

**NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(Video Conference)**

PRESENT: SHRI BHASKARA PANTULA MOHAN – HON'BLE ACTING PRESIDENT

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 10.07.2021 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CP(IB) NO. 44/7/AMR/2020
NAME OF THE COMPANY	Sree Naidu Beverages Pvt Ltd
NAME OF THE PETITIONER(S)	State Bank of India
NAME OF THE RESPONDENT(S)	Sree Naidu Beverages Pvt Ltd
UNDER SECTION	7 OF IBC

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

Counsel for Respondent(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

ORDER

Heard. CP (IB) No.44/7/AMR/2020 is allowed, vide separate sheets.

SD/-
(BHASKARA PANTULA MOHAN)
ACTG. PRESIDENT

**NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH**

CP (IB) No.44/7/AMR/2020

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

**In the matter of
M/s. SREE NAIDU BEVERAGES PVT LIMITED**

BETWEEN:

M/s. State Bank of India,
Stressed Assets Recovery Branch,
Administrative Office Campus,
Balajinagar, Siripuram Junction,
Vishakhapatnam - 530003

...Financial Creditor

And

M/s. Sree Naidu Beverages Pvt Limited
Flat No.104, Bhavana Heights,
D.No.6-61-19/17,
Visakhapatnam -530 026

...Corporate Debtor

Order pronounced on 10.07.2021

Coram:

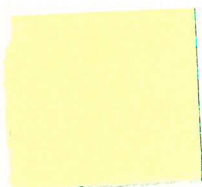
Hon'ble Bhaskara Pantula Mohan, Member (Judicial)

Parties/Counsels present:

For the Financial Creditor	: Ms.Sarvani Desiraju, Advocate
For the Corporate Debtor	: Mrs. K.Durga Bhavani, Advocate

Per:

Mr. Bhaskara Pantula Mohan, Member (Judicial)



ORDER

1. This is a Company Petition filed by '**M/s State Bank of India**' (Stressed Assets Recovery Branch, Visakhapatnam ("in short Financial Creditor")), seeking Corporate Insolvency Resolution Process (CIRP) against '**M/s. Sree Naidu Beverages Pvt Limited,**' (in short "Corporate Debtor"), under Section 7 of the Insolvency and Bankruptcy Code, 2016 Read with Rule 4 of the Insolvency and Bankruptcy (AAA) Rules 2016.
2. The brief facts of the case as submitted by the petitioner are as under:
 - a) The Financial Creditor is a "Commercial Bank" a well-Recognised Bank and has garnered reputation since its incorporation and submits that the Corporate Debtor viz. **M/s. Sree Naidu Beverages Pvt Limited** is a processing and marketing of packaged drinking water & soda and is the authorized franchisee for Bagpiper & Directors Special packaged drinking water & soda. Thereon the Corporate Debtor has signed Franchise Agreement on 01.10.2015 with United Spirits Ltd for a period of 3 years from the date of signing the Agreement, the firm will process the ground water through various purification process and then pack them in PET bottles of ½ litre and 20 litres capacity and soda in 600 ml Pet Bottles all through an automatic rinsing, filling, capping, shrinking and packing in corrugated boxes.
 - b) The Financial Creditor submits that the Corporate Debtor approached the Financial Creditor on 30.01.2015 for a financial assistance of Rs.7.30 Crores (Consisting of

Rs.0.30 Crores towards working capital and Rs.7.00 Crores for acquisition of fixed assets) under Asset Backed Loan Scheme and on 16.03.2015 the Financial Creditor was sanctioned loan for Rs.7.30 Crores (Rs.7.00 Crores for acquisition of plant & machinery and Rs.0.30 Crores for working capital) for a period of 96 months with a moratorium period of 6 months during which interest is to be serviced and the facility has to be liquidated within 90 months starting from August 2015 and the Corporate Debtor have to repay the entire amount within a period of 96 months including a moratorium period of 6 months. The Corporate Debtor executed the loan agreement for the same pursuant to its Board Resolution to avail the Credit facility. The Corporate Debtor in its Board Meeting held on 02.02.2015 had resolved to avail the sanctioned financial assistance to provide/furnish security for credit facilities and authorised its directors to jointly and/or several sling, execute and deliver all the agreements & documents for the purpose of the same.

- c) The Financial Creditor submits that the first instalment was released on 18.03.2015 and last instalment was released on 23.06.2015, originally the firm was expected to start its production during the month of September, 2015 but due to delay in installation of machinery and equipment, the Corporate Debtor started its production in the last week of January, 2016 and requested for extension of moratorium period for 6 months. As per the request of the Corporate Debtor, the moratorium period extended by another 6 months i.e., up to March, 2016.

- d) The Financial Creditor submits that the Corporate Debtor approached SBI, Anakapalli Branch to enhance working capital limits from Rs.30 Lakhs to Rs.130 Lakhs and to extend the term loan repayment period from 96 months to 144 months including moratorium period, but the Corporate Debtor was not in a position to comply the stipulations made by the Financial Creditor for the said enhancement and extension. Further the Corporate Debtor Account became NPA on 28.07.2016 due to non-payment of interest and instalments and issued Demand Notice U/s 13 (2) of SARFAESI Act, on 30.07.2016 and issued Possession Notice U/s 13(4) on 30.09.2016 and the same was published in newspapers on 06.10.2016.
- f) The Financial Creditor submits that an Application filed before the DRT, Visakhapatnam for recovery of dues on 12.12.2017. On 31.07.2019, the DRT, Visakhapatnam passed an order for recovery of the dues to the Bank.
- g) The Financial Creditor further submits that the Corporate Debtor approached the Financial Creditor for compromise settlement for Rs.6.25 Crores and Financial Creditor accorded in principle approval and agreed to process the proposal subject to payment of an upfront amount of Rs.1.00 Crore but the Corporate Debtor was not deposited the upfront amount of Rs.1 Crore. Hence, the Financial Creditor could not process the Compromise Proposal.
- h) The Financial Creditor submits that the total outstanding due amount is Rs.11,16,60,123/- (Rupees Eleven Crores Sixteen Lakhs Sixty Thousand One Hundred and Twenty

Three Only) consisting of Principal of Rs.7,40,68,687/- along with interest of Rs.3,72,24,069/- and other debits Rs.3,67,367/- as on 11.03.2020. The Financial Corporate Debtor further submitted that the Corporate Debtor had intentionally delayed and defaulted in the payment of total outstanding dues as mentioned and ignored the requests of Financial Creditor.

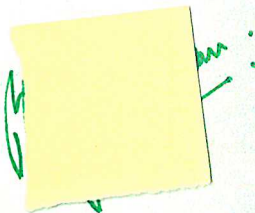
- k) Reiterating the above, the learned Counsel for the Financial Creditor has prayed to admit the present petition.
3. The Corporate Debtor filed their counter and submitted that the Corporate Debtor approached the Financial Creditor on 30.01.2015 for a financial assistance of Rs.7.30 Crores under Asset Backed Loan Scheme and the same was sanctioned by the Financial Creditor with a moratorium period of 6 months and further their request the Financial Creditor extended the moratorium period for another 6 months up to March, 2016.
 4. The Corporate Debtor further submitted in their counter that they are requested the Financial Creditor to enhance working capital limits from Rs.30 Lakhs to Rs.130 Lakhs and to extend the Term Loan repayment period from 96 months to 144 months including moratorium period, but the Corporate Debtor was not in a position to comply the stipulations made by Financial Creditor for the said enhancement and extension.
 5. The Corporate Debtor further submitted in their counter and denied the material allegations that the Corporate Debtor has approached Financial Creditor for compromise settlement for Rs.6.25 Crores. The Financial Creditor accorded in-principal approval and agreed

to process the proposal subject to payment of an upfront amount of Rs.1 Crore.

6. The Corporate Debtor submitted in their counter and denied that the claim amount of Rs.11,16,60,123/- (Rupees Eleven Crores Sixteen Lakhs Sixty Thousand One Hundred and Twenty Three Only) claimed by the Financial Creditor.
7. The Corporate Debtor further submitted in their counter that the allegations of Financial Creditor made in the petition are that the Corporate Debtor had intentionally delayed and defaulted and ignored the request of Financial Creditor with the intention to evade the payments and diversion of funds, routing of funds are denied and prays time of 6 months for the settlement, consider OTS of Rs.6.25 Crores as the settlement amount.
8. Reasonable opportunities had been extended to the Corporate Debtor for settlement with the Financial Creditor, but the Corporate Debtor failed to make the settlement with Financial Creditor. The Financial Creditor has completed with all the requirements as stipulated under the provisions of the Insolvency and Bankruptcy Code, 2016, for the purpose of initiating Corporate Insolvency Resolution Process.
9. In the circumstances, having satisfied with the submissions put forth by the learned Counsel for the Financial Creditor I hereby admit the instant petition under section 7 by the following order:
 - a) The instant petition is hereby admitted and this Adjudicating Authority Orders the commencement of the Corporate Insolvency Resolution Process which shall ordinarily get

completed as per the time line stipulated in section 12 of the IB Code, 2016, reckoning from the day this order is passed.

- b) Therefore, this Adjudicating Authority hereby appoint Sri Krishna Mohan Gollamudi, having Regn. No. IBBI/IPA-003/IP-N000161/2018-2019/11952 (IRP) as his name is proposed by the Financial Creditor and is also reflected in IBBI website. He has also filed his written consent in Form-2, Dated: 09.03.2020. The IRP is also directed to furnish a valid Authorization for Assignment issued by competent institute in the Registry within 3 days of receipt of copy of this order. The IRP is directed to take charge of the Corporate Debtor's management immediately. He is also directed to cause public announcement as prescribed under Section 15 of the Insolvency and Bankruptcy Code, 2016 within three days from the date of receipt of this order and call for submission of claims in the manner as prescribed.
- c) This Adjudicating Authority hereby declares the moratorium which shall have effect from the date of this Order till the completion of Corporate Insolvency Resolution Process for the purposes referred to in Section 14 of the Insolvency and Bankruptcy Code, 2016. We order to prohibit all of the following, namely:
- i. *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;*



- ii. *Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*
 - iii. *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 (54 of 2002);*
 - iv. *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*
 - v. *Notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances 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, concessions, clearances or a similar grant or right during the moratorium period.*
- d) The supply of essential goods or services of the Corporate Debtor shall not be terminated or suspended or interrupted

during moratorium period. Further, if the IRP considers supply of any goods or services critical to protect and preserve the value of the corporate debtor and manage the operations of such corporate debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such corporate debtor has not paid dues arising from such supply during the moratorium period. Furthermore, the provisions of Sub-section (1) of Section 14 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.

- e) The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code. The directors, Promoters or any other person associated with the management of Corporate Debtor are directed to extend all assistance and cooperation to the IRP as stipulated under Section 19 and for discharging his functions under Section 20 of the Insolvency and Bankruptcy Code, 2016.
- f) The Petitioner/Financial Creditor as well as the Registry is directed to send the copy of this Order to IRP so that he could take charge of the Corporate Debtor's assets etc. and make compliance with this Order as per the provisions of Insolvency and Bankruptcy Code, 2016.
- g) The Registry is directed to communicate this Order to the Financial Creditor and the Corporate Debtor.



- h) The Registry shall also communicate this Order to the ROC, Vijayawada for updating the status of the Corporate Debtor in the MCA website.
- i) The address details of the IRP are as follows:-
Mr. Krishna Mohan Gollamudi,
Reg.No: IBBI/IPA-003/IP-N000161/2018-2019/11952
Flat No.107, Maurya Towers, Adikmet Road,
Vidyanagar, Hyderabad -500044,
Mobile No. 9573622744
Email: krishnamohangollamudi@gmail.com
- j) The present Company Petition bearing CP (IB) No. 44/7/AMR/2020 is hereby admitted.



**BHASKARA PANTULA MOHAN,
MEMBER JUDICIAL**

Swamy Naidu