

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
19-12-2025 AT 11:00 A.M.**

CP(IB) No. 91/7/HDB/2025
u/s. 7 of IBC, 2016

IN THE MATTER OF:

UCO Bank

...Financial Creditor

AND

M/s. PVSRSN Enterprises Pvt Ltd.,

...Corporate Debtor

C O R A M:-

SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

Orders pronounced, recorded vide separate sheets.

In the result, this CP(IB) No.91/7/HDB/2025 is admitted.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH-I, HYDERABAD**

C.P. (IB) No. 91/7/HDB/2025

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

IN THE MATTER OF M/s. PVSRSN ENTERPRISE PRIVATE LIMITED

BETWEEN:

UCO Bank,

Head Office at No.10, B.T.M. Sarani, Kolkatta.

Its Asset Management Branch at Navabharat Chambers, Raj Bhavan Road,
Somajiguda, Hyderabad-500082.

Represented by its Asst.General Manager Mr.Rajesh S Visale.

.... Petitioner/Financial Creditor

AND

M/s. PVSRSN Enterprise Private Limited,

Flat No.101 and Flat No.102, Plot No.9,

Sri Tulasi Homes Arora Colony, Banjara Hills,

Hyderabad, Telangana, India-500034.

..... Respondent/Corporate Debtor

Date of order: 19.12.2025

Coram: -

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Shri Sanjay Puri, Hon'ble Member (Technical)

Appearance: -

For Applicant : - Mr. G.P. Yash Vardhan, Advocate.

For Respondent : - Nill (Respondent set-exprate).

PER BENCH

ORDER

1. This Company Petition has been filed by UCO Bank (*hereinafter also referred as 'Financial Creditor'/Petitioner*) under Section 7 of 'The Insolvency and Bankruptcy Code, 2016', (*hereinafter to be referred as 'IBC'*), read with Rule 4 of Application to Adjudicating Authority Rules, 2016, *inter alia* seeking initiation of 'Corporate Insolvency Resolution Process' ('CIRP') against M/s.PVSRSN Enterprise Private Limited, (*hereinafter referred as 'Corporate Debtor/Respondent'*) alleging non-payment of Rs.78,92,95,836.12/-, including interest is said to be due and payable by Corporate Debtor to Financial Creditor as on 31.01.2025.

2. Brief Averments of the Petitioner:

- 2.1. It is averred that the Corporate Debtor has been engaged in civil construction and engineering activities. Corporate Debtor has availed the financial assistance from the Financial Creditor since 29.03.2008, and the same was renewed from time to time. Upon the request of the Corporate Debtor, the Financial Creditor has sanctioned Cash Credit of Rs.15,00,00,000/- and Bank Guarantee of Rs.10,00,00,000/- vide letter dated 18.06.2009.
- 2.2. Financial Creditor has sanctioned an additional ad-hoc limit of Rs.1,65,00,000/- vide Sanction Letter dated 30.12.2015, to the Corporate Debtor duly approved by board resolutions dated 12.03.2015, and 30.12.2015. In order to secure the repayment of the financial assistance availed from the Financial Creditor, the Corporate Debtor has executed Loan Agreements and the Personal Guarantors executed Guarantee Agreements on 12.03.2015 and 30.12.2015.

- 2.3. Pursuant thereto, as the Corporate Debtor has defaulted in the repayment of its debt obligation along with interest, resulting in its account being classified as a Non-Performing Asset (NPA) by the Financial Creditor on 31.03.2016.
- 2.4. Subsequently, on 09.05.2016, upon the default committed by the Corporate Debtor, the Financial Creditor has issued a notice under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, (SARFAESI Act), calling upon the Corporate Debtor to pay an outstanding amount of Rs.24,74,67,173.74/- within 60 days.
- 2.5. It is averred that as neither the Corporate Debtor nor the Guarantors repaid the outstanding amounts, the Financial Creditor initiated proceedings before the Debt Recovery Tribunal (DRT), Hyderabad-II, by filing the Original Application O.A. No. 3098 of 2017. The DRT vide its order dated 04.03.2020, directed the Corporate Debtor and the Personal Guarantors to pay an amount of Rs. 22,61,83,151/- along with future interest at 17.75% p.a., and the date of default thus stood established on 04.03.2020 (Annexure.3).
- 2.6. It is averred that in view of the Supreme Court suo-motu extension of limitation granted by order dated 10.01.2022, due to the Covid-19 pandemic, the period from 15.03.2020 to 28.02.2022 (1 year, 11 months, 14 days) stands excluded for computing limitation in all judicial and quasi-judicial proceedings. In the present case, as the default occurred on 04.03.2020, the three-year limitation would ordinarily expire on 03.03.2023. However, after excluding the above period of 716 days, the limitation for filing the present Application extends until 17.02.2025.

- 2.7. Further, the Corporate Debtor has submitted One Time Settlement (OTS) letters dated 27.12.2022 and 31.12.2022, acknowledging the debt, which was subsequently approved by the Financial Creditor on 07.01.2023, and accepted by the Corporate Debtor on 09.01.2023 (Annexure.4). Additionally, the Corporate Debtor also made part payments between 11.01.2023 and 30.09.2023, thereby further extending the limitation. Accordingly, the present Application is filed within the period of limitation.
- 2.8. On 23.06.2025, this Tribunal has issued notice to the Respondent/Corporate Debtor, which was duly served on 04.07.2025. As the Respondent/Corporate Debtor failed to appear, a further notice was directed to be served at an alternative address on 28.07.2025. However, the notice served by the Financial Creditor was returned on 01.08.2025, with the endorsement “Addressee Left.”
- 2.9. Consequently, this Tribunal ordered substituted service, wherein the Petitioner/Financial Creditor published notice on 18.09.2025, in the ‘Times of India’ (English) and ‘Andhra Prabha’ (Telugu). Despite such publication and sufficient opportunity, the Respondent/Corporate Debtor did not appear, and was therefore set ex-parte on 27.10.2025.
3. We have heard Mr. Yash Vardhan, Learned Counsel for the Financial Creditor and perused the record.
4. In the light of the contest put forth as above by both the parties, the point that emerges for our consideration is:

Whether a ‘Financial Debt’ of a sum exceeding rupees one crore due and payable by the Corporate Debtor to the Financial Creditor? If so, whether the Corporate Debtor has committed default in repayment of the same?

Findings and Decision:

5. At the outset, we would like to state that in order to succeed in a Petition filed under Section 7 of the IBC, it is imperative for the Financial Creditor to establish that a financial debt of a sum of Rs.1 crore is due and payable by the Corporate Debtor to the Financial Creditor and that the Corporate Debtor had defaulted in repayment of the said financial debt.
6. The legal position can be traced from the ruling of the Hon’ble Supreme Court of India, in *Innoventive Industries Ltd. vs ICICI Bank*, (2018) 1 SCC 407, wherein it has held that for initiation of Corporate Insolvency Resolution Process by financial creditor under sub-section (4) of Section 7 of the IBC, the ‘Adjudicating Authority’ on receipt of application under sub-section (2) is required to ascertain existence of default from the records of Information Utility or on the basis of other evidence furnished by the financial creditor under sub-section (3). The relevant para of the judgement is extracted hereunder:

“30.in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.”

Therefore, in light of the above legal frame coupled with the factual matrix of this case, we proceed to decide the above point.

On existence of Financial Debt:

7. In order to assess the existence of debt and default on part of the Corporate Debtor, we find that the Corporate Debtor had availed financial assistance from the Financial Creditor in form of cash credit facility amounting to Rs.15,00,00,000/- to the Corporate Debtor and a Bank Guarantee amounting to Rs.10,00,00,000/- vide sanction letter dated 24.05.2008. Subsequently, the Financial Creditor further extended financial assistance to the Corporate Debtor by granting an ad-hoc limit of Rs.1,65,00,000/- vide sanction letter dated 30.12.2015.
8. Upon perusal of the documents on record, it is observed that the extract of minutes of the meeting of Board of Directors of the Corporate Debtor dated 12.03.2015, records the execution of a demand promissory note on the same date. The said demand promissory note was executed by the Corporate Debtor for a sum of Rs.15,00,00,000/- with an interest rate of 1.50% per annum, and was duly signed by both the Financial Creditor and the Corporate Debtor. Additionally, it is also noted that the Corporate Debtor executed another demand promissory note dated 30.12.2015 in favour of the Financial Creditor for an amount of Rs.1,65,00,000/- with an interest rate of 8.05% per annum.
9. We observe that the Letters of Guarantee dated 12.03.2015 and 30.12.2015 were executed in favour of the Financial Creditor, thereby securing the financial assistance availed by the Corporate Debtor. The said guarantees were furnished for amounts of Rs.25,00,00,000/- and Rs.26,00,00,000/-. We further observe that on 29.09.2015, the Corporate Debtor had executed an acknowledgment letter in favour of the Financial Creditor, whereby it duly acknowledged the credit facilities availed by it and admitted the outstanding debt due, amounting to Rs.15,22,20,777.74/-.

10. Additionally, it is observed that the petitioner has enclosed along with the petition the Ministry of Corporate Affairs (MCA) Master Data and Index of Charges pertaining to the Corporate Debtor. The said record evidence that a credit facility was availed on 01.04.2008 amounting to Rs.26,50,00,000/- and a further credit facility on 30.12.2015 amounting to Rs.1,65,00,000/-.
11. Thus, the aforesaid facts, duly admitted and substantiated by the documents on record, clearly establish that the Corporate Debtor had availed credit facilities from the Financial Creditor and that a valid and subsisting financial debt exists between the parties, as defined under Section 5(8) of the IBC.

On default of Debt:

12. From the facts stated hereinabove, it is evident that the Financial Creditor had sanctioned loan facilities to the Corporate Debtor, who subsequently defaulted on repayment of outstanding amount, as a result of which the loan account was classified as Non-Performing Asset (NPA) on 31.03.2016. Consequent thereto, the Financial Creditor has issued a notice dated 09.05.2016, under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002, recalling the payment of outstanding dues amounting to Rs.24,74,67,173.74/-.
13. Further, owing to the continued and persistent defaults on part of the Corporate Debtor, the lenders have initiated the recovery proceedings by filing O.A. No.3098 of 2017, before the Debt Recovery Tribunal (DRT), Hyderabad. The said application was allowed vide order dated 04.03.2020, whereby the Corporate Debtor was directed to pay a sum of Rs.22,61,83,151/-. However, despite the said order and direction of the DRT to repay the outstanding amount, the Corporate Debtor has failed to discharge its liability and continued to remain default. Accordingly, the aforesaid facts clearly establish

the occurrence of default within the meaning of Section 3(12) of the IBC, 2016.

On Limitation:

14. On perusal of the material on record, the initial cause of action arose when the account was classified as NPA on 31.03.2016. Thereafter, the Financial Creditor issued a recall notice dated 09.05.2016 and subsequently, the Financial Creditor secured a favourable order in O.A. No. 711/2019 from the DRT, Hyderabad vide order dated 04.03.2020. The passing of a decree or issuance of a Recovery Certificate constitutes a fresh cause of action to initiate proceedings under Section 7 of the IBC. This legal position has been settled by the Hon'ble Supreme Court in ***Dena Bank Vs. C. Shivkumar Reddy, (2021 SCC Online SC 543)***, wherein it was held:

“143. Moreover, a judgment and/or decree for money in favour of the Financial Creditor, passed by the DRT, or any other Tribunal or Court, or the issuance of a Certificate of Recovery in favour of the Financial Creditor, would give rise to a fresh cause of action for the Financial Creditor, to initiate proceedings under Section 7 of the IBC for initiation of the Corporate Insolvency Resolution Process, within three years from the date of the judgment and/or decree or within three years from the date of issuance of the Certificate of Recovery, if the dues of the Corporate Debtor to the Financial Debtor, under the judgment and/or decree and/or in terms of the Certificate of Recovery, or any part thereof remained unpaid.”

In Part IV of the Application, the Financial Creditor has specified 04.03.2020 as the date of default, since no repayment was made pursuant to the DRT order dated 04.03.2020.

15. Accordingly, in the present case, a fresh three-year limitation period commenced on 04.03.2020 and would ordinarily have expired on 03.03.2023. However, by virtue of the Orders of the Hon'ble Supreme Court in ***Suo Motu Writ (Civil) No. 3 of 2020***, the period from 15.03.2020 to 28.02.2022 stands excluded from computation of limitation. Accordingly, the limitation resumed from 01.03.2022, with the balance period remaining.

16. In present case, the limitation ran only for 12 days i.e., from 04.03.2020 to 14.03.2020. In view of the Supreme Court's COVID-19 extension orders, the entire period from 15.03.2020 to 28.02.2022, stands excluded. Consequently, the balance limitation period resumed on 01.03.2022, and was set to expire only on 16.02.2025.
17. Further, it is also on record that the Corporate Debtor has issued the One Time Settlement (OTS) proposals dated 27.12.2022 and 31.12.2022, which constitutes valid acknowledgements of debt. Additionally, the Corporate Debtor had made the part payments towards the outstanding debt between 11.01.2023 till 30.09.2023, also constitutes the acknowledgements of debt. All such acknowledgements were made prior to the expiry of the above extended limitation period (16.02.2025).
18. In this regard, Section 18 of the Limitation Act, 1963, is relevant wherein an acknowledgement of debt gives rise to a fresh limitation period computed from the date of such acknowledgement, provided that the acknowledgement is made before the expiry of the prescribed period of limitation. Since the acknowledgement dated 30.09.2023, was made during the continuing limitation period, a fresh limitation period commenced from that date.
19. Thus, taking into account the initial date of default as computed, the exclusion of time granted by the Supreme Court, OTS proposals and the subsequent acknowledgements of debt, it is evident that the present petition, filed on 20.03.2025, has been instituted well within the prescribed period of limitation.
20. Therefore, in light of the above circumstances, we hold that the Petitioner qualifies as a Financial Creditor under section 5(7) of the IBC. The amount payable as per the recovery certificate of the DRT clearly constitutes a financial debt under section 5(8) of the IBC and the non-compliance of the DRT order amount to the default. Thus, the Petitioner has established the case

of debt and default, exceeding Rs.1 Crore. Accordingly, we admit the present application filed under Section 7 of the IBC, thereby initiating the Corporate Insolvency Resolution Process against the Respondent/Corporate Debtor.

ORDER

21. Hence, the Adjudicating Authority admits this Petition under Section 7 of IBC, declaring moratorium for the purposes referred to in Section 14 of the Code, with following directions:

- a) Corporate Debtor, M/s. PVSRSN Limited, is admitted in Corporate Insolvency Resolution Process under Section 7 of IBC.
- b) The Bench hereby prohibits 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 any other authority; transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein; any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002); the recovery of any property by an owner or lessor where such property is occupied by or in possession of the corporate Debtor.
- c) That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- d) 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.

- e) That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- f) That order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench approves the Resolution Plan under Sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, whichever is earlier.
- g) That public announcement of initiation of Corporate Insolvency Resolution Process shall be made immediately as prescribed under section 13 of Insolvency and Bankruptcy Code, 2016.
- h) In the present application, the Financial Creditor has proposed the name of Mr. Chillale Rajesh, bearing Registration No. IBBI/IPA-001/IP-P00699/2017-2018/11226, to act as Interim Resolution professional. However, considering that the said proposed IRP is presently handling multiple cases, this Bench finds it appropriate to appoint an alternate Insolvency professional. Accordingly, this Bench hereby appoints **Mr. Murali Prasad Nalam**, bearing Registration No. IBBI/IPA-001/IP-P00933/2017-2018/11537, as Interim Resolution Professional, whose contact details as mentioned in the Petition are:

E-mail: murali.advice@gmail.com

Address: Villa 67, Road 3, Dollar Meadows,
Ambitus School Road, Near DRK Engineering College,
Bowrampet, Hyderabad, Telangana-500043.

Mobile number: 9849073076.

- i) The Proposed IRP has been registered as Insolvency professional on 05.02.2018. His Authorisation for Assignment (AFA) is valid up to 31.12.2025. This information is also available in IBBI Website. Thus, there is compliance of Regulation 7A of IBBI (Insolvency Professionals) Regulations, 2016, as amended.
- j) The Financial Creditor is directed to deposit a sum of **Rs.2,00,000/-** towards the initial costs of the CIRP by way of a Demand Draft drawn in favour of the IRP appointed herein immediately upon communication of this order. The IRP shall utilise the said amount strictly towards the CIRP expenses and not towards the professional fees until the same is decided by the Committee of creditors.
- k) Registry of this Tribunal is directed to send a copy of this order to the Registrar of Companies, Hyderabad for marking appropriate remarks against the Corporate Debtor on website of Ministry of Corporate Affairs as being under CIRP.

Accordingly, this Petition is admitted.

Sd

Sanjay Puri
Member (Technical)

Sd

Rajeev Bhardwaj
Member (Judicial)