Companies Act, 2013.*
 - i. *Bank Account Details of Respondent No. 1, Sri Bhagawan Mahaveer Educational & Cultural Trust: Jain Heritage School Axis Bank, Gachibowli Branch, IFSC Code: UTIB0000733, Hyderabad.*
 - ii. *Bank account details of Respondent No.2, Suresh Kumar Reddy:*
 - a. *State Bank of India Platinum Branch (Branch code:22119), Jubilee Hills, Hyderabad*
 - b. *A/c. No.30362010072440 Canara Bank, Malakpet Branch, Hyderabad.*



1) **Brief of application filed by the Resolution Professional:**

- 1.1. The Corporate Debtor was admitted into Corporate Insolvency Resolution Process (CIRP) by this Tribunal vide orders dated 27.06.2022 in C.P. (IB) No.109/7/HDB/2020. The Applicant herein was appointed as the Interim Resolution Professional (IRP) and a moratorium was declared in terms of Section 14 of IBC. The IRP issued a public announcement for inviting claims and on verifying the claims, the Committee of Creditors (CoC) was constituted under Section 21 of IBC.
- 1.2. It is stated that the corporate debtor owns a property located at Survey No. 187, Kondapur Village, Serilingampally Municipality, R.R. District, Hyderabad, Telangana, and the same was leased to Respondent No. 1 vide lease deed No. 5855/2009 dated 04.11.2009 at a monthly rent of Rs. 4,00,000/- for a period of 5 years. That the Respondent No.1 currently operates a school named 'Jain Heritage - A Cambridge School', on the leased premises. As the Corporate Debtor is undergoing CIRP, the Resolution Professional is required to take over the control and custody of all the assets of Corporate Debtor which also includes the lease rentals owed by Respondent No. 1 to the Corporate Debtor.
- 1.3. The Applicant in the capacity of the Resolution Professional communicated about the admission of the corporate debtor in to CIRP to the respondent no.



1 and informed the respondent no. 1 to deposit the outstanding lease rentals payable to the corporate debtor into the TRA account of the corporate debtor.

The Respondent No. 1 issued a reply dated 20-10-2022 stating that the lease rentals from June, 2022 to September, 2022 were paid to the owner of the lease premises i.e., Respondent No. 2.

1.4. It is stated that the Suspended Board of Directors challenged the CIRP admission order before the Hon'ble NCALT, Chennai. Upon dismissal of the same, an appeal was preferred before the Hon'ble Supreme Court vide Civil Appeal No. 7121 of 2022. The said appeal before the Hon'ble Supreme Court was initially stayed but eventually, dismissed vide orders 11.05.2023.

1.5. Then again, the application vide communication dated 06.06.2023, reminded the Respondent No. 1 to deposit the lease rentals pending from June 2022, asserting that any payments made to the personal account of the Respondent No. 2 are invalid, as the property belongs to the corporate debtor which is undergoing CIRP. Additionally, the Applicant through email dated 20-10-2022 reminded the Respondent No. 2 to transfer the rent received from Respondent No. 1 into the TRA account of the corporate debtor. But the respondent no. 2 failed to respond and comply with the same.

1.6. Despite several reminders, the respondents failed to pay the rents payable to the corporate debtor. Accordingly, the Applicant filed an application vide



I.A. No. 1116 of 2023 and the same was allowed by this Tribunal vide orders dated 19.04.2024, the relevant portion is extracted hereunder;

“16. In the above backdrop, and answers to the points raised for our consideration, we pass following orders:

(1). We direct Respondent no 1, Sri Bhagwan Mahaveer Educational and Cultural Trust through its Chairman Sri R Chenraj Jain to deposit outstanding lease rent of Rs 1,07, 02,986.00 from June 2022 till last month i.e. March - 2024, total for 21 months @ monthly rent of Rs. 5,09,666.00 in the following account of corporate debtor.

Account Holder: TRA KEPL

Customer Name: TRA Kranthi Edifice Pvt Limited

Bank Name: CANARA BANK

Account No Product Name: 30361010006137:

CURRENT ACCOUNT of company (TRA a/c)

Account Branch: 13036-MALAKPET, HYDERABAD 500036

IFSC: CNRBO013036 MICR :500015113

(2) We direct respondent no 1 to pay these pending rental dues within a period of 20 days from the date of this order and file compliance memo to this Tribunal.

(3) Respondent no 1 is also directed to pay current rental dues from this month onward in the same current account of corporate debtor till it receive any modified/ revised instructions in this regard.

(4) We direct Respondent No. 2/ Suresh Kumar Reddy to return to respondent no 1, the lease rent received by him from respondent no. 1”

1.7. The above order was duly communicated to the Respondents by way of an email dated 30.04.2024 (order was made available on 29.04.2024). Additionally, a follow-up reminder was also sent on 21.05.2024. That the Respondent No. 1 issued a reply dated 23.05.2024 stating that due to the summer vacation of the school, there was a delay in compliance of the order and requested an extension until 1st June, 2024. In response, the Applicant reminded the Respondent No. 1 via email dated 24.05.2024 that the lease



rentals must be deposited immediately, regardless of the closure of the school since the property is still in use. The resolution professional also mentioned that similar situation was faced by the respondent no. 1 during the prior summer vacation in April-May, 2022, however, payments were made. The resolution professional further informed to the respondent no. 1 that sufficient time has already been provided and also warned that further delay could lead to contempt proceedings. It is further stated that the Applicant issued another reminder on 14.06.2024 through email reiterating the demand for payment of dues as per the order of this Tribunal, but that the Respondents failed to comply with the same.

- 1.8. In light of the above, the Applicant filed the present application seeking intervention of this Tribunal with a prayer to direct attachment of the bank accounts of Respondents till the amounts are paid as per the directions of this Tribunal in the orders dated 19.04.2024 in I.A. No. 1116 of 2023.

2) Brief of Counter filed by the Respondent no. 1 filed on 22.10.2024:

- 2.1. Though the respondent no. 1 has e-filed a counter to this application on 22.10.2024 but no physical copy of the counter is filed till date. In view of the same, the filing of the counter cannot be treated as complete. The respondent no.1 has reiterated the same points in this counter which was putforth in the IA. No. 1116 of 2023 which has already been decided. We



find that the respondent no. 1 has again raised the same issues in this application which are already adjudicated upon in IA. No. 1116 of 2023 vide orders dated 19.04.2023. Some of the points which are raised by the respondent no.1 are as under;

- 2.2. The Respondent No. 1 submitted that it has invested Rs. 10 crores in developing the said property, a development undertaken with the knowledge and consent of the corporate debtor. It is contended that the corporate debtor agreed to deduct the investment of Rs. 10 crores from the payable rent. Further, as per the lease agreement, the Respondent No. 1 was entitled to retain rental payments against the development investment and the lease rentals were to be retained w.e.f. December, 2021. However, due to COVID-19 related financial strains, the Respondent No. 2 requested for the payments to continue. Accommodating this request, the respondent No. 1 paid the rents until September 2022.
- 2.3. The Respondent No. 1 contended that the rents are not payable with effect from October 2022 as the respondent no. 1 has invested an amount of Rs. 10 crores for school infrastructure development, until recovery of payments by the corporate debtor. Furthermore, it is stated that the respondent was regularly paying the rentals until September 2022, after which payments ceased due to difficulties in the investment cost.



2.4. It is stated that due to the rent related dispute, Respondent No. 1 filed a civil suit (O.S. No. 110 of 2024) in the Learned Civil Court, Kukatpally to resolve the question of whether rental obligations could be offset by the investment. On 22.02.2024, the Civil Court issued an interim order in I.A. No. 58 of 2024, notifying both the corporate debtor and Respondent No. 2, while acknowledging the complexity of enforcing rights in insolvency cases. It is further stated that the Respondent No. 1 appealed this order in the Hon'ble High Court of Telangana, which directed the Civil Court to proceed on merits and emphasized that observations made in the interim order should not influence the final decision.

2.5. Meanwhile, the application IA No. 1116 of 2023 filed by Resolution Professional was allowed by this Tribunal vide order dated 19.04.2024, ordering Respondent No. 1 to deposit the outstanding rent, notwithstanding their investment claim. It is stated that aggrieved by the said order, the Respondent No. 1 appealed before the Hon'ble NCLAT, which remains pending.

3) As per the proof of service filed by the resolution professional, it was noted by this Tribunal that the respondent no. 2 was served with the notice but the same was returned with an endorsed "refused". In view of the same, this Tribunal



held the service of notice to the respondent no. 2 as sufficient. The respondent no. 2 did not contest.

4) We find that the applicant filed a memo dated 14.08.2024 enclosing additional details of the bank accounts of the respondent no. 1 and 2, the same are extracted hereunder;

- i) Back Account Details of Respondent no. 1 Sri Bhagawan Mahaveer Educational & Cultural Trust:
Jain Heritage School
A/c No. 733010100008518 (**Additional details**)
Axis Bank, Gachibowli Branch,
IFSC Code: UTIB0000733
Hyderabad.
- ii) Back Account Details of Respondent no. 2 M. Suresh Kumar Reddy:
 - a. Medipalli Suresh Kumar Reddy (**Additional details**)
A/c No. 41732955668
State Bank of India
#8-2-293/82/NG/PLOT NO 40, RD NO 69,
Nandagiri Hills, Jubilee Hills,
Hyderabad, TG- 500033.
 - b. A/c. No.30362010072440, Canara Bank,
Malakpet Branch, Hyderabad

The application file another memo dated 27.11.2024 enclosing further details of the bank account of the respondent no. 1, the following table records the said details;

Name: Sri Bhagawan Mahaveer Educational & Cultural Trust
Bank: Axis Bank
Customer Id: 733000872
PAN: AABTS1497G



Sl. No.	Account Number	Type of Account	IFSC Code	Branch Address
1	733010100008501	Savings	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2, Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032
2	733010100008532	Savings	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2, Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032
3	909010037869651	Savings	UTIB0000468	Vijayanagar Branch: No. 2940/E-5, G. G Arcade, Service Road, West of Chord, Opp Maruti Mandir, Vijayanagar, Bengaluru- 560040
4	911010013130574	Savings	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2, Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032
5.	919010022438391	Savings	UTIB0003570	Gandhi Bazaar Branch: 57, Ground Floor, Sham Singh Complex, no. 53 & 54, Basavanagudi, Bengaluru-560004
6	919020021150017	Current	UTIB0003570	Gandhi Bazaar Branch: 57, Ground Floor, Sham Singh Complex, no. 53 & 54, Basavanagudi, Bengaluru-560004
7	919020021150745	Current	UTIB0003570	Gandhi Bazaar Branch: 57, Ground Floor, Sham Singh Complex, no. 53 & 54, Basavanagudi, Bengaluru-560004
8	919020021151450	Current	UTIB0003570	Gandhi Bazaar Branch: 57, Ground Floor, Sham Singh Complex, no. 53 & 54, Basavanagudi, Bengaluru-560004
9	921010026090871	Current	UTIB0003411	Victoria Layout Branch: Silver Palms, 3, Palmgrove Road, Stage- 1, Victoria Layout, Bengalure-560047
10	922040070111788	Term Deposit	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2,



				Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032
11	733010100008518	Savings	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2, Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032

5) In the light of the contentions aforementioned, the point that arises for our consideration is:

Point:

Whether the relief as sought by the applicant to create a lien/attachment over the bank accounts of the respondent can be granted in terms of section 424(3) of The Companies Act, 2013?

6) We have heard Ms. Mummaneni Vazra Lakshmi, learned counsel for applicant and Ms. Bokaro Lokeshwar Reddy, learned counsel for the respondent no. 1 and perused the record.

Point:

Whether the relief as sought by the applicant to create a lien/attachment over the bank accounts of the respondent can be granted in terms of section 424(3) of The Companies Act, 2013?

Submissions: -

7) The Ld. counsel submitted that this Tribunal, by its order dated 19.04.2024 in I.A. No. 1116 of 2023, directed Respondent No. 1 to deposit outstanding lease rentals totalling Rs. 1,07,02,986 and all future rentals into the account of the



corporate debtor within 20 days. The Respondent No. 2 was also directed to return the rents received from Respondent No. 1. Despite repeated reminders, the Respondents failed to comply, citing reasons such as school vacations. Additionally, the Respondent No. 1 sought relief before civil and higher courts, attempting to circumvent the directions of this Tribunal. The Applicant filed the present application seeking attachment of the bank accounts of the Respondents to enforce compliance with the order of this Tribunal.

- 8) ***Per contra***, The Ld. Counsel for Respondent No. 1 submitted that the respondent, a registered trust operating "Jain Heritage – A Cambridge School" on the leased premises, had entered into a lease deed with the corporate debtor in 2009, later extended through an unregistered lease deed in 2016. The Respondent No. 1 asserted that they had invested Rs. 10 crores in developing the leased property with the consent of the corporate debtor and both agreed to adjust the investment against the rent payable. While the respondent continued to pay rent until September 2022, payments were stopped thereafter due to financial constraints and the pending recovery of the investment. Subsequently, a civil suit (O.S. No. 110 of 2024) was filed in the Learned Civil Court, Kukatpally, to resolve the dispute regarding rental obligations and investment adjustments. Wherein, the Learned Civil Court and subsequently the Hon'ble High Court of Telangana acknowledged the complexity of enforcing such claims in insolvency but directed proceedings to continue on merits.



9) The Ld. Counsel contended that rent disputes fall under the exclusive jurisdiction of Civil Courts, as held in ***Embassy Property Developments Pvt. Ltd. vs. State of Karnataka (2020)*** and similar NCLT cases. The Learned counsel argued that the present application for attachment of bank accounts is beyond the jurisdiction of the NCLT and is not maintainable. It is also submitted that an appeal against the order of this Tribunal in IA. No. 1116 of 2024 is pending before the Hon'ble NCLAT.

Our Analysis and Findings:

10) Before addressing the case at hand, we find it proper to refer to the order in

IA. No. 1116/2023 on 19.04.2024, the relevant portion is extract hereunder;

*“13.The only contention is that lease rentals are not paid to the CD as there is some understanding between R1 and R2 and accordingly the lease rentals are paid to R2 for adjustment towards infrastructure expenses incurred by R2 on the building. Respondents have not produced any agreement or any other document substantiating these arguments, hence these arguments merely based on oral or written submissions, cannot be accepted. **Further, without any dispute the building is owned by Corporate Debtor and respondents too have not refuted this fact.***

14. Therefore, undoubtedly, the lease rentals by respondent no 2 should have been deposited in the account of corporate debtor as advised by IRP/RP who is in control of corporate debtor after initiation of CIRP. Therefore, we decide that respondent no 2/ lessee on the basis of some understanding between it and some third person, cannot make payment of lease rent to that third person and lease rent as per law must be paid in the account of corporate debtor as notified by resolution professional for payment of lease rent. Accordingly, the point no 1 is decided.

16. In the above background and answers to the points raised for our consideration, we pass following orders:

(1) We direct, Respondent no 1, Sri Bhagwan Mahaveer Educational and Cultural Trust through its Chairman Sri R Chenraj Jain to deposit outstanding lease rent of Rs 1,07, 02,986.00 from June 2022



till last month i.e. March -2024, total for 21 months @ monthly rent of Rs. 5,09,666.00 in the following account of corporate debtor.

***Account Holder : TRA KEPL
Customer Name : TRA Kranthi Edifice Pvt Limited
Bank Name : CANARA BANK
Account No : 30361010006137
Product Name : CURRENT ACCOUNT of company (TRA a/c)
Account Branch : 13036-MALAKPET, HYDERABAD 500036.
IFSC : CNRB0013036
MICR : 500015113***

(2) We direct respondent no 1 to pay these pending rental dues within a period of 20 days from the date of this order and file compliance memo to this Tribunal.”

11) We find that the contentions raised by Respondent No. 1 in the present matter are identical to those raised in IA No. 1116 of 2023. This Tribunal has already adjudicated upon these issues in its order dated 19.04.2024 in IA No. 1116 of 2023. In the said order, Respondent No. 1 was explicitly directed to pay the pending rental dues within 20 days from 19.04.2024. However, the respondent has failed to comply with this directive.

12) We also highlight that an interim order was passed in the present application on 14.08.2024, the relevant portion is extracted below;

“5. We are satisfied that the Applicant had made out a prima-facie case, for granting an order of attachment of the bank accounts of the Respondents No.1 and 2. Hence, in the interest of resolution of the insolvency of the Corporate Debtor and justice we pass the following order.

6. We hereby restrain the Respondents No.1 and 2 from withdrawing/transferring any amounts, in any manner including by online banking/ATM, etc. from the following accounts of Respondents No.1 and 2:

i. Sri Bhagawan Mahaveer Educational & Cultural Trust:

Jain Heritage School

A/c. No. 733010100008518

Axis Bank,

Gachibowli Branch,

IFSC Code: UTIB0000733



Hyderabad.

ii. Sri M.Suresh Kumar Reddy:

a. Medipalli Suresh Kumar Reddy

A/c. No. 41732955668

State Bank of India

8-2-293/82/NG/Plot No.40, Road No.69,

Nandagiri Hills, Jublihills,

Hyderabad, TG- 500033.

b. A/c. No. 30362010072440

Canara Bank,

Malakpet Branch,

Hyderabad.

Till further orders of this Tribunal.

7. A copy of this order be furnished to the concerned branch managers who shall ensure compliance of this order.”

13) Instead of adhering to the directions of this Tribunal, Respondent No. 1 has sought relief by initiating proceedings before the learned Civil Court and subsequently before the Hon’ble High Court of Telangana, indirectly seeking exemption from the payment of pending rental dues. It stated by the respondent no. 1 that an appeal was preferred before the Hon’ble NCLAT against the order dated 19.04.2024 in IA No. 1116 of 2024. Further, on 05.12.2024 the resolution professional also submitted that an appeal is preferred before the Hon’ble NCLAT. We find it necessary to highlight that we have not been provided with any details of the said appeal pending before the Hon’ble NCLAT.



14) We find it proper to refer to the decision of the learned civil court and the Hon'ble High court of Telangana, the relevant portion of the decisions is extracted as under:

The observation of the Learned civil court in IA No. 58 of 2024 in O.S. No. 110 of 2024 on 22.02.2024:

"I have thoroughly perused the judgment and this Court is of the opinion that in the said case, the 3rd party terminated contract with corporate debtor whereas in the present case, the Petitioner herein seeks to enforce the right over Corporate Debtor with respect to additional infrastructure and as such, S- 14 & 60(5) of IBC will come into play for enforcing any right over Corporate Debtor."

The decision of the Hon'ble High court Telangana in Civil Revision Petition No: 1531 Of 2024 on 21.06.2024:

"3. Learned counsel for the petitioner submits that in the event, if the respondents entered appearance and relies upon those observations, it may have adverse bearing, so far as the final outcome of Interlocutory Application (I.A.), the petitioner filed seeking for temporary injunction. Learned counsel only submits that so far as issuance of notice is concerned to the respondents, the petitioner/ plain till is not aggrieved of. However, if, the Court below takes into consideration those observations, while deciding the I.A., it may have adverse repercussions. Be that as it may, considering the fact that I.A.No.58 of 2024 i.e. I.A. for temporary injunction is still pending and the Court below has already issued notices for the appearance of the respondents/ defendants, let the matter itself be proceeded to be decide on its own merits, strictly, in accordance with the submissions to be rendered by the both parties. However, it is made clear that the observations, so reflected and which are highlighted in the preceding paragraph should not have bearing, while deciding the I.A. by the Court below. The Court is expected to decide the matter strictly in accordance with law.

3. Accordingly, the Civil Revision Petition is disposed of. Consequently, miscellaneous petitions pending, if any, shall stand closed. No order as to costs."

15) We observe that during the moratorium period, as stipulated under the Insolvency and Bankruptcy Code, 2016 (IBC), any legal proceedings initiated or continued against the corporate debtor are deemed invalid. This principle is rooted in the objective of the moratorium to ensuring a fair and unimpeded resolution process. In this regard, it becomes essential to examine Section 101



of the IBC, which explicitly outlines the scope and effect of the moratorium period. The provision is reproduced below for reference:

“Section 101: Moratorium

(1) When the application is admitted under [section 100](#), a moratorium shall commence in relation to all the debts and shall cease to have effect at the end of the period of one hundred and eighty days beginning with the date of admission of the application or on the date the Adjudicating Authority passes an order on the repayment plan under [section 114](#), whichever is earlier.

(2) During the moratorium period—

(a) any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed;

(b) the creditors shall not initiate any legal action or legal proceedings in respect of any debt; and

(c) the debtor shall not transfer, alienate, encumber or dispose of any of his assets or his legal rights or beneficial interest therein;

(3) Where an order admitting the application under [section 96](#) has been made in relation to a firm, the moratorium under sub-section (1) shall operate against all the partners of the firm.

(4) The provisions of this section shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.”

Accordingly, any legal actions or proceedings undertaken during the moratorium are void and without effect, further reinforcing the sanctity of this provision.

- 16) It is clear that the respondents are well aware of the order dated 19.04.2024 in IA No. 1116/2023 for the Respondent no. 1 to deposit the outstanding lease rent of Rs 1,07,02,986.00/- from June 2022 till March 2024 and to pay those pending rental dues payable to the corporate debtor. Further the Respondent No. 2 to return the lease rent received by him from respondent no. 1 to the



resolution professional. We also note that the appeals filed against the said order has already been dismissed by the Hon'ble NCLAT and Hon'ble Supreme Court. Admittedly, the order of this Tribunal had attained finality, and the respondents have not complied the said order.

17) In support of our findings, we refer to Section 424 of the Companies Act, 2013, the same is extracted hereunder;

“Section 424: Procedure before Tribunal and Appellate Tribunal:

(3) Any order made by the Tribunal or the Appellate Tribunal may be enforced by that Tribunal in the same manner as if it were a decree made by a court in a suit pending therein, and it shall be lawful for the Tribunal or the Appellate Tribunal to send for execution of its orders to the court within the local limits of whose jurisdiction: --

(a) in the case of an order against a company, the registered office of the company is situate; or

(b) in the case of an order against any other person, the person concerned voluntarily resides or carries on business or personally works for gain.

All proceedings before the Tribunal or the Appellate Tribunal shall be deemed to be judicial proceedings within the meaning of section 193 and 228, and for the purposes of section 196 of Indian Penal Code (45 of 1860), and the Tribunal or the Appellate Tribunal shall be deemed to be civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).”

18) Therefore, in the light of the above facts and provisions, *supra*, the applicant herein is entitled for the relief as prayed for. The Tribunal is authorized to proceed with enforcement measures, including issuing attachment or recovery warrants as necessary, to ensure that the respondents fulfil their obligations under the order dated 19.04.2024 in IA No. 1116/2023.

19) Accordingly, the present application is allowed with the following directions:



- (i) The following bank accounts of the respondent no. 1 and 2 are put to attachment for recovery of Rs. 1,07,02,986.00/- in respect of the pending dues and the current rental dues @ Rs.5,09,666/- per month pending from Respondent no. 1 for the period starting from June 2022 till date. We attach the bank accounts as detailed below and put them in lien in favour of the applicant for the recovery of the rentals due to the applicant. The account holders are not permitted to withdraw any amount from these bank accounts till the recovery as aforesaid is completed.

Bank Account details of the respondent no. 1

Name: Sri Bhagawan Mahaveer Educational & Cultural Trust				
Bank: Axis Bank				
Customer Id: 733000872				
PAN: AABTS1497G				
Sl. No.	Account Number	Type of Account	IFSC Code	Branch Address
1	733010100008501	Savings	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2, Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032
2	733010100008532	Savings	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2, Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032
3	909010037869651	Savings	UTIB0000468	Vijayanagar Branch: No. 2940/E-5, G. G Arcade, Service Road, West of Chord, Opp Maruti Mandir, Vijayanagar, Bengaluru-560040



4	911010013130574	Savings	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2, Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032
5.	919010022438391	Savings	UTIB0003570	Gandhi Bazaar Branch: 57, Ground Floor, Sham Singh Complex, no. 53 & 54, Basavanagudi, Bengaluru- 560004
6	919020021150017	Current	UTIB0003570	Gandhi Bazaar Branch: 57, Ground Floor, Sham Singh Complex, no. 53 & 54, Basavanagudi, Bengaluru- 560004
7	919020021150745	Current	UTIB0003570	Gandhi Bazaar Branch: 57, Ground Floor, Sham Singh Complex, no. 53 & 54, Basavanagudi, Bengaluru- 560004
8	919020021151450	Current	UTIB0003570	Gandhi Bazaar Branch: 57, Ground Floor, Sham Singh Complex, no. 53 & 54, Basavanagudi, Bengaluru- 560004
9	921010026090871	Current	UTIB0003411	Victoria Layout Branch: Silver Palms, 3, Palmgrove Road, Stage- 1, Victoria Layout, Bengalure-560047
10	922040070111788	Term Deposit	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2, Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032
11	733010100008518	Savings	UTIB0000733	Gachibowli Branch: H. No. 1, Vakula Mansion, 72/3/2, Gachibowli Circle, Near HP Buck, Gachibowli, Hyderabad-500032

Bank Account details of the respondent no. 2

1. Medipalli Suresh Kumar Reddy,
A/c No. 41732955668,



State Bank of India, #8-2-293/82/NG/PLOT NO 40, RD NO 69,
Nandagiri Hills, Jubilee Hills, Hyderabad, TG- 500033.

2. A/c. No.30362010072440, Canara Bank,
Malakpet Branch, Hyderabad

- (ii) The branch heads of respective branches where these accounts are maintained are directed to mark the lien and attachment order as aforesaid in these accounts and submit the compliance certificate within 7 days from the date of passing of the orders.

Sd/-

Charan Singh
Member (Technical)

Sd/-

Dr. Venkata Ramakrishna
Badarinath Nandula
Member (Judicial)

Bhargavi Kinhalkar