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**IN THE NATIONAL COMPANY LAW TRIBUNAL  
BENGALURU BENCH**

C.P (IB)No.215/BB/2019  
U/s 9 of the IBC, 2016  
R/w Rule 6 of I&B (AAA) Rules, 2016

**In the matter of:**

**M/S REDDARROW COMMUNICATIONS**  
Sree Srinivasa Nilayam,  
#1542/41, 1<sup>st</sup> Floor, South End 'B' Cross,  
9<sup>th</sup> Block, Jayanagar,  
Bengaluru – 560 069.

-  
Petitioner

**Versus**

**M/S. VERACIOUS BUILDERS AND DEVELOPERS PVT LTD**  
No. 302, Oxford Chambers  
Rustum Bagh Main Road,  
Airport Road,  
Bangalore – 560 017

-  
Respondent

**Date of Order : 30<sup>th</sup> July, 2019**

**Coram:** 1. Hon'ble Shri Rajeswara Rao Vittanala, Member (Judicial)  
2. Hon'ble Dr. Ashok Kumar Mishra, Member (Technical)

**Parties/Counsels Present:**

For the Petitioner : Shri Manujuntha, Advocate  
For the Respondent : None

**ORDER**

**Per:** Dr. Ashok Kumar Mishra Member (Technical)

1. C.P.(IB)No.215/BB/2019 is filed by M/s. Reddarrow Communications ('Petitioner') under Section 9 of the IBC, 2016 read with Rule 6 of the Insolvency and Bankruptcy (AAA) Rules, 2016, by inter alia seeking to initiate Corporate Insolvency Resolution Process (CIRP) in respect of Veracious Builders and Developers Private Limited ('Respondent') on the ground that the Corporate Debtor committed a default of Rs. 35,64,175/-



(Rupees Thirty Five Lakhs Sixty Four Thousand One Hundred and Seventy Five Only).

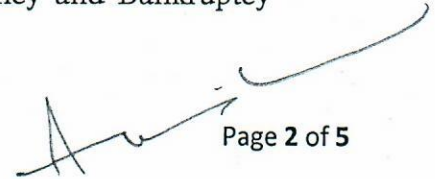
2. Briefs facts of the case, as mentioned in the Company Petition, which are relevant to the issue in question, are as follows:

- 1) M/s. Reddarow Communications (hereinafter referred to as Petitioner) was incorporated under the Companies Act, 1956 having its registered office of Sree Srinivasa Nilayam, # 1542/41 1<sup>st</sup> Floor, South End 'B' Cross 9<sup>th</sup> Block, Jayanagar, Bangalore – 560 069.
- 2) M/s. Veracious Builders & Developers Private Limited (hereinafter referred to Respondent Company) is a Company under the Companies Act, 1956 and incorporated on 19.03.2010. The Nominal Capital Rs.3,00,00,000 and Paid-Up capital of Rs.3,00,00,000.
- 3) The Petitioner submits that the present company petition is filed for non-payment of operation debt of Rs. 35,64, 175/- (Rupees Thirty Five Lakhs Sixty Four thousand One Hundred and Seventy Five only) which is overdue.
- 4) It is stated that the Petitioner has served the Demand Notice in Form No.3 & 4 through Registered Post to the Respondent on 25.01.2019
- 5) It is stated that the Respondent has acknowledged the amount due to the Petitioner on 04.02.2019. But the Petitioner has not received any outstanding debt from the date of serving the demand notice to till date.

3. The Respondent has filed a reply dated 04.02.2019, by inter alia contending as follows:

- 1) We are in receipt of your demand notice dated 10.01.2019 sent by the Petitioner in Form 3 & 4 under Insolvency and Bankruptcy



  
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Code 2016 demanding payment of Rs. 35,64,175/- (Rupees Thirty Five Lakhs Sixty Four Thousand One hundred and Seventy Five).

- 2) The Respondent is going through tough times in business they need time to settle the dues.
4. The case was listed on 25.06.2019, 16.07.2019 and 30.07.2019
5. Heard Shri Manjuaantha, learned Counsel for Petitioner. We have carefully perused the pleadings and extant provisions of the Code.
6. The case was listed for admission on 25.06.2019 and the Tribunal ordered notice for the Respondent. Accordingly the notice was served to the Respondent and the Petitioner filed the proof of service of notice vide memo dated 02.07.2019 by enclosing the notice served to the Managing Director of the Respondent on 01.07.2019 in person. However none appeared for the Respondent.
7. The Learned Counsel for Petitioner has further submitted the Petition is filed in accordance with law and a qualified Insolvency Professional namely Ms. Pratibha Khandelwal, is named as Interim Resolution Professional (IRP) with Registration No.IBBI/IPA-002/IP-N00031/2016-17/10068, is suggested to be appointed as IRP.
8. As stated supra, in pursuance to the demand notice the Respondent had given a reply dated 04.02.2019 by inter-alia accepting the debt and default and requested time to settle the dues. Even though the reply was given on 04.02.2019 the Respondent has not come forward to settle the issue, even after filing the instant company petition. The Learned Counsel for the Petitioner submitted that the Petitioner has followed with the Corporate Debtor repeatedly but the Respondent is always telling the business is passing through tough times. Therefore the Petitioner urged this Tribunal to initiate Corporate Insolvency Resolution Process by appointing IRP.



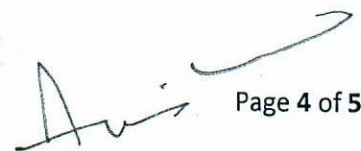
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We have found that the debt in question is not in dispute and the Respondent also failed to avail the opportunity given by this Tribunal. The instant Petition is filed in accordance with law duly establishing debt and default in question, and suitable IRP namely, **Ms. Pratibha Khandelwal**, is named as **Interim Resolution Professional (IRP) with Registration No. IBBI/IPA-002/IP-N00031/2016-17/10068**. Hence, we are of prima facie view that it is a fit case to admit by initiating Corporate Insolvency Resolution Process in respect of Corporate Debtor with consequential orders.

9. In view of the above facts and circumstances of the case, and by exercising powers conferred on this Adjudicating Authority, U/s 9 (5) (1) of the Code, C.P. (IB)No.215/BB/2019 is hereby admitted by initiating Corporate Insolvency Resolution Process (CIRP) in respect of M/s. Veracious Builders and Developers Private Limited (Respondent) with following consequential directions;

- (1) We hereby appoint **Ms. Pratibha Khandelwal**, Insolvency Resolution Professional (IRP) with Registration No. **IBBI/IPA-002/IP-N00031/2016-17/10068** as Interim Resolution Professional in respect of the Corporate Debtor to carry on the functions as per the provisions of Code and various rules issued by IBBI from time to time.
- (2) The following moratorium is declared 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 judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
  - b. transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;
  - c. any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and



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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;
- (3) the supply of essential goods and services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period;
  - (4) the provisions of sub-section (1)g S.14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator;
  - (5) The order of moratorium shall have effect **from the date of this order** till the completion of the Corporate Insolvency Resolution Process.
  - (6) The public announcement of the corporate Insolvency Resolution Process shall be made immediately as specified under Section 13 of the code
  - (7) The IRP is directed to follow all extant provisions of the IBC, 2016 and all the extant rules including fees rules as framed by IBBI from time to time. The IRP is hereby directed to file progress reports to the Tribunal from time to time.
  - (8) The Board of Directors and all the staff of the Corporate Debtor are hereby directed to extend full co-operation to the IRP, in carrying out her functions as such, under the Code and Rules made by IBBI.
  - (9) The IRP is further directed to strictly adhere to the time schedule as mentioned under the code and he is directed to file progress reports from time to time to the Tribunal.
  - (10) Post the case for report of the IRP on 28<sup>th</sup> August, 2019.


  
(ASHOK KUMAR MISHRA)  
MEMBER, TECHNICAL

  
(RAJESWARA RAO VITTANALA)  
MEMBER, JUDICIAL

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CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL

  
Deputy Registrar  
National Company Law Tribunal  
Bengaluru Bench