FREE OF COST COPY

**IN THE NATIONAL COMPANY LAW TRIBUNAL**
**AMARAVATI BENCH**
*(Through Hybrid Mode)*

**Item No.2**
**CP (IB)/25/7/AMR/2026**

**IN THE MATTER OF:**

Deepak Kumar Thyari Rajagopal,
Sole Proprietor of Garuda Industries

... Petitioner/ Financial Creditor

**Versus**

Shyam EPC Private Limited

... Respondent/ Corporate Debtor

**Under Section: 7 of IBC, 2016**

**Order delivered on 30.10.2026**

**CORAM:**

**SHRI KISHORE VEMULAPALLI, HON'BLE MEMBER (JUDICIAL)**
**SHRI UMESH KUMAR SHUKLA, HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the Financial Creditor : Mr. N. Ashwani Kumar, Advocate

For the Corporate Debtor : Mr. S.S. Sarat Chandra, Advocate

**ORDER**

Order pronounced and recorded *vide* separate sheets. The Petition bearing **CP (IB)/25/7/AMR/2026** filed by the Financial Creditor under Section 7 of the IBC, 2016 is **admitted,** and the IRP is appointed.

**Sd/-**
**(UMESH KUMAR SHUKLA)**
**MEMBER (TECHNICAL)**

**Sd/-**
**(KISHORE VEMULAPALLI)**
**MEMBER (JUDICIAL)**

*Venkatesh (Steno)*

**IN THE NATIONAL COMPANY LAW TRIBUNAL**
**AMARAVATI BENCH AT MANGALAGIRI**
*(Exercising powers of Adjudicating Authority under The Insolvency and Bankruptcy Code, 2016)*

**CP (IB)/25/7/AMR/2026**

**Under Section 7 of IBC read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016**

**IN THE MATTER OF:**

**Deepak Kumar Thyari Rajagopal**
Sole Proprietor, Garuda Industries
D. No. 25-1-20/6/5-301, Plot No. HIG-13,
Devi Sai Enclave, Gajuwaka,
Visakhapatnam-530026, Andhra Pradesh.

**.... Financial Creditor**

**Versus**

**Shyam EPC Private Limited**
D. No. 47-11-24, Flat No. 301,
2nd Lane Dwarakanagar,
Visakhapatnam-530016, Andhra Pradesh.

**.... Corporate Debtor**

**ORDER DELIVERED ON: 30.10.2026**

**CORAM: HON'BLE SHRI KISHORE VEMULAPALLI, MEMBER (JUDICIAL)**
**HON'BLE SHRI UMESH KUMAR SHUKLA, MEMBER (TECHNICAL)**

**Parties/Counsels Appearance:**

For the Financial Creditor : Mr. N. Ashwani Kumar, Advocate
For the Corporate Debtor : Mr. S.S. Sarat Chandra, Advocate

**ORDER**
**PER: BENCH**

This Petition was e-filed on 26.03.2026 by Mr. Deepak Kumar Thyari Rajagopal, Sole Proprietor, Garuda Industries (hereinafter referred to as the **"Financial Creditor"**) under Section 7 the Insolvency

and Bankruptcy Code, 2016 (hereinafter referred to as the **"IBC"** or **"Code"**) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as the **"IB Rules"**) seeking initiation of Corporate Insolvency Resolution Process (hereinafter referred to as the **"CIRP"**) against Shyam EPC Private Limited (hereinafter referred to as the **"Corporate Debtor"**) for having defaulted an amount of Rs.1,13,95,808/-.

2. The Registry on 07.07.2026, raised the following objections:

> *"In Page No.1, Application should be addressed to the Adjudicating Authority not to Bench Officer. Affidavit is not stamped, Record of Default – Form-D, Form-1A copy to IBBI, Bank Account of Financial Creditor reflecting the debit and credit transactions with Corporate Debtor, Compliance Format as 2D of IBBI Regulations contain details of debt, default, limitation. Copy of Certificate issued by the Financial Institution/Bank maintaining the accounts of the Financial Creditor, in Form 5A Section 9(3)(c) of IBC."*

3. Thereafter, the Financial Creditor vide Diary No.1260 dated 17.07.2026, filed the Compliance Memo and vide Diary No.1259 dated 17.07.2026 also filed Petition.

4. The Registry on 27.07.2026, further raised the following objections:

> *"In Page No.1, Application should be addressed to the Adjudicating Authority not to Bench Officer. Record of Default – Form-D, Form-1A copy to IBBI, Bank Account of Financial Creditor reflecting the debit and credit transactions with Corporate Debtor from the date of disbursal till date of filing of case, Compliance Format as 2D of IBBI Regulations contain details of debt, default, limitation. Blanks are there in Page nos.1, 2 and 30. Memo of Parties with their email IDs and Mobile Nos. Index of documents should reflect all the Annexures of Application. IRP Email ID and Mobile No. are to be stated in the Written Consent of IRP in Form-2. Proof of payment receipt. Proof of Service. Please collect hard copies, rectify defects and refile it.*

*Present Diary No. will be cancelled. On refiling, new Diary No. will be generated."*

5. The Financial Creditor vide Diary No.1529 dated 17.08.2026, filed the Compliance Memo.

6. The Registry on 24.08.2026, again raised the following objections:

*"Form-1A copy to IBBI, Compliance format as per 2D of IBBI Regulations contain details of debt, default, limitation. IRP Mobile No. to be stated in the written consent of IRP in Form-2. Please collect hard copies, rectify defects and refile it. Present Diary No. will be cancelled. On refiling, new Diary No. will be generated."*

7. After complying with the aforesaid defects, the Financial Creditor vide Diary No.1650 dated 27.08.2026, filed the Petition, which was numbered by the Registry on 02.09.2026 and was first listed for hearing on 04.09.2026

8. The Corporate Debtor is a Company incorporated on 11.11.2022 with its registered office situated at D. No.47-11-24, Flat No.301, 2nd Lane Dwarakanagar, Visakhapatnam-530016, Andhra Pradesh. Hence, the territorial jurisdiction lies with this Adjudicating Authority.

9. The facts of the case, as stated in the Petition by the Financial Creditor, are summarized below:

(i) The Financial Creditor is a Sole Proprietor of Garuda Industries. The Corporate Debtor is a private limited company incorporated under the Companies Act, 2013, bearing CIN: U45309AP2022PTC123231, to carry on the trade or business of service contractors and engineers, also manufacturing

construction, infra-based projects, real estate builders, and trading and supplying of all types of building materials.

(ii) On 01.09.2025, the Corporate Debtor approached the Financial Creditor for financial assistance for the purpose of purchasing coal and coke for its EPC projects and business operations. Pursuant to that request, a sum of Rs.1,05,00,000/- was advanced to the Corporate Debtor by way of RTGS (transaction reference: RTGS-HDFCR52025090156596947-GARUDA INDUS), repayable within a maximum period of 60 days.

(iii) Thereafter, a Loan Agreement dated 27.09.2025 (hereinafter referred to as the **"Agreement"**) was executed between the Financial Creditor and the Corporate Debtor, recording the terms on which the financial assistance had been and would be provided. Under the Agreement, the Financial Creditor agreed to extend a loan facility of up to Rs.5,00,00,000/- to the Corporate Debtor, subject to the stipulation that until the amounts already availed were returned, the Corporate Debtor shall not be entitled to any further amounts under the Agreement. The disbursement of Rs.1,05,00,000/- made on 01.09.2025 was governed by the terms of this Agreement.

(iv) It was mutually agreed that the amounts advanced would be repaid, together with interest at 1.5% per month (18% per annum), within 60 days from the date of disbursement, as per Clause 4 of the Agreement. As per Clause 3, interest at 18% per annum, calculated monthly at 1.5% on the outstanding principal, would accrue from the

date of each disbursement. Clause 1.4 expressly provided that failure by the Corporate Debtor to repay the amounts availed, along with interest, within 60 days would be deemed a material default of the terms of the Agreement.

(v) Clause 5 of the Agreement provided the following as events of default in repayment: (a) non-payment of interest or principal on the due dates; (b) misrepresentation or breach of any terms of the Agreement; (c) insolvency, liquidation or bankruptcy of the Borrower; and (d) any material adverse change in the financial condition of the Corporate Debtor. Upon the occurrence of an event of default, the Financial Creditor was entitled to: (a) demand immediate repayment of the entire outstanding amount; (b) levy default interest as per Clause 3; (c) invoke and sell the pledged shares to recover dues; and (d) initiate legal proceedings for recovery.




(vi) Furthermore, Clause 6 of the Agreement contained the security arrangement, under which the Corporate Debtor pledged 100% of its issued and paid-up equity shares, comprising 29,55,400 equity shares of Rs.10/- each, in favour of the Financial Creditor, thereby securing the principal and interest amount. The Clause further mandated the Corporate Debtor to deliver duly signed share certificates and to execute the share pledge documents with the Agreement. The Financial Creditor was conferred the right to invoke the pledge and sell the pledged shares upon the occurrence of an event of default, without further consent from the Corporate Debtor.

(vii) The maximum period of repayment of the loan amount, being 60 days from the date of disbursement, as stipulated in Clause 1.2 of the Agreement, expired on 31.10.2025. Despite the same, the Corporate Debtor failed to repay the outstanding loan amount along with the accrued interest.

(viii) Consequently, the Financial Creditor issued a letter dated 01.11.2025, calling upon the Corporate Debtor to clear the outstanding dues of Rs.1,08,15,863/- towards the loan amount, including interest, calculated up to 01.11.2025.

(ix) Thereafter, the Corporate Debtor, vide its letter dated 21.11.2025, acknowledged the business transaction and assured the Financial Creditor that it would comply with the terms of the Agreement. Notwithstanding such acknowledgment and assurances, the Corporate Debtor failed to remit the outstanding amounts.

(x) In view of the continued default, the Financial Creditor issued a Legal Demand Notice dated 23.12.2025, calling upon the Corporate Debtor to repay the outstanding amount of Rs.1,10,85,123/-, comprising the disbursed loan amount of Rs.1,05,00,000/- and accrued interest of Rs.5,85,123/- calculated at 18% per annum from 01.09.2025 till 22.12.2025, as reflected in the records of the Financial Creditor.

(xi) Despite issuance of the Legal Demand Notice, as well as several meetings and reminders, the Corporate Debtor has failed to repay the outstanding financial debt. On account of failure of the

Corporate Debtor to repay the same within the stipulated period, an amount of Rs.1,13,95,808/- has accordingly become due and payable, inclusive of accrued interest till 20.02.2026.

(xii) As per Part-IV of Form-1, the amount claimed to be in default and the date of default are Rs.1,13,95,808/- and 31.10.2025, respectively. The relevant extract of the Part IV of Form-1 is reproduced below:

<table>
<tr><td>2.</td><td>AMOUNT CLAIMED TO BE IN DEFAULT</td><td>Rs. 1,05,00,000/-, along with interest @ 18 % p.a.<br>The breakup of the claimed amount is provided in the table below:<br><table><tr><th>S.NO.</th><th>NATURE</th><th>AMOUNT (Rs.)</th></tr><tr><td>1.</td><td>Loan amount disbursed</td><td>1,05,00,000</td></tr><tr><td>2.</td><td>Accrued Interest @18% p.a. from 01.09.2025 to 20.02.2026</td><td>8,95,808</td></tr><tr><td></td><td>Total</td><td>1,13,95,808</td></tr></table></td></tr>
<tr><td>3.</td><td>DATE ON WHICH DEFAULT OCCURED</td><td>The Corporate Debtor defaulted on 31.10.2025. The liability was also acknowledged by the Corporate Debtor vide its Reply dated 21.11.2025.</td></tr>
</table>

(xiii) A clear financial debt is thus, due and payable by the Corporate Debtor, which has been duly disbursed, acknowledged by the Corporate Debtor and has remained unpaid beyond the due date. Therefore, the present Petition is filed seeking initiation of CIRP against the Corporate Debtor under Section 7 of the Code.

(xiv) In support of the above, the following documents have been annexed with the Petition:

(a) Copy of Master Data of the Corporate Debtor available with the Ministry of Corporate Affairs as Annexure-1 at Pages 33-54 of the Petition;

(b) Copy of the Loan Agreement dated 27.09.2025 as Annexure-2 at Pages 55-58 of the Petition;

(c) Copy of disbursal receipt evidencing credit of the loan amount to the account of the Corporate Debtor as Annexure-3 at Page 59 of the Petition;

(d) Copy of ledger account of the Corporate Debtor as maintained by the Financial Creditor along with Bank Statement as Annexure-4 at Pages 60-63 of the Petition;

(e) Copy of letter dated 01.11.2025 issued to the Corporate Debtor as Annexure-5 at Page 64 of the Petition;

(f) Copy of letter dated 21.11.2025 issued by the Corporate Debtor as Annexure-6 at Page 65 of the Petition;

(g) Copy of legal demand notice dated 23.12.2025 issued to the Corporate Debtor as Annexure-7 at Pages 66-67 of the Petition;

(h) Copy of Record of Default with National E-Governance Services Limited (hereinafter referred to as the **"NeSL"**) as Annexure-8 at Pages 68-69 of the Petition;

(i) Copy of Form-D with NeSL as Annexure-9 at Pages 70-76 of the Petition.

10. During the hearing dated 04.09.2026, it was observed that the Financial Creditor had served a copy of the Petition on an incorrect email ID, i.e., shyameng.construction@gmail.com, instead of the registered email ID of Corporate Debtor i.e., shayameng.construction@gmail.com, thereby failing to comply with the requirement of serving a copy of the Petition on the Corporate Debtor prior to its filing before this Adjudicating Authority. The Financial Creditor sought and was granted time to serve a copy of the Petition at the registered address of the Corporate Debtor through Speed Post and to file proof of such service.

11. During the hearing dated 11.09.2026, the Financial Creditor submitted that it had sent a copy of the Petition to the Corporate Debtor through email and Speed Post, and that the same was pending scrutiny before the Registry. The Financial Creditor sought time to bring the same on record.

12. Pursuant to the order dated 04.09.2026 and 11.09.2026, the Financial Creditor vide Diary No. 1739 dated 11.09.2026, filed an Affidavit of Proof of Service dated 08.09.2026, enclosing the email dated 05.09.2026 and the Speed Post receipt.

13. During the hearing dated 30.09.2026, the Corporate Debtor submitted that the Vakalatnama and Counter had been e-filed and were pending scrutiny before the Registry.

**REPLY FILED BY THE CORPORATE DEBTOR:**

14. The Corporate Debtor, vide Diary No.1931 dated 06.10.2026, filed its reply dated 29.09.2026 contending that the Petition is liable to be dismissed on the following grounds:

(i) There exists no debt in the present case, as the Financial Creditor failed to fulfil its reciprocal promises and assurances on the basis of which assistance was availed. The transaction in question was not an isolated lending transaction, but arose in the backdrop of a business and commercial relationship, wherein the parties agreed that the Financial Creditor would fund the Corporate Debtor's purchase of coke and coal, which the Financial Creditor would thereafter, buy back for sale in the market at a premium. The Corporate Debtor was to receive 15% of the purchase amount of the coke and coal, excluding the interest component deductible from the amount payable to the Corporate Debtor.

(ii) Pursuant to a Loan Agreement dated 27.09.2025 entered by the parties herein, the Financial Creditor was required to provide an amount of Rs.5,00,00,000/-, however only Rs.1,05,00,000/- was disbursed, with an assurance that a further amount of Rs.45,00,000/- would be paid within 15 days and that the balance thereafter, would be paid to the extent of Rs.5 Crore. Despite

repeated requests by the Corporate Debtor, no further amounts were paid; instead, the Financial Creditor demanded repayment of the amount disbursed. Since the Financial Creditor has failed to fulfil its reciprocal promises, no amount is due or payable to it.

(iii) It was in pursuance of the aforesaid commercial understanding that a sum of Rs.1,05,00,000/- was disbursed to the Corporate Debtor, as reflected in the Agreement. The said assistance was thus, extended in connection with the contemplated procurement and sale of coke & coal. The non-implementation of aforesaid arrangement amounts to resiling from obligations, and the Financial Creditor cannot push the Corporate Debtor into a commercial arrangement and thereafter, fail to comply with its terms. There is no default on the part of the Corporate Debtor, but the alleged default is the creation of the Financial Creditor itself.



(iv) Further, in the letter dated 21.11.2025, which was relied upon by the Financial Creditor as Annexure-6, the Corporate Debtor expressly stated that the amount availed was "a part of a business transaction" which had "taken more time than required" and expressed its expectation of concluding the matter and complying with the terms of the Agreement. This contemporaneous communication cannot be divorced from the commercial arrangement or selectively relied upon merely as an acknowledgment of an outstanding loan without considering the circumstances, in which the amount had been availed.

(v) The Financial Creditor has presented the transaction primarily as a straightforward loan disbursement followed by non-payment, which does not disclose the complete commercial circumstances in which the transaction was entered into. The longstanding relationship between the parties, the contemplated arrangement for procurement and sale of coke and coal, the proposed commencement of business operations and the subsequent failure of said arrangement are material circumstances having a direct bearing upon the alleged default, and the Financial Creditor is required to establish the precise contractual and commercial basis upon which the disbursement was made.

(vi) The letter dated 21.11.2025 cannot be selectively construed as an unconditional admission of the entire amount claimed; it merely records that the amount availed formed part of a business transaction, which had taken longer than anticipated. The said communication must be read in its entirety and in the context of the commercial arrangement and the circumstances, in which the contemplated business activity could not be implemented.

(vii) The Financial Creditor has claimed in Part-IV of Form-1 that an amount of Rs.1,13,95,808/- was outstanding up to 20.02.2026, whereas the Record of Default issued by the NeSL reflects a different figure of Rs.1,12,56,000/-, with the date of default stated as 31.10.2025. This discrepancy is significant, as the Financial Creditor seeks commencement of CIRP on the basis of a particular alleged financial debt and default, which must necessarily be

capable of being identified and established from the documents relied upon by it.

(viii) The Financial Creditor has not placed before this Adjudicating Authority a complete, consistent and properly reconciled documentary record establishing the alleged financial debt and default. This Petition proceeds substantially, on the basis of subsequent non-payment without adequately disclosing the commercial arrangement pursuant to which financial assistance was extended, the role contemplated for the Financial Creditor in relation to procurement and sale of coke and coal, the failure of said arrangement to materialise, and the consequent non-commencement of proposed business operations of the Corporate Debtor. Therefore, this Petition does not warrant admission and the relief sought ought not to be granted on account of incomplete factual presentation and unreconciled computation of the alleged dues, including the fact that the disbursement preceded the execution of the Agreement.

15. The Counsel for the Financial Creditor vide Diary No.1974 dated 09.10.2026, filed the NOC and Vakalatnama.

16. During the hearing dated 14.10.2026, the Financial Creditor sought and was granted time to file an affidavit stating that the Financial Creditor is not a related party to the Corporate Debtor in terms of Section 5(24) read with Section 5(24A) of the Code. The Financial Creditor vide Diary No.2033 dated 14.10.2026, filed a Memo clarifying that the relationship

between the Financial Creditor and the Corporate Debtor does not fall within the definition of a related party under Section 5(24) of the Code.

**ANALYSIS AND FINDINGS:**

17. We have heard the submissions of the learned Counsels for the Financial Creditor and the Corporate Debtor and have also perused the records carefully.

18. The first issue before us is "**Whether the present Petition is filed within the period of limitation?**"

(i) As per Part-IV of Form-1 of the Petition, the date of default is mentioned as 31.10.2025.

(ii) The present Petition was e-filed on 26.03.2026 and physically filed on 27.08.2026 vide Diary No. 1650.

(iii) Since the Petition has been filed within three years, we are of the considered view that the present Petition has been filed well within the limitation period.

19. The next issue that arises before us is **"Whether there is a financial debt and default in repayment thereof, when it became due and payable, which meets the minimum threshold limit of Rupees one crore, as required under Section 4 of the IBC?"**

(i) As per Part IV Form-I of the Petition, the Financial Creditor has stated the amount claimed to be in default as Rs.1,13,95,808/-, comprising the principal outstanding and accrued interest, and as

evidence of default of the financial debt, has enclosed the following documents:

**Loan Agreement dated 27.09.2025:**

(ii) As per the above Agreement, the Corporate Debtor requested the Financial Creditor to extend a loan of Rs.5,00,00,000/- for the purchase of coal and coke required for its EPC projects and business operations. It was agreed that the loan amount would be disbursed at the request of the Corporate Debtor and repaid, along with interest at the rate of 1.5% per month, within a period of 60 days. The Corporate Debtor was permitted to request a single tranche not exceeding 50% of the sanctioned loan limit of Rs.5,00,00,000/-. It was also agreed that no further amount would be disbursed until the amount already availed was repaid. The Agreement also records that the Financial Creditor had disbursed an amount of Rs.1,05,00,000/- to the Corporate Debtor on 01.09.2025 and that failure to repay the said amount in accordance with the agreed terms would constitute an event of default under the Agreement. The relevant clauses of the Agreement are reproduced below:

1.1 The Lender agrees to provide a loan upto ₹5,00,00,000/- (Rupees Five Crore only) to the Borrower for its requirements.

1.2 The Loan Amount shall be disbursed after a request is made by the Borrower. It is agreed that each tranche paid by the Lender on Borrowers request shall be repaid back along with interest at the rate of 1.5 percent per month within a period of 60 days from the date of disbursal.

1.3. It is agreed between the parties that the parties that the Borrower shall at each time be permitted to request for one tranche of payment not exceeding 50 percent of the limit as mentioned in Clause 1.1 of the Agreement. It is agreed that till the amounts availed are not returned, the Borrower shall not be entitled to any further amounts under the terms of this Agreement.

1.4. It is agreed that in case the Borrower fails to repay the amounts so availed under this Agreement within a period of 60 days along with interest, it will be deemed a material default of the terms of the Agreement.

1.5. The lender disbursed an amount of ₹1.05.00,000/- (Rupees One Crore Five Lakh Only) on 01.09.2025 via RTGS, bearing transaction details RTGS-HDFCR52025090156596947-GARUDA INDUS. It is agreed that any failure to repay the said amount as per terms of this agreement shall be deemed as event of default of this Agreement.

(iii) The Bank Account Statement of the Financial Creditor showing disbursal of Rs. 1,05,00,000/- to the Corporate Debtor is as below:



HDFC BANK

We understand your world

M/S. GARUDA INDUSTRIES
25-1-20/65-301 DEVI SAI ENCLAVE
PLOT NO HIG-13 GAJUWAKA WARD-52 (V)
VISAKHAPATNAM (U) (MANDAL)
VISAKHAPATNAM 530026
ANDHRA PRADESH

JOINT HOLDERS

Nomination : Registered

Account Branch : BEACH ROAD
Address : GROUND FLOOR, DOOR NO:1-64 & 65, ASST NO 30254 & 30255, CHINAWALTAIR BLOCK NO35, BEACH ROAD,
City : VISAKHAPATNAM
State : ANDHRA PRADESH
Phone no. : 18002600/18001600
OD Limit : 0 Currency : INR
Email : GARUDAINDUSTRIESS@GMAIL.COM
Cust ID : 1371469554
Account No : 50292323242323 Preferred Customer
A/C Open Date : 31/12/2019
Account Status : Regular
RTGS/NEFT IFSC : HDFC0009229 MICR : 530240015
Branch Code : 9229
Account Type : CURRENT-RETAIL (837)

XXXXXXX

| | | | | | |
|---|---|---|---|---|---|
| 01/09/25 | [illegible] | HDFCR52025090156596947 | 01/09/25 | 10,500,000.00 | [illegible] |

(iv) As per the Agreement, failure to pay the principal amount or interest on the respective due dates constitutes an event of default. In the event of such default, the Financial Creditor is entitled to demand immediate repayment of the entire outstanding amount, levy default charges in accordance with the terms of the Agreement, invoke and sell the pledged shares, and initiate appropriate legal proceedings. The relevant extracts of the Agreement are reproduced below:

**5. EVENT OF DEFAULT**

5.1 The following events shall constitute an Event of Default:

- Non-payment of interest or principal on due dates;
- Misrepresentation or breach of any terms of this Agreement;
- Insolvency, liquidation, or bankruptcy of the Borrower;
- Any material adverse change in the financial condition of the Borrower.

Upon occurrence of any Event of Default, the Lender shall have the right to:

- Demand immediate repayment of the entire outstanding amount;
- Levy default interest as per Clause 3;
- Invoke and sell the pledged shares to recover dues;
- Initiate legal proceedings for recovery.

(v) Pursuant to Clause 1.2 of the Agreement, the Financial Creditor, vide letter dated 01.11.2025, demanded repayment of the outstanding amount of Rs.1,08,15,863/- from the Corporate Debtor. In response, the Corporate Debtor, vide letter dated 21.11.2025, acknowledged the demand and assured the Financial Creditor that it would comply with the terms of the Agreement. The relevant extracts of the aforesaid letters are reproduced below:

# GARUDA INDUSTRIES

Plot No. HIG - 13, Devi Sai Enclave, Gajuwaka, Visakhapatnam - 530 026. (A.P.),
E-mail : garudaindustriess@gmail.com
PAN No. AEOPT6660B GSTIN : 37AEOPT6660B1Z5

To,

Date: 01.11.2025

Shyam EPC Private Limited
D.No:47-11-34, Flat -301, 2nd Line
Dwarakanagar, Visakhapatnam-530016
Andhra Pradesh.

Subject : Repayment of Loan Amount of Rs. 1,05,00,000/- as per clause 1.2 of Agreement dated 27th September 2025 -Ref

Dear Sir,

You had taken a facility of Rs. 1,05,00,000/- (Rupees One Crore Five Lakh Only) for a maximum period of 60 days. Such a period of 60 days has expired on 31.10.2025. Our team communicated with your accounts department recently but were not given any clarity on repayment. As the term has ended, you may please transfer the outstanding amount at the earliest. Amount outstanding in our books is Rs. 1,08,15,863 (Rupees One Crore Eight Lakh Fifteen Thousand Eight Hundred Sixty-Three Only) including interest as on date.

Please do the needful.

For Garuda Industries

Authorised Signatory
Deepak Kumar Thyari Rajagopal
Proprietor

SEPC M/s. SHYAM EPC PVT. LTD.

EPC CONTRACTS | FOUNDATIONS | BOILER WORK | OPERATIONS & MAINTENANCE | STEEL PLANT | ALLIED BUSINESS

Date: 21.11.2025

**To,**

**Deepak Kumar Thyari Rajagopal**

Dear Deepak ji,

As informed to you, the amount availed was a part of a business transaction which has taken more time than required. We are hopeful of concluding this issue. We assure you that we will comply with the terms of agreement.

**Regards**

**Shyam EPC Private Limited**

(vi) The Financial Creditor further issued a legal demand notice dated 23.12.2025 under Clause 5 of the Agreement for non-repayment of loan amount, and demanding repayment of the outstanding loan amount of Rs. 1,10,85,123/- including interest till 22.12.2025 from the Corporate Debtor. The extract of the notice is reproduced below:

# GARUDA INDUSTRIES

Plot No. HIG - 13, Devi Sai Enclave, Gajuwaka,Visakhapatnam - 530 026. (A.P.).
E-mail : garudaindustriess@gmail.com
PAN No. AEOPT6560B GSTIN : 37AEOPT6560B1Z5

To,
Shyam EPC Private Limited
D.No.47-11-24, Flat -301, 2nd Lane
Dwarakanagar, Visakhapatnam-16
Andhra Pradesh.

Date: 23.12.2025

Subject : Legal Demand Notice for Non-Repayment of Loan amount of Rs. 1,05,00,000/- along with interest payable thereon @ 18% per annum, in continuation to Letter dated 01.11.2025

Sir,

The undersigned, Garuda Industries, having its office at D.No:25-1-20/6/5, 301, Plot No : HIG-13, Devi Sai Enclave, Gajuwaka, Visakhapatnam-530026, Andhra Pradesh, hereby serve upon you the present legal demand notice, in continuation to our Letters dated 01.11.2025 as well as your Reply dated 21.11.2025, the contents of which is as under:

1. That a sum of Rs. 1,05,00,000/- (Rupees One Crore Five Lakh Only) was advanced to Shyam EPC Private Limited on 01.09.2025 for a maximum period of 90 days.

2. As per the Loan Agreement dated 27.09.2025, the said loan amount was required to be repaid on or before the period specified in clause 1.2 of the said Agreement. Accordingly, a letter dated 01.11.2025 was issued to you for the immediate release of the outstanding amount. You requested sometime to make payment.

3. Relying upon the assurance given to you to release the payment, sometime was granted to you. Now the outstanding is Rs. 1,10,85,123 (Rupees One Crore Ten Lakhs Eighty-Five Thousand One Hundred Twenty-Three Only) including interest till 22.12.2025, however, you have not made payment. Meeting also happened with your management and you assured us of payment.

4. That despite various requests and reminders for the repayment of the outstanding amount, you have failed to make the outstanding payment. Your failure to repay the amount has triggered clause 5 of the said agreement thus as per the terms of the agreement, the undersigned is constrained to issue the present demand notice.

5. Therefore, through this demand notice, you are hereby called upon to repay the outstanding loan amount of Rs. 1,05,00,000/- along with an interest @ 18% per annum within 15 days from the date of receipt of this demand notice, failing which the undersigned shall be constrained to initiate appropriate legal proceedings against you at your risk as to cost and consequences, without any further reference to you.

6. This notice is being issued to you without prejudice to any other rights and remedies available to our client under law.

You are advised to treat this notice with the seriousness it deserves.

For Garuda Industries

Authorised Signatory
Deepak Kumar Tiwari Rajagopal
Proprietor

**Copy of NeSL Report:**

(vii) The Financial Creditor has enclosed at pages 70 to 76 of the Petition, Form-D Record of Default issued by the NeSL in respect of debt, wherein the status of Authentication of Default in Form-D is shown as "Deemed to be Authenticated" with the Date of Default stated to be 31.10.2025 and the default amount is Rs.1,12,56,000/. The relevant extract of the Form-D is reproduced below:

NeSL NATIONAL E-GOVERNANCE SERVICES LIMITED

FORM D

RECORD OF DEFAULT(RoD)

*[Issued By information utility under sub- regulation (4) of regulation 21 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017]*

This Record of Default is issued to the Financial Creditor M/s DEEPAKKUMAR THYARI RAJAGOPAL in respect of the default of debt as per details given below-

| | | |
|---|---|---|
| (a) | Name of the Submitter: | M/s DEEPAKKUMAR THYARI RAJAGOPAL |
| (b) | Schedule-2 Bank (Y/N): | N |
| (c) | Name of Corporate Debtor: | M/s SHYAM EPC PRIVATE LIMITED |
| (d) | Unique Debt Identifier Number: | AEOPT6660B_006005015073/1 |
| (e) | Registered Address: | N.A |
| (f) | Total Outstanding Amount: | INR 11256000.00 |
| (g) | Default Amount: | INR 11256000.00 |
| (h) | Submission ID: | 1 |
| (i) | Date of Default: | 31-10-2025 |
| (j) | Status of Authentication of Default: | DEEMED TO BE AUTHENTICATED |
| (k) | Authentication Completed on: | 30-05-2026 00:03:54 |
| (l) | Date of Last Acknowledgement of Debt (AoD): | 21-11-2025 |

** where dispute is pertaining to non-financial information and financial creditor is schedule II bank, the status of authentication will be recorded as Authenticated*

NeSL is authorized to issue this record of default and has accordingly affixed its digital signature, as per the provisions of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, Guidelines for Technical Standards for Performance of Core Services and Other Services and the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2017.

(viii) The Corporate Debtor has contended that the transaction between the Financial Creditor and the Corporate Debtor was not an isolated

or standalone lending transaction, but was undertaken in the backdrop of their business and commercial relationship. However, during the course of hearing on 14.10.2026, the Corporate Debtor has admitted that there is no documentary evidence to substantiate the said contention.

(ix) The Corporate Debtor has disputed the amounts claimed by the Financial Creditor, contending that there are discrepancies between the amounts stated in Part IV of Form-1 of the Petition and the Form-D issued by the NeSL. However, we are not inclined to consider the aforesaid contention raised by the Corporate Debtor, as under Section 7 of the Code, a Financial Creditor can initiate the CIRP by establishing the existence of a financial debt and the occurrence of default in repayment thereof, when the debt became due and payable, provided that the amount of such default satisfies the minimum threshold prescribed under Section 4 of the Code.



(x) In this regard, we rely on the Judgement dated 25.04.2024 of the Hon'ble NCLAT, Principal Bench in the matter of ***Milind Kashiram Jadhav vs. State Bank of India & Ors [Company Appeal (AT) (Insolvency) No. 1589 of 2023]***, wherein it has relied on ***Suzlon Synthetics Ltd. vs. Stressed Asset Stabilization Fund (2022) 145 taxmann.com 594 (NCLAT-New Delhi)*** and held that there is no requirement in the adjudication of Section 7 Petition to calculate and fix the exact amount of debt in default of repayment. The relevant extracts of the above Judgment are reproduced below:

54. It is an admitted fact that the Corporate Debtor owes Rs. 46.80 crores to the financial creditor, though the Appellant has been claiming that as per the Statement Of Account (SOA) the Financial Creditor has attached incorrect and fabricated SOA. Without going into the exact amount of the debt, it is an admitted fact that the debt was Rs.46.80 crores as on the date of declaration of NPA i.e. 27.09.2019. This amount is more than the threshold of Rs.1 crore and is enough for initiating proceedings. There is no requirement to calculate and fix the exact amount of repayment, this has been **held** by this Tribunal as under:

> "14. In so far as the facts included in the Section 7 application in Form 1 application is concerned, the Financial Creditor has to provide information about the debt which is due and payable and also the date and record of default. **There is no requirement in the adjudication of Section 7 application to calculate and fix the exact amount of debt in default of repayment.** It is only to be seen whether the amount in default is more than the minimum or threshold value that is prescribed in Section 4(1) of the IBC."
>
> ***[Company Appeal (AT) (Ins.) No. 662-663 of 2022: Suzlon Synthetics Ltd. v. Stressed Asset Stabilization Fund (2022) 145 taxmann.com 594 (NCLAT-New Delhi)]***
>
> *[Emphasis supplied]*

(xi) Hon'ble Supreme Court in its recent Judgement dated 15.10.2026 in ***Deepak Raheja & Anr. vs. Omkara Assets Reconstruction Private Limited & Anr.*** (Civil Appeal No. 12195 of 2025) has also held that for the purpose of Section 7 Petition, this Adjudicating Authority is concerned with the existence of debt and default and not required to determine the exact outstanding liability as a civil court. The relevant extract of the aforesaid Judgment is reproduced below:

> 43. Section 7(4) of the Code requires the Adjudicating Authority to ascertain the existence of a default within fourteen days of receipt of the application. That timeline is unintelligible if "**ascertainment**" is read to mean a full **reconciliation** of every contested ledger entry, every interest-rate reset and every rupee of appropriation across separate facilities spanning

> several years. The fourteen day window is the period allotted for a summary determination of a historical fact, and the legislature in prescribing this time has itself implicitly indicated the nature of the enquiry it contemplates. For the purposes of Section 7, therefore, the Adjudicating Authority is concerned only with the existence of a financial debt and the occurrence of default. It is not required to determine, to the last rupee, the exact outstanding liability, as a civil court would in a suit for recovery of money.

(xii) In view of the aforesaid discussions, and upon consideration of the material available on record, we are of the considered view that there is a financial debt extended by the Financial Creditor to the Corporate Debtor and there is a default in repayment thereof, when it became due and payable. We also observed that the amount in default exceeds the minimum threshold limit of Rupees one crore, as prescribed under Section 4 of the Code. Accordingly, the present Petition filed under Section 7 of the IBC needs to be admitted under the provisions of the Code.

20. However, before admission, this Adjudicating Authority has to satisfy that the Petition is complete and there are no disciplinary proceedings pending against the proposed Interim Resolution Professional (hereinafter referred to as the "**IRP**"). Further, Rule 4 of the IB Rules prescribes the procedural requirements, including the format and supporting documents required for filing such a Petition.

21. We have gone through the contents of the Petition filed by the Financial Creditor and found that the same is complete. The Financial

Creditor has proposed the name of Mr. Srinivas Gudla Rao, having Reg. No. IBBI/IPA-001/IP-P-02093/2020-2021/13333 as IRP in this matter. The written consent of the proposed IRP in Form 2 dated 17.02.2026 is annexed at pages 77 to 78 of the Petition, wherein, the proposed IRP affirmed that he is eligible to be appointed as an IRP in respect of the Corporate Debtor herein and certified that there are no disciplinary proceedings pending against him with the Board or Indian Institute of Insolvency Professionals of ICAI. The AFA annexed to the Petition at page 79 shows the validity up to 30.06.2027.

22. As a sequel to the discussion above, the present Petition filed by the Financial Creditor under section 7 of the IBC for initiating CIRP against the Corporate Debtor, Shyam EPC Private Limited, is hereby admitted and accordingly, the moratorium is declared in terms of Section 14 of the Code:

(i) Moratorium under Section 14(1) for prohibiting 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 judgement, 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 Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 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.

(ii) It is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearance 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, concession, clearances or a similar grant or right during the moratorium period;

(iii) The supply of essential goods or services to the Corporate Debtor, as may be specified, shall not be terminated or suspended or interrupted during moratorium period, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances, as may be specified.

(iv) The provisions of sub-section of Section 14(1) 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; and also, to a surety in a contract of guarantee to a corporate debtor.

(v) It is clarified that the provisions of Section 14(1) of the Code shall also apply, where the surety seeks to initiate or continue any action or proceedings against the Corporate Debtor pursuant to the Contract of Guarantee.

(vi) The order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 as the case may be.

23. We also appoint Mr. Srinivas Gudla Rao; Regn. No. IBBI/IPA-001/IP-P-02093/2020-2021/13333; email: gudlasrinivasrao@gmail.com having registered address at 6-20-20/3, Flat No. 201, Aqua Towers, East Point Colony, Back Gate Chaitanya College, Visakhapatnam-530017, Andhra Pradesh, as IRP in this matter, with the following directions:

(i) The term of appointment of Mr. Srinivas Gudla Rao shall be in accordance with the provisions of Section 16(5) of the Code;

(ii) The aforesaid IRP shall also submit an affidavit to this Adjudicating Authority within 7 days of this Order that he is eligible to be

appointed as IRP under Regulation 3 of the IBBI (Insolvency Resolution Process for Corporate Persons), Regulations, 2016;

(iii) The IRP shall make all requisite disclosures as per First Schedule under Regulation 7(2)(h) of the IBBI (Insolvency Professionals) Regulations, 2016 in the first meeting of the CoC;

(iv) In terms of Section 17 of the Code, from the date of this appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs shall vest with the IRP and the officers and the managers of the Corporate Debtor shall report to the IRP, who shall be enjoined to exercise all the powers, as are vested with the IRP and strictly perform all the duties as are enjoined on the IRP under Section 18 and other relevant provisions of the Code, including taking control and custody of the assets, over which the Corporate Debtor has ownership rights recorded in the balance sheet of the Corporate Debtor, etc. as provided in Section 18(1)(f) of the Code. The IRP is directed to prepare a complete list of the inventory of assets of the Corporate Debtor;

(v) The IRP shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government and in accordance with the Code of Conduct governing his profession and as an Insolvency Professional with high standards of ethics and moral;

(vi) The IRP shall cause a public announcement immediately (but not later than three days from the date of his appointment) in terms of

Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 read with Section 13(1)(b) and Section 15 of the Code;

(vii) The IRP/ RP shall prepare the Audited Financial Statements as on date of the CIRP and shall submit before the CoC for consideration.

(viii) The IRP/ RP shall also ensure that all the assets appearing in the Financial Statements on the CIRP date have been considered in the valuation report. The IRP/ RP shall send individual communication through post or electronic means along with a copy of public announcement to all the creditors as per last available books of accounts/ financial statements on the CIRP date of Corporate Debtor as prescribed under Regulation 6A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

(ix) The Corporate Debtor, its Directors, personnel and the persons associated with the management shall extend all cooperation to the IRP/ RP in managing the affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor.

(x) The suspended Board of Directors is directed to give complete access to the books of accounts of the Corporate Debtor maintained under Section 128 of the Companies Act, 2013. In case, the books are maintained in the electronic mode, the suspended Board of

Directors are to share with the IRP/ RP all the information regarding maintaining the backup and regarding service provider kept under Rule 3(5) and Rule 3(6) of the Companies (Accounts) Rules, 2014 respectively as effective from 11.08.2022 and amended from time to time, especially the name of the service provider, the internet protocol of the service provider and its location, and also address of the location of the books of accounts maintained in the cloud. In case accounting software for maintaining the books of accounts is used by the Corporate Debtor, then IRP/ RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs. A reference is made to the provisions of Section 128(5) of the Companies Act 2013, whereby every company should maintain its books of accounts for not less than eight financial years immediately preceding a financial year. Minutes and statutory records are the principal documents of the company that should be maintained and preserved since inception.

(xi) In view of the above mandatory provisions, the suspended directors of the board will ensure that the books of accounts for the eight previous financial years preceding the date of this order be made available to the IRP/ RP within 15 days of the initiation of the CIRP order. The statutory auditor is also directed to share the records maintained by him in the course of the audit of the accounts of the Corporate Debtor for the period of three years prior to the date of initiation of this CIRP order within the same period of 15 days.

(xii) In case of any non-cooperation by the suspended Board of Directors or the statutory auditors, the IRP/ RP may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/ RP in implementing this order for retrieval of relevant information from the systems of the Corporate Debtor. The suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the Corporate Debtor, particularly for government portals, for various compliances. The IRP is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.

(xiii) The IRP/RP is directed to approach the government departments, banks, corporate bodies and other entities with request for information/ documents available with those authorities/ institutions/ others pertaining to the Corporate Debtor, which would be relevant in the CIRP. The government departments, banks, corporate bodies and other entities are directed to render the necessary information and cooperation to the IRP/ RP to enable him to conduct the CIRP as per law;

(xiv) The IRP shall, after collation of all the claims received against the Corporate Debtor and the determination of the operational position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying constitution of the Committee to this Adjudicating Authority within two days of verification of claims

received under Regulation 12(1) of the CIRP Regulations, and shall convene first meeting of the Committee within seven days of filing the report of constitution of the Committee;

(xv) The IRP shall also serve a copy of this order to all relevant statutory departments such as Income Tax, GST (Centre and State), Provident Fund, ESI etc. and also to trade unions, and employee associations to inform them about the commencement of CIRP.

(xvi) The IRP is directed to file a regular progress report to this Adjudicating Authority every month.



24. The Financial Creditor is directed to deposit Rs.5,00,000/- (Rupees Five Lakhs Only) with the IRP to meet out the expenditure to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The amount, however, will be subject to adjustment by the Committee of Creditors as to be duly accounted for by IRP and shall be paid back to the Financial Creditor.

25. A copy of this Order shall immediately be communicated to the Financial Creditor, the Corporate Debtor, IBBI, and the IRP named above by the Court Officer/ Registry of this Adjudicating Authority.

26. Accordingly, **CP (IB)/25/7/AMR/2026 stands admitted.**

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **(Umesh Kumar Shukla)** | **(Kishore Vemulapalli)** |
| **Member (Technical)** | **Member (Judicial)** |

*Sankar/ Krishna*