



SL. No.2

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

Hearing Through: VC and Physical (Hybrid) Mode

CORAM: SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (J)

CORAM: SHRI. SANJAY PURI, - HON'BLE MEMBER (T)

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 10.05.2024 AT 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	Company Petition IB/164/2023
NAME OF THE COMPANY	Baron Infotech Ltd
NAME OF THE PETITIONER(S)	Avantine Software Pvt Ltd
NAME OF THE RESPONDENT(S)	Baron Infotech Ltd
UNDER SECTION	7 of IBC

ORDER

Orders pronounced, recorded vide separate sheets. In the result, this petition is allowed and disposed of.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - II

CP NO.164/07/HDB/2023

u/s 7 of the IBC, 2016

Between:

M/s. Aventine Software Private Limited,
Instaoffice Business Solutions Private Ltd,
Sy.No.55, #108, NYN Arcade,
Gachibowli,
Hyderabad – 500 033.

...Financial Creditor

Vs.

M/s. Baron Infotech Limited,
Flat No.504, Survey No.131 to 141,
Kompally, Ranga Reddy,
Secunderabad – 500 014.

... Corporate Debtor

Date of Order : 10.05.2024

Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Counsels on record:

For the Applicant : Mr. Lokesh Agarwal, Advocate.

For the Respondent : None appeared

Heard on : 07.05.2024



Per : Sanjay Puri, Member (Technical)

ORDER

1. This application is submitted by M/s Aventine Software Private Limited, the Financial Creditor (**FC**), to initiate the Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code (IBC), against M/s Baron Infotech Limited, the Corporate Debtor (**CD**) for the reason of the CD's failure to repay the financial debt amounting to Rs 1,10,18,000.
2. It is stated that the CD had approached the FC for corporate loan for execution of a project of software development, the business in which the CD was engaged in. The FC and the CD then entered into a Memorandum of Understanding (MoU)¹ on 01.05.2022. Following the MoU, the FC disbursed a total of **Rs 1,10,18,000** to the CD in several tranches, spanning from 5th May to 28th September 2022. As per the MoU, the loan amount was to be repaid by the CD by 31.12.2022.
3. The MoU also stipulated interest @10% per annum starting from 1st October 2022. The FC received no interest payments from the CD in October 2022. Consequently, on 13.12.2022, the FC emailed² the CD requesting the due interest amount, but did not receive any response.
4. Following the repayment due date of 31.12.2022, the FC sent another email³ on 10.02.2023, demanding the repayment of the principal amount along with accrued interest. The CD did not

¹ Page 28 to 38 of the Application

² Page 42 of the Application

³ Page 43 of the Application



respond to this communication either. Subsequently, on 03.03.2023, a legal notice⁴ was issued to the CD demanding the return of the loan amount of Rs 1,10,18,000, plus interest totalling Rs 3,39,187. Getting no response to the legal notice, the FC has filed the present application.

5. The CD has also remained unresponsive during the proceedings before this Authority, despite being duly notified twice⁵ about these proceedings. By an order dated 10.11.2023, the CD was set to be treated as *ex parte* due to non-attendance. The CD has also not filed any counter reply to the present application.
6. Based on the averments of the Applicant FC, and the records/documents present before us, a financial debt of Rs 1,10,18,000 is clearly established, and so is the default in repayment of the same. Date of default identified in the application is of 01.01.2023, i.e. the next day from 31.12.2022, when the repayment of the debt was due and not paid.
7. Since the financial debt of more than the prescribed amount of Rs 1 crore has been defaulted by the CD, the application is allowed with the following directions:

ORDER

- a) The Application is admitted and this Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process, which shall ordinarily be completed within the timelines stipulated in IBC, reckoning from the date on

⁴ Page 44 to 48 of the Application

⁵ Proof of service of notice on 28.07.2023 and on 03.10.2023 was filed by the Applicant



which this order is passed.

- b) **Mr. Haridasu Sambasiva Rao⁶, is appointed as Interim Resolution Professional (IRP).** He is directed to file Authorization for Assignment within three days from the date of this order.
- c) The IRP is directed to take charge of the management of the Corporate Debtor, immediately. He is also directed to cause public announcement as prescribed under Section 15 of the IBC, within three days from the date of receipt of this order, and call for submissions of claim in the manner as prescribed.
- d) The Applicant FC M/s. Aventine Software Private Limited to pay a sum of **Rs.2.0 lakhs** towards the advance fee of IRP and expenses towards CIRP, which shall be ratified later by the Committee of creditors (CoC).
- e) Moratorium is, hereby, declared and shall have effect from the date of this order till the completion of the CIRP, for the purposes referred to in Section 14 of the Code, 2016. It is hereby ordered that all of the following are prohibited:
- 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 or 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 rights or

⁶ AFA Registration No.IBBI/IPA-002/IP-N00603/2018-2019/11858, validity of AFA : upto 12.12.2024, Address : 107, Prajapathi Elite 3, Mayurinagar, Miyapur ,Hyderabad,Telangana ,500049, Email : hsrao.siva@gmail.com



- 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.
 - f) The supply of essential goods or services to the Corporate Debtor shall not be terminated, suspended or interrupted during the 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.

- g) The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of IBC. The Directors, Promoters or any other person associated with the management of Corporate Debtor are directed to extend all assistance and co-operation to the IRP as stipulated under Section 19 for discharging his functions under Section 20 of IBC.
- h) The Corporate Applicant as well as the Registry is directed to send the copy of this Order to the IRP, to enable him to take charge of the assets etc. of the Corporate Debtor, and comply with this order as per the provisions of IBC.
- i) The Registry is directed to communicate this Order to the Corporate Applicant.
- j) The Registry shall also communicate this Order to the Registrar of Companies, Hyderabad, for updating the status of the Corporate Debtor in the website of the Ministry of Corporate Affairs.

Accordingly, this application is allowed and stands disposed of.

Sd/-

**(SANJAY PURI)
MEMBER (TECHNICAL)**

Sd/-

**(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)**

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