



S.No.7

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
04-06-2024 AT 10:30 AM**

**CP(IB) No. 69/9/HDB/2023**  
u/s. 9 of IBC, 2016

**IN THE MATTER OF:**

M/s. Mytrah Vayu (Som) Private Limited

**...Operational Creditor**

**AND**

M/s. Naolin Infrastructure Private Limited

**...Corporate Debtor**

**C O R A M:-**

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

**ORDER**

Orders pronounced. In the result, **this company petition is admitted as per the terms mentioned in the order.** Moratorium is imposed, Interim Resolution Professional is appointed.

**Sd/-**

**MEMBER (T)**

**Sd/-**

**MEMBER (J)**



**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL  
BENCH AT HYDERABAD**

**CP. NO. 69/9/HDB/2023**

Petition under Section 9 of Insolvency and Bankruptcy Code, 2016 r/w  
Rule 6 of Insolvency and Bankruptcy (Application to the Adjudicating  
Authority) Rules, 2016

**IN THE MATTER OF**

**Mytrah Energy (India) Private limited**

R/O: 8001, Sy.no.109, Q-city, Nanakramguda,  
Gachibowli, Hyderabad-500046.

**....Operational Creditor**

**AND**

**Naolin Infrastructure Private limited**

H.no., 6-3-1090/1/1, 3<sup>rd</sup> Floor Uma Hyderabad House,  
Raj Bhavan Road, Somajiguda, Hyderabad TG 500082

**.....Corporate Debtor**

**Order pronounced on:04.06.2024**

**Coram:**

Dr. VENKATA RAMAKRISHNA BADARINATH NANDULA, MEMBER (JUDICIAL)  
SHRI CHARAN SINGH MEMBER (TECHNICAL)

**Appearance:**

For the petitioners: Shri Nethan Reddy, Mrudula Sarampally, Advocates

For respondents: Shri E.Venkateswara Reddy, D.Gopala Krishna,  
Advocates



**PER: BENCH  
ORDER**

1. This Company Petition is filed under Section 9 of Insolvency and Bankruptcy Code, 2016 r/w Rule 6 of Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules, 2016 by M/s Mytrah Energy (India) Private limited, Assignee, seeking initiation of Corporate Insolvency Resolution Process (CIRP) against the respondent M/s Naolin Infrastructure Pvt. Ltd, claiming that the Corporate Debtor defaulted in making payment of a sum of Rs. 2,65,63,554/- (Rupees Two Crore Sixty-five Lakhs Sixty-Three Thousand Five Hundred and Fifty-Four only) said to be due and payable to the petitioner by the respondent till the date of issuance of Demand Notice.

**2. The averments in the Petition in brief are:**

2.1 That, M/s Mytrah Energy (India) Private limited , herein after referred to as ‘Operational Creditor’ bearing CIN no: U40108TG2009PTC065804 is the sister concern of M/s Mytrah Vayu (Som) Private Limited which is engaged in the renewable energy business and as part of Project has setup wind mills and



wind operated Electricity Generators at 23 different locations in Jaisalmer District and has assigned the work of civil activities to Naolin (CD) to access WTG Locations, providing access to WTG locations including turning radius, etc required for accessing WTGs for replacing of Pitch Bearing. M/s Mytrah Vayu (Som) Private Limited has assigned its Debt to M/s Mytrah Energy (India) Private limited (OC) by IA (IBC) 1434/2023 for substitution of the Applicant/assignee in the present Company Petition which has been allowed by this Hon'ble Tribunal and neat copy of Amended Petition filed. OC is represented by the Authorized Signatory Mr. Nikhil Kalantri.

2.2 It is averred that on 08.09.2021, M/s Mytrah Vayu Som Pvt Ltd had placed 2 purchase orders for civil activities with the Operational Creditor for a consideration equivalent to Rs. 2,84,97,000/- and Rs. 27,14,000/- where 75% of the value is paid in advance as agreed by Amended Purchase orders dt: 05.04.2022 by RTGS Rs.2,34,08,250/- Principal amount, towards CD on 25.05.2022.



2.3 It is averred that project completion date was changed from 3.12.2021 to 30.07.2022 and despite receiving the advance amounts, Naolin has failed to perform the works under purchase orders. Further averred that once again the date of completion was changed to 10.11.2022 and Naolin issued a cheque bearing No.892786 for an amount of Rs. 2,34,00,000/-, that Mytrah would encash the same, in the event Naolin fails to complete the works. However, the Corporate Debtor failed to perform the works under Purchase orders even by 10.11.2022 and liable to refund the advance amount paid by Mitra along with interest @24% p.a. till the issuance of the Demand Notice amounting to Rs. 2,65,63,554/- and continuing.

2.4 It is averred that on 25.01.2023 when Operational Creditor presented cheque issued by the Corporate Debtor it was dishonored and returned with the endorsement 'exceeds arrangement' vide return memo dated 27.01.2023, for which the Operational Creditor filed a criminal complaint on 09.02.2023 against the Corporate Debtor for its violation of the provisions of the Negotiable Instruments Act, 1881 and for cheating, since the



Operational Creditor incurred huge revenue/generational losses due to the Corporate Debtor's failure to execute its works.

2.5 It is averred that Naolin issued a confirmation letter dated 15.10.2022 confirming balance of Rs.2,34,08,250/- and Mytrah issued Demand notice dated 16.12.2022 for the said amount.

2.6 It is averred that to avoid insolvency proceedings and with a *mala fide*, intention, the Respondent has now filed the record in relation to the Crl. Petition No. 8703/2023 filed by it before the Hon'ble High Court, for quashing the criminal proceedings. That the Hon'ble High Court, vide its Order dated 27.09.2023 has allowed the Crl. Petition and quashed the criminal proceedings, on the ground that the facts of the complaint should consist of the ingredients under Sections 420 and 406 of the IPC, and as in the view of the Hon'ble Court, it was held that:

*"admittedly an amount of Rs. 2,13,72,750/- has been given to the petitioners by respondent no.2 company for execution of work and non-execution of the said work would not come under ingredients of criminal breach of trust or cheating."*

2.7 It is averred that the Corporate Debtor with mala fide, intention seeks to rely on a stray observation made by the Hon'ble High Court, which has no bearing on the present insolvency



proceedings, and at any rate, an appeal has been filed before the Hon'ble Supreme Court of India against the order dated 27.09.2023 in CRLP no. 8703 of 2023.

2.8 It is averred that institution of proceedings under S.138 of the Negotiable Instruments Act for amounts that are admittedly due and payable from the corporate debtor would not amount to a dispute, and the Corporate Debtor has miserably failed to show that it had ever disputed the debt payable by it before the issuance of the demand notice.

**3. . The contentions in the counter filed by the Corporate Debtor in brief are as below:**

3.1 That the respondent company M/s Naolin Naolin Infrastructure Private Limited is doing the business in the field of civil works which includes laying of roads, development of pathways etc.

3.2 It is averred that the operational creditor has issued Sec.138 notice under N.I. Act on 14.2.2023 and 15.2.2023 and a Demand Notice under section 8 of the IBC on 16.12.2022 which shows the operational creditor has not approached this Hon'ble Tribunal with clean hands,



3.3 It is averred that the operational creditor had issued work order for Rs.3,12,11,000/- and as per the understanding the operational creditor is supposed to pay 50% as advance amount including GST immediately after issuing the work order. Subsequently it was agreed to enhance the advance amount to 75% with revised work order / service order and the respondent has raised the proforma invoices for revised service order.

3.4 It is averred that petitioner company has not handed over the physical possession of the site and advance amount was also not paid by the operational creditor immediately but paid after 45 days because of which the respondent could not start the project. Further averred that the present petition is filed only for the purpose of recovery of the advance amount and to avoid the damages payable by the petitioner company for breach of contract.

3.5 It is averred that if the operational creditor is not interested to continue the contract it should issue termination notice as per clause No.13 or refer matter to Arbitration as per clause 14 but no such steps were initiated by the petitioner and directly approached this Hon'ble Tribunal by suppressing many facts in this contract.



- 3.6 It is averred that there is no liability on the part of the Corporate Debtor in respect of the alleged claim amount/*operational Debt does not come within the purview of the definition of debt since the said amount was paid as advance* and as non-cooperation and lapses by the petitioner the respondent company suffered more than Two crores of loss for mobilization and demobilization of teams and reserved its right to approach appropriate forum for damages as per the general terms of the contract.
- 3.7 It is averred that Mytrah Group have given total Eight Purchase orders/work orders to M/s Naolin Infrastructure Private ltd, Hyderabad for value to the extent of Rs.28.36 crores and out of which Rs.19.43 crores are received by Respondent company and pending balance is Rs 3.36 crores, shows that the business relationship is still going on between OC and CD.
- 3.8 It is averred that the operational creditor has assigned the alleged debt in favour of Mytrah Energy India Private Limited and the said fact was informed by the operational creditor through email dt.6.4.2023 and accordingly the operational creditor cannot



continue the present proceedings and the present application is liable to be dismissed on this ground alone.

- 3.9 It is averred that the CIRP proceedings are not recovery proceedings and an otherwise financially sound company, cannot be pushed into insolvency proceedings merely on its refusal to pay disputed amounts and relied on the decision of ***S.S.Engineers v/s Hindusthan Petroleum Corporation Ltd case, Manu/SC/1146/2022*** wherein the Hon'ble Apex Court held as under:

*"NCLT exercising Powers under section 7 or 9 of IBC code is not a debt collection forum. The IBC tackle and/or deals with Insolvency and Bankruptcy, it is not the objective of the IBC that CIRP should be initiated to penalize solvent companies for non-payment of disputed dues claimed by an operational creditor".*

- 3.10 The petitioners filed Written submissions reiterating the oral submissions and relied on the following rulings:

- I. ***CFM Asset Reconstruction Pvt. Ltd. vs. M.G. Finvest Pvt. Ltd. CP (18) No. 115/PB/2022*** where it was held by NCLT, Delhi as under:

*that assignment would not affect the liability and obligations of the corporate debtor to discharge the debt, and the proceedings under the Code being summary proceedings, it would be beyond*



*the ambit of the Hon'ble NCLT to delve into the details regarding the requirement of registration of an assignment agreement.*

**II. Consolidated Constructions Consortium Limited vs. Hitro Energy Solutions Private Limited (2022) 7 SCC 164 para 43,** has held that Section 5(21) has to be interpreted in a broad and purposive manner as operational creditors under the Code are not only those who supply goods/services but also those who receive goods/services, holding that:-

*"a debt which arises out of advance payment made to the corporate debtor for supply of goods and services would be considered as an operational debt"*

**III. The Petitioners also relied on decision as held in Hon'ble NCLAT, in the case of Sudhi Sachdev v APPL Industries CA (AT)(Ins) No. 623 of 2018 NCLAT Para 6, where in it was held as under:-**

*"that the pendency of a case under Section 138 of the Negotiable instruments Act, 1881 is not a pre-existing dispute, does not bar an application under Section 9, and is in fact, an admission of debt".*

**IV. Palaparty Abhishek v. Binjusaria Ispar Private Limited (Civil appeal no. 5110 of 2022) (@page no. 2 & 3), wherein it was held BY THE Hon'ble Supreme court as under:**

*"the cheques given by the Corporate Debtor dishonored when encashed amounted to an operational debt."*

4. Therefore, in the light of the contest put forth as above by both the parties, the points that emerges for our consideration are:

**1. Whether there is an 'operational Debt' of a sum exceeding rupees one crore, due and payable by the Respondent to the**



**Petitioner, if so, whether the respondent has defaulted its repayment?**

**2. Whether Registration of the Deed of Assignment of Debt is mandatory? If so, whether the present company petition is maintainable?**

**3. Whether Issuance of notice under NI act and filing of Criminal case operates as bar for initiation of proceedings U/s 9 of IB Code?**

5. We have heard Ms. Kopal Sharraf Learned Counsel for Petitioners and Mr. E. Venkateshwar Reddy Ld. counsel for Respondents, perused the record and the submissions

**POINT 1:**

**Whether there is an ‘operational Debt’ of a sum exceeding rupees one crore, due and payable by the Respondent to the Petitioner, if so, whether the respondent has defaulted its repayment?**

***The Submissions***

6. Ld. Counsel for the Operational Creditor submits that 75% of the order value paid as advance payment to the Corporate Debtor amounting to Rs. 2,34,08,250/- (Rupees Two Crores Thirty-Four Lakhs Eight Thousand Two Hundred and Fifty) on 25.05.2022 by way of RTGS and upon receipt of the same Corporate Debtor issued a cheque



equivalent to the advance payments made by the Operational Creditor on the understanding that the same would be encashed if the project works were not completed by the Corporate Debtor within the stipulated time. After the lapse of said period, the Operational Creditor has presented the cheque, however, the same was dishonored as exceeds arrangement.

7. Ld. Counsel submits that the plea that the subject debt is not an operational debt under the provisions IB Code, is unsustainable and untenable. In support of the submission that the subject transaction, namely, payment of 'advance amount' amounts to an operational debt as per the provisions of IB Code, has relied on the following ruling. Consolidated Constructions Consortium Limited vs. Hitro Energy Solutions Private Limited (2022) 7 SCC 164 para 43, wherein Hon'ble Supreme Court has held that,

*"a debt which arises out of advance payment made to the corporate debtor for supply of goods and services would be considered as an operational debt"*

8. Ld. Counsel further submits that, the advance amounts are paid after delaying for about 45 days from date of agreement, by then Respondents have many times mobilized their teams and demobilized



for not handing over of site by Operational Creditor which resulted in idling of teams and further constrained Corporate Debtor to organize their project staff for hectic summer, other unavoidable reasons and non-cooperation which caused delay in progressing the work. Ld. Counsel further submits that the subject 'advance' cannot be construed as 'operational debt' under the provisions of IB Code, hence the petition is not maintainable.

9. Having heard the Ld. Counsels for both sides, we state that plea whether an advance amount paid for goods or services amounts to an 'operational debt' under IB Code, is no more *res integra*, as Hon'ble Supreme Court of India, in ***Consolidated Constructions Consortium Limited, supra***, held that,

43. First, Section 5(21) defines 'operational debt' as a "claim in respect of the provision of goods or services". The operative requirement is that the claim must bear some nexus with a provision of goods or services, without specifying who is to be the supplier or receiver. Such an interpretation is also supported by the observations in the BLRC Report, which specifies that operational debt is in relation to operational requirements of an entity. Second, Section 8(1) of the IBC read with Rule 5(1) and Form 3 of the 2016 Application Rules makes it abundantly clear that an operational creditor can issue a notice in relation to an operational debt either through a demand notice or an invoice. As such, the presence of an invoice (for having supplied goods or services) is not a sine qua non, since a demand notice can also be issued on the basis of other documents which prove the existence of the debt. This is made even more clear by Regulation 7(2)(b)(i) and (ii) of the CIRP Regulations 2016



*which provides an operational creditor, seeking to claim an operational debt in a CIRP, an option between relying on a contract for the supply of goods and services with the corporate debtor or an invoice demanding payment for the goods and services supplied to the corporate debtor. While the latter indicates that the operational creditor should have supplied goods or services to the corporate debtor, the former is broad enough to include all forms of contracts for the supply of goods and services between the operational creditor and corporate debtor, including ones where the operational creditor may have been the receiver of goods or services from the corporate debtor. Finally, the judgment of this Court in **Pioneer Urban** (supra), in comparing allottees in real estate projects to operational creditors, has noted that the latter do not receive any time value for their money as consideration but only provide it in exchange for goods or services. Indeed, the decision notes that “[e]xamples given of advance payments being made for turnkey projects and capital goods, where customization and uniqueness of such goods are important by reason of which advance payments are made, are wholly inapposite as examples vis-à-vis advance payments made by allottees”.*

The above ruling leaves no doubt that a debt which arises out of advance payment made to a corporate debtor for supply of goods or services would be considered as an operational debt.

10. That apart, on a plain reading of Section 5 (21), which says that, "operational debt" means a claim in respect of the provision of goods or services including employment or a debt in respect of the repayment of dues arising under any law for the time being in force and payable to the Central Government, any State Government or



any local authority, also takes in its fold the advance amount paid for goods or services.

11. The Demand Notice in Form 3 issued by Operational Creditor to Corporate debtor on 16.12.2022 indicates date of default as 30.07.2022 and the present Application is filed on 08.02.2023. The payment of 75% of the Contract value amounting to Rs. 2,34,00,000/- through RTGS to the corporate debtor on 25.05.2022 by the petitioner has been acknowledged by the corporate debtor through letter dated 15.10.2022 and balance confirmation letter on 30.09.2022. Hence, the operational debt claimed, is within the prescribed period of limitation.
12. Therefore, we have no hesitation in holding that the subject debt is an operational debt which is due and payable by the respondent, and has been defaulted.

The point is answer accordingly.

**POINT 2:**

Whether Registration of the Deed of Assignment of Debt is mandatory? If so, whether the present company petition is maintainable?



13. Ld. Counsel for Corporate Debtor submits that the substitution of applicant and assignment of Debt as done by virtue of the Deed of Assignment dt.29.3.2023 between Mytrah Vayu (Som) Private Limited (original applicant) and Mytrah Energy (India) Private Limited, is invalid as the deed of assignment though compulsorily registrable was not registered.

14. A coordinate Bench, of NCLT Delhi, in the matter ***CFM Asset Reconstruction Private Limited Registered Versus M.G. Finvest Private Limited*** held that;

*“We are of the considered view that the assignment of debt essentially being a transaction between the Creditor and the Assignee and assignment being recognized by the Code, 2016 as a valid mode of transfer of rights across the ambit of Section 5(7) of the Code, therefore, the entity who received the said assignment of debt falls within the fold of “Financial Creditor”.*

15. Further, Hon’ble NCLAT in ***Lalan Kumar Singh v. Phoenix ARC (P) Ltd., [2018 SCC OnLine NCLAT 835]*** observed that

*“19. In the present case we find that the appellant has sought declaration that the assignment made by HSBC to ‘Phoenix’ as illegal, which can be raised only in a civil suit. The appellant is trying to convert the proceedings under the ‘IB Code’ as civil proceedings akin to a trial which is not the legislative intent”*



The Point is answered accordingly.

**POINT 3:**

Whether Issuance of notice under NI act and filing of Criminal case operates as bar for initiation of proceedings U/s 9 of IB Code?

16. This plea is no more *res integra*, as the Hon'ble Supreme Court in **Ajay Kumar Radheyshyam Goenka vs. Tourism Finance Corporation Of India Ltd : 2023 LiveLaw (SC) 195**, held that :

*“16. We have no hesitation in coming to the conclusion that the scope of nature of proceedings under the two Acts and quite different and would not intercede each other. In fact, a bare reading of Section 14 of the IBC would make it clear that the nature of proceedings which have to be kept in abeyance do not include criminal proceedings, which is the nature of proceedings under Section 138 of the N.I. Act. We are unable to appreciate the plea of the learned counsel for the Appellant that because Section 138 of the N.I. Act proceedings arise from a default in financial debt, the proceedings under Section 138 should be taken as akin to civil proceedings rather than criminal proceedings. We cannot lose sight of the fact that Section 138 of the N.I. Act are not recovery proceedings. They are penal in character. A person may face imprisonment or fine or both under Section 138 of the N.I. Act. It is not a recovery of the amount with interest as a debt recovery proceedings would be. They are not akin to suit proceedings.*

.....

*18. We are unable to accept the plea that Section 138 of the N.I. Act proceedings are primarily compensatory in nature and that the punitive element is incorporated only at enforcing the compensatory proceedings. The criminal liability and the fines are built on the principle of not honouring a negotiable instrument, which affects trade. This is apart from the principle of financial liability per se. To say that under a scheme which may be approved, a part amount will be recovered or if there is no scheme a person may stand in a queue to recover debt would absolve the consequences under Section 138 of the N.I. Act, is unacceptable.”*



*21. Thus, it can be inferred from the above decision of Hon'ble Supreme Court that, recovery proceedings barred under Section 14 of the IBC are primarily civil in nature, the proceedings under Section 138 of the NI Act are criminal in nature and both have a different set of purpose. Furthermore, the complainant can approach Criminal Court not only for recovery of the legally enforceable debt but also for taking penal action for the offence already committed by the suspended management. Therefore, by operation of the provisions of the IBC, the criminal prosecution initiated against the natural persons under Section 138 read with 141 of the NI Act would not stand terminated.*

The Point is answered accordingly.

17. In the light of our discussion and finding on the points above we are satisfied that the petitioner had established existence of an operational debt of a sum exceeding Rs. 1 crore and that the respondent has defaulted in repayment of the same. Further, we are satisfied that this application is in order.
18. The Operational Creditor has suggested the name of Resolution Professional (RP) Mr. Pankaj Bhattad, IBBI Reg No. IBBI/IPA-001/IP-P-02841/2023-2024/14362.
19. In view of the facts as discussed hereinabove, we admit this Application and order as under:-
  - (i) The Application bearing CP(IB) 69/9/HDB/2023 filed by Mytrah Energy India private Limited (Operational Creditor) under Section 9 of the Insolvency and Bankruptcy Code, 2016



(Code) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP against Naolin Infrastructure private Limited (Corporate Debtor) is admitted and the moratorium is declared for prohibiting all of the following in terms of Section 14(1) of the Code.

- (ii) The institution of suits or continuation of pending suits or proceedings against the Respondent/Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- (iii) transferring, encumbering, alienating or disposing of by the Respondent/Corporate Debtor any of its assets or any legal right or beneficial interest therein;
- (iv) any action to foreclose, recover or enforce any security interest created by the Respondent/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;
- (v) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Respondent/Corporate Debtor.
- (vi) 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 Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an



order for liquidation of Respondent/Corporate Debtor Company under Section 33 of the IBC, 2016, as the case may be.

- (vii) We hereby appoint Mr. Pankaj Bhattad, IBBI Reg No. IBBI/IPA-001/IP-P-02841/2023-2024/14362, Address: A-903, Maruti Bhavan, Parsi Panchayat Road, Andheri East, Mumbai City, Maharashtra – 400069. Contact No. +91 8055234380, email: [capankajbhattad@gmail.com](mailto:capankajbhattad@gmail.com) to act as an IRP under section 13(1) (c) of the Code. He shall conduct the Corporate Insolvency Resolution Process as per the provisions of Insolvency and Bankruptcy Code, 2016 r.w. Regulation made thereunder.
- (viii) The IRP shall perform all his functions as contemplated, inter-alia, by sections 17, 18, 20 & 21 of the Code. It is further made clear that all personnel connected with Respondent/Corporate Debtor, its Promoter or any other person associated with management of the Respondent/Corporate Debtor are under legal obligation under Section 19 of the Code to extend every assistance and co-operation to the Interim Resolution Professional. Where any personnel of the Respondent/Corporate Debtor, its Promoter or any other person, is required to assist or co-operate with IRP, do not assist or Co-operate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.



- (ix) This Adjudicating Authority directs the IRP to make public announcement of initiation of Corporate Insolvency Resolution Process (CIRP) and call for submission of claims under Section 15 as required by Section 13(1) (b) of the Code.
- (x) The IRP is expected to take full charge of the Respondent/CD's assets, and documents without any delay whatsoever. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- (xi) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Respondent/Corporate Debtor.
- (xii) It is further directed that the supply of goods/services to the Respondent/Corporate Debtor Company if continuing, shall not be terminated or suspended, or interrupted during the moratorium period.
- (xiii) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Debtor Company' and manage the operations of the Respondent/Corporate Debtor Company as a going concern as a part of the obligation imposed by Section 20 of the Insolvency & Bankruptcy Code, 2016.
- (xiv) The Applicant/Operational Creditor is directed to pay an advance of Rs. 2,00,000/- (Rupees Two Lakhs Only) to the IRP within one week from the date of receipt of this order for the



purpose of smooth conduct of the Corporate Insolvency Resolution Process (CIRP) and IRP to file proof of receipt of such amount to this Adjudicating Authority along with First Progress Report within 30 days.

- (xv) The Registry is directed to communicate a copy of this order to the Applicant/Operational Creditor, the Respondent/Corporate Debtor, and to the Interim Resolution Professional and the concerned Registrar of Companies, after completion of necessary formalities, within seven working days and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Respondent/Corporate Guarantor in MCA portal specific mention regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.
- (xvi) The IRP shall also serve a copy of this order to the various departments such as Income Tax, GST, State Trade Tax, and Provident Fund etc. who are likely to have their claim against Corporate Debtor as well as to the trade unions/employee's associations so that they are informed of the initiating of CIRP against the Corporate Debtor timely.
- (xvii) The Registry is further directed to send a copy of this order to the Insolvency and Bankruptcy Board of India for their record.



20. Accordingly, CP(IB) 69/9/HDB/2023 stands admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

***Shri Charan Singh***  
Member Technical

Sd/-

***Dr. Venkata Ramakrishna Badarinath Nandula***  
Member Judicial

*Chennu Bhargavi*