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

Item No.4
CP(IB)/12/7/AMR/2025

IN THE MATTER OF:
Canara Bank

--- Financial Creditor

Vs

M/s.Sri Krishna Stockist & Traders Pvt Ltd

--- Corporate Debtor

Under Section: 7 of IBC Code, 2016

Order delivered on 20.08.2025

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

PRESENT:
For the Petitioner/Financial Creditor : Mr. Vinita R Chauhan, Proxy
For the Respondent/ Corporate Debtor : *Ex-parte*

ORDER

The instant Petition has been e-filed on 28.02.2025 (E-filing No. 2812129/00162/2025) and the physical copy was filed on 07.03.2025 (Diary No. 367) by Canara Bank ("Financial Creditor") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 ("IB Rules"), seeking initiation of Corporate Insolvency Resolution Process ("CIRP") against M/s. Sri Krishna Stockist & Traders Pvt. Ltd. ("Corporate Debtor") in respect of a claimed default amount of Rs.579,89,30,157.14/- (Rupees Five Hundred Seventy-Nine Crores Eighty-Nine Lakhs Thirty Thousand One Hundred Fifty-Seven and Fourteen Paise only) as on 01.01.2025, with the alleged date of default being 31.08.2017, when the loan account of the Corporate Debtor was classified as Non-Performing Asset ("NPA").

2. The registered office of the Corporate Debtor is situated at 1-8-5, Kovvur Mandal, I Pangidi Village, West Godavari, Andhra Pradesh-534342, therefore, the territorial jurisdiction lies with this Adjudicating Authority.

3. The facts of the case, as stated during the course of hearing and pleadings filed along with the Application, are briefly summarised as under:

(i) The Corporate Debtor had availed various credit facilities including working capital, from the Financial Creditor pursuant to the sanction letter dated 19.01.2014, which, inter alia, included overdraft facilities in two accounts, the details of which are extracted herein below:

Loan/credit facility	Account no.	Amount of limit/loan
Cash credit	0642261005193	Rs.30.00 crore
Cash credit	2423261005114	Rs.120.00 crore
	Total	**Rs.150.00 crore**

(ii) The aforesaid loan facilities were sanctioned to the Corporate Debtor against the security of a Common Hypothecation Agreement dated 13.02.2014 and a Guarantee Agreement of the same date, duly guaranteed by its Personal Guarantors, namely, Shri Thota Kanna Rao and Smt. Thota Venkata Ramana.

(iii) The Corporate Debtor failed to maintain its loan accounts in accordance with the terms and conditions on which the facilities were sanctioned by the Financial Creditor, which resulted in the classification of the accounts as NPA on 31.08.2017.

(iv) Thereafter, the Financial Creditor initiated proceedings under the provisions of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“SARFAESI Act”) and issued a demand notice under Section 13(2) of the SARFAESI Act dated 08.11.2017 to the Corporate Debtor and its

guarantors, calling upon them to discharge the outstanding debt of Rs.161,41,73,722/- (Rupees One Hundred Sixty-One Crores Forty-One Lakhs Seventy-Three Thousand Seven Hundred Twenty-Two only) together with further interest calculated from 01.11.2017.

(v) Upon failure of the Corporate Debtor to repay the outstanding dues as detailed in the Demand Notice dated 08.11.2017, the Financial Creditor was constrained to file O.A. No. 340/2018 before the Hon'ble Debts Recovery Tribunal, Hyderabad ("DRT-I"). Consequently, Recovery Certificate No. 45/2018 was issued by the Hon'ble DRT-I, Hyderabad.

(vi) The Corporate Debtor proposed a One-Time Settlement ("OTS") offer of Rs.18 Crores on 29.02.2020, which was rejected by the Financial Creditor. Thereafter, the Corporate Debtor made another enhanced OTS offer of Rs.18.50 Crores on 30.11.2020, which was also rejected by the Financial Creditor. These OTS proposals clearly establish that the Corporate Debtor duly acknowledged its liability and promised to pay the outstanding debt due to the Financial Creditor.

(vii) Despite repeated requests and issuance of demand/recall notices, the Corporate Debtor failed to regularise the accounts or repay the outstanding amounts. Consequently, after serving a copy of the Application on the Corporate Debtor at its registered email address, the Financial Creditor has approached this Adjudicating Authority under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of the CIRP against the Corporate Debtor.

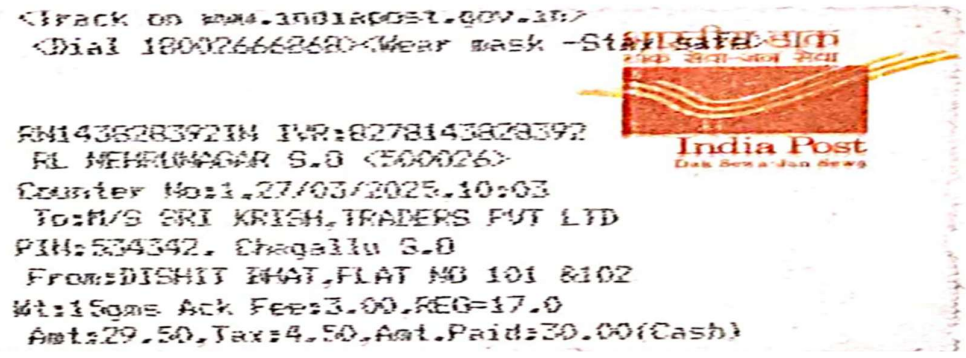
(viii) The Financial Creditor has also attached the following documents along with Section 7 Application:

DESCRIPTION OF THE DOCUMENT	ANNEXURE
Verification affidavit	
Copy of GST, and G.P.A. of Financial Creditor	1
Copy of master data of Corporate debtor	2

FORM -2 issued by IRP (original)	3
Sanction memorandum and request for overdraft facilities	4
Common Hypothecation Agreement	5
Guarantee Agreement of Thota Kanna Rao and Thota Venkata Ramana	6
Letter evidencing deposit of title deeds	7
Notice issued under Section 13(2) of the SARFAESI Act,2002 and possession notice	8
Copy of judgment in O.A.No. 340 of 2018	9
Copy of recovery certificate in RC.No. 45 of 2020 in O.A.No. 340 of 2018	10
Copy of Letter of OTS	11
Copy of reply to the OTS Letter	12
Statement of account along with certificate U/s.2(8)(B)R/wS.2A of the Bankers' book evidence Act	13
Statement of account and NeSl (RoD) report	15
Copy of order in M.A.No. 21of 2022 In Suo Motu writ application ©No.3 of 2020	16

4. The matter was first listed for hearing on 26.03.2025, on which date this Adjudicating Authority directed the Financial Creditor to serve notice upon the Corporate Debtor.

5. The Financial Creditor filed a compliance memo vide Diary No. 642 dated 15.04.2025, along with purported proof of service as shown below:



India Post

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Track Consignment

Quick help

* Indicates a required field.

* Consignment Number

RN143828392IN

Track More

Booked At	Booked On	Destination Pincode	Tariff	Article Type	Delivery Location
Nehrunagar S.O	27/03/2025 10:03:23	533104	29.50	Registered Letter	Chagallu S.O

Event Details For : RN143828392IN

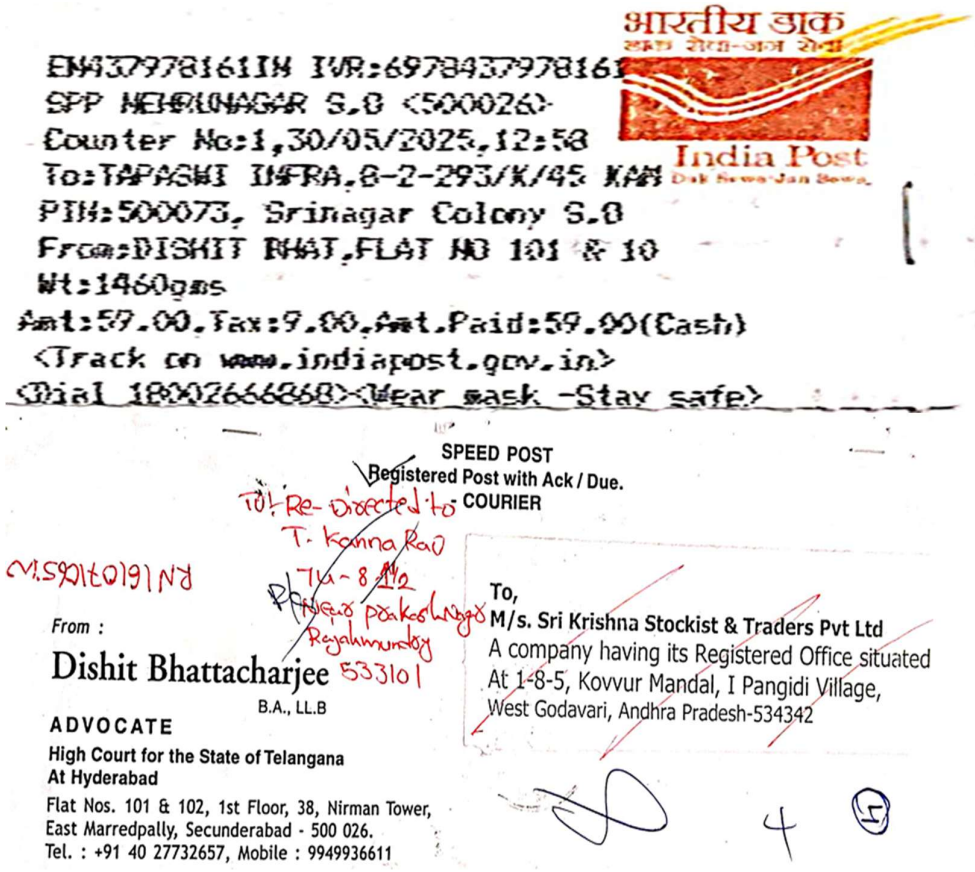
Current Status : Item Dispatched

Date	Time	Office	Event
10/04/2025	07:26:55	Hyderabad NSH	Item Dispatched
10/04/2025	04:26:22	Hyderabad NSH	Item Bagged
09/04/2025	20:16:03	Hyderabad NSH	Item Received
09/04/2025	15:21:15	Nehrunagar S.O	Item Dispatched
09/04/2025	13:59:32	Nehrunagar S.O	Item Bagged
09/04/2025	10:27:24	Nehrunagar S.O	Item Redirected to Aryapuram S.O Insufficient Address
09/04/2025	08:13:39	Nehrunagar S.O	Item Received
09/04/2025	06:21:04	Hyderabad NSH	Item Dispatched
09/04/2025	05:05:16	Hyderabad NSH	Item Bagged
07/04/2025	10:07:37	Nehrunagar S.O	Item Redirected to Aryapuram S.O Insufficient Address
07/04/2025	08:26:29	Nehrunagar S.O	Item Received
06/04/2025	07:48:06	Hyderabad NSH	Item Dispatched
06/04/2025	05:18:11	Hyderabad NSH	Item Bagged
05/04/2025	21:05:57	Hyderabad NSH	Item Received
05/04/2025	16:50:36	Hyderabad NSH	Item Bagged
05/04/2025	10:13:51	Hyderabad NSH	Item Received
05/04/2025	07:25:12	Secunderabad RSTMO	Item Dispatched
05/04/2025	06:29:53	Secunderabad RSTMO	Item Received

6. During the hearing on 28.05.2025, the Counsel for the Financial Creditor submitted that notice had been served on the Corporate Debtor but the same was returned with the endorsement 'Insufficient Address'. However, upon perusal, it was observed that FC had correctly addressed the notice, including the correct PIN code '534342'. However, due to an error on the part of the Postal Department, the PIN code was erroneously recorded as '533104', resulting in the delivery of the registered post to an incorrect address. Considering the circumstances, and on the request of Learned Counsel for the Financial Creditor, this Adjudicating Authority granted time to the Financial Creditor to serve fresh notice upon the Corporate Debtor through

Registered Post with Acknowledgment Due ("RPAD") and to file proof of service within a period of three weeks. It was further directed that, in the event the personal notice is again returned with an endorsement such as *"Insufficient Address"* or *"Addressee Left"*, the Financial Creditor shall be at liberty to effect substituted service by way of publication in two daily newspapers one in English and another in the vernacular language having wide circulation in the area, where the registered office of the Corporate Debtor is situated.

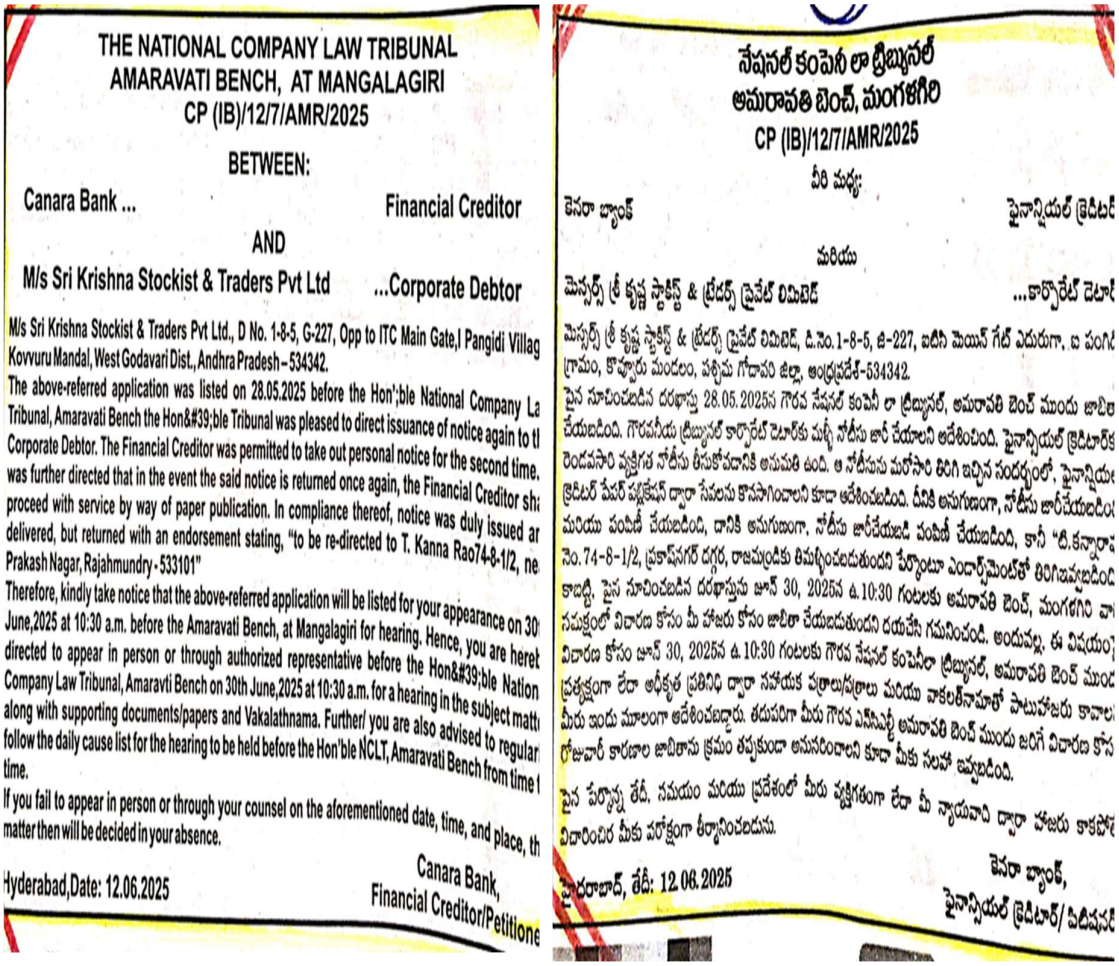
7. The Financial Creditor filed a Compliance Memo vide Diary No. 1231 dated 27.06.2025, enclosing proof of service, namely, the postal receipt with acknowledgment due as well as copies of the substituted service of notice published in *'Financial Express'* (English edition) and *'Prajashakthi'* (Telugu edition) dated 14.06.2025. It was further observed that the notice sent through Registered Post was returned undelivered with the postal endorsement *"Returned to Sender."* The relevant extracts of the postal endorsement and the newspaper publications are reproduced hereinbelow:


भारतीय डाक
India Post
EM437978161IN IVR:697843797816
SPP MEHDINAGAR S.O <500026>
Counter No:1,30/05/2025,12:58
To:TAPASWI INFRA,8-2-293/K/45 KAN
PIN:500073, Srinagar Colony S.O
From:DISHIT BHAT,FLAT NO 101 & 10
Wt:1460gms
Amt:59.00,Tax:9.00,Amt.Paid:59.00(Cash)
<Track on www.indiapost.gov.in>
<Dial 18002666868><Wear mask -Stay safe>

SPEED POST
Registered Post with Ack / Due.
COURIER

To,
M/s. Sri Krishna Stockist & Traders Pvt Ltd
A company having its Registered Office situated
At 1-8-5, Kovvur Mandal, I Pangidi Village,
West Godavari, Andhra Pradesh-534342

From :
Dishit Bhattacharjee
B.A., LL.B
ADVOCATE
High Court for the State of Telangana
At Hyderabad
Flat Nos. 101 & 102, 1st Floor, 38, Nirman Tower,
East Marredpally, Secunderabad - 500 026.
Tel. : +91 40 27732657, Mobile : 9949936611



THE NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH, AT MANGALAGIRI
CP (IB)/12/7/AMR/2025

BETWEEN:

Canara Bank ... Financial Creditor

AND

M/s Sri Krishna Stockist & Traders Pvt Ltd ...Corporate Debtor

M/s Sri Krishna Stockist & Traders Pvt Ltd., D No. 1-8-5, G-227, Opp to ITC Main Gate,I Pangidi Villag Kovvuru Mandal, West Godavari Dist., Andhra Pradesh – 534342.

The above-referred application was listed on 28.05.2025 before the Hon';ble National Company La Tribunal, Amaravati Bench the Hon'ble Tribunal was pleased to direct issuance of notice again to tl Corporate Debtor. The Financial Creditor was permitted to take out personal notice for the second time. was further directed that in the event the said notice is returned once again, the Financial Creditor sh proceed with service by way of paper publication. In compliance thereof, notice was duly issued ar delivered, but returned with an endorsement stating, "to be re-directed to T. Kanna Rao74-8-1/2, ne Prakash Nagar, Rajahmundry - 533101"

Therefore, kindly take notice that the above-referred application will be listed for your appearance on 30 June,2025 at 10:30 a.m. before the Amaravati Bench, at Mangalagiri for hearing. Hence, you are heret directed to appear in person or through authorized representative before the Hon'ble Nation Company Law Tribunal, Amaravti Bench on 30th June,2025 at 10:30 a.m. for a hearing in the subject matt along with supporting documents/papers and Vakalathnama. Further/ you are also advised to regular follow the daily cause list for the hearing to be held before the Hon'ble NCLT, Amaravati Bench from time t time.

If you fail to appear in person or through your counsel on the aforementioned date, time, and place, th matter then will be decided in your absence.

Hyderabad,Date: 12.06.2025

Canara Bank,
Financial Creditor/Petitione

నేషనల్ కంపెనీ లా ట్రిబ్యునల్
అమరావతి బెంచ్, మంగళగిరి
CP (IB)/12/7/AMR/2025

వీరి మధ్య:

కెనరా బ్యాంక్ ఫైనాన్షియల్ క్రెడిటర్

మరియు

మెస్సర్స్ శ్రీ కృష్ణ స్టాకిస్ట్ & ట్రేడర్స్ ప్రైవేట్ లిమిటెడ్ ...కార్పొరేట్ డెటా

మెస్సర్స్ శ్రీ కృష్ణ స్టాకిస్ట్ & ట్రేడర్స్ ప్రైవేట్ లిమిటెడ్, డి.నెం.1-8-5, జి-227, ఐటిసి మెయిన్ గేట్ ఎదురుగా, ఐ పంగి గ్రామం, కొవ్వూరు మండలం, పశ్చిమ గోదావరి జిల్లా, ఆంధ్రప్రదేశ్-534342.

పైన సూచించబడిన దరఖాస్తు 28.05.2025న గౌరవ నేషనల్ కంపెనీ లా ట్రిబ్యునల్, అమరావతి బెంచ్ ముందు జాబిత చేయబడింది. గౌరవనీయ ట్రిబ్యునల్ కార్పొరేట్ డెటార్‌కు మళ్ళీ నోటీసు జారీ చేయాలని ఆదేశించింది. ఫైనాన్షియల్ క్రెడిటార్ రెండవసారి వ్యక్తిగత నోటీసు తీసుకోవడానికి అనుమతి ఉంది. ఆ నోటీసును మరోసారి తిరిగి ఇచ్చిన సందర్భంలో, ఫైనాన్షియ క్రెడిటర్ పేపర్ పబ్లికేషన్ ద్వారా సేవలను కొనసాగించాలని కూడా ఆదేశించబడింది. దీనికి అనుగుణంగా, నోటీసు జారీచేయబడిం మరియు పంపిణీ చేయబడింది, దానికి అనుగుణంగా, నోటీసు జారీచేయబడి పంపిణీ చేయబడింది, కానీ "టి.కన్నారా నెం.74-8-1/2, ప్రకాష్‌నగర్ దగ్గర, రాజమండ్రికి తిరిగిపంపబడుతుందని పేర్కొంటూ ఎండార్స్‌మెంట్‌తో తిరిగిఇవ్వబడిం కాబట్టి, పైన సూచించబడిన దరఖాస్తును జూన్ 30, 2025న ఉ.10:30 గంటలకు అమరావతి బెంచ్, మంగళగిని వా సమక్షంలో విచారణ కోసం మీ హాజరు కోసం జాబితా చేయబడుతుందని దయచేసి గమనించండి. అందువల్ల, ఈ విషయం విచారణ కోసం జూన్ 30, 2025న ఉ.10:30 గంటలకు గౌరవ నేషనల్ కంపెనీలా ట్రిబ్యునల్, అమరావతి బెంచ్ ముం ప్రత్యక్షంగా లేదా అధీకృత ప్రతినిధి ద్వారా నవీయక పత్రాలుపత్రాలు మరియు వాకలత్‌నామాతో పాటుహాజరు కావా మీరు ఇందు మూలంగా ఆదేశించబడ్డారు. తదుపరిగా మీరు గౌరవ ఎన్‌సిఎల్‌టి అమరావతి బెంచ్ ముందు జరిగే విచారణ కోస రోజువారీ కారణాల జాబితాను క్రమం తప్పకుండా అనుసరించాలని కూడా మీకు సలహా ఇవ్వబడింది.

పైన పేర్కొన్న తేదీ, సమయం మరియు ప్రదేశంలో మీరు వ్యక్తిగతంగా లేదా మీ న్యాయవాది ద్వారా హాజరు కాకపో విచారించిర మీకు వ్యతిరేకంగా తీర్మానించబడును.

హైదరాబాద్, తేదీ: 12.06.2025

కెనరా బ్యాంక్,
ఫైనాన్సియల్ క్రెడిటార్/ పిటిషనర్

8. In the hearing on 30.06.2025, it was noted that despite substituted service having been duly effected through publication in *Financial Express'* (English edition) and *'Prajashakthi'* (Telugu edition) dated 14.06.2025, there was no representation or appearance on behalf of the Corporate Debtor and therefore the Corporate Debtor was set *ex-parte*, and the matter was directed to be listed for final hearing on 08.08.2025.

9. During the course of hearing held on 08.08.2025, this Adjudicating Authority posed a query with regard to of limitation. However, the Counsel for the Financial Creditor sought 10 days' time to file the relevant documents including the OTS letter dated 29.02.2020 issued by the Corporate Debtor to justify the limitation, which was granted and the matter was posted for further consideration on 18.08.2025. Subsequently, at the request of the proxy Counsel for the Financial Creditor, the matter has been listed for hearing today.

10. During the course of today's hearing, the Counsel for the Financial Creditor submitted that, in compliance with Order dated 08.08.2025, a compliance memo dated 18.08.2025 has been filed on 19.08.2025 vide diary No. 1702 along with OTS letter dated 29.02.2020 offered by the Corporate Debtor to the Financial Creditor. It was further submitted that, on the aspect of limitation, reliance is placed on the OTS letters dated 29.02.2020 and 30.11.2020. Learned Counsel also drew attention to the Order of the Hon'ble Supreme Court dated 10.01.2022 in M.A. No. 21 of 2022 in *Suo Motu Writ Petition (C) No. 3 of 2020*, wherein the period from 15.03.2020 to 28.02.2022 was directed to be excluded for the purpose of computing limitation under any general or special law in respect of all judicial or quasi-judicial proceedings.

11. It was further submitted by the Counsel for the Financial Creditor that the following documents placed on record clearly establish the disbursement of the loan facilities and the transactions undertaken by the Corporate Debtor in relation to the said loan accounts: (a) Statement of accounts along with certificate u/s 2(8)(B) r/w Section 2A of the Bankers' Book Evidence Act. (b) SARFAESI Notice dated 08.11.2017 u/s 13(2) of SARFAESI Act, 2002 (c) Record of Default in Form-D issued by NeSL.

12. The first issue for consideration before us is **"Whether the Application falls within the period of limitation.**"

(i) It is noted that the said loan accounts were classified as NPA on 31.08.2017, i.e., three months from the date of default, and therefore, the initial limitation period of three years under Article 137 of the Limitation Act, 1963, would have expired on 30.08.2020.

(ii) However, in view of the two OTS proposals dated 29.02.2020 and 30.11.2020, coupled with the decision of the Hon'ble Supreme Court in M.A. No. 21 of 2022 in Suo Motu Writ Petition (C) No. 3 of 2020 dated 10.01.2022, excluding the period from 15.03.2020 to 28.02.2022 for the purpose of limitation, a fresh period of limitation commenced from 01.03.2022. Consequently, the limitation would

expire on 01.03.2025. The relevant extract of the e-filing details as reflected in the DMS portal is reproduced below:

(iii) Since the present Petition has been e-filed on 28.02.2025, we are of the considered view that it has been filed well within the prescribed period of limitation.

(iv) In this regard, reliance is placed on the judgment of the Hon'ble Supreme Court in ***Dena Bank (now Bank of Baroda) v. C. Shivakumar Reddy & Anr., (2021) 10 SCC 330***, wherein it was held that:

> *"to sum up, in our considered opinion an application under Section 7 of the IBC would not be barred by limitation, on the ground that it had been filed beyond a period of three years from the date of declaration of the loan account of the Corporate Debtor as NPA, if there were an acknowledgement*

of the debt by the Corporate Debtor before expiry of the period of limitation of three years, in which case the period of limitation would get extended by a further period of three years".

13. The next issue for consideration before us is ***"Whether there is 'financial debt' and default in repayment thereof, when it became due and payable"***

(i) The Financial Creditor has satisfactorily established the existence of a financial debt claimed in Part–IV of the Petition to the extent of Rs.579,89,30,157.74/- as on 01.01.2025, arising out of the loan facilities sanctioned to the Corporate Debtor, comprising of Rs.30 Crores under Loan Account No. 0642261005193 and Rs.120 Crores under Loan Account No. 2423261005114 and the occurrence of default thereof by placing reliance on the following documents: (a) Statement of accounts along with certificate u/s 2(8)(B) r/w Section 2A of the Bankers' Book Evidence Act. (b) SARFAESI Notice dated 08.11.2017 u/s 13(2) of SARFAESI Act, 2002 (c) Record of Default in Form-D issued by NeSL.

(ii) In view of the above, we are of the considered view that a financial debt exists beyond the threshold limit of rupee one crore and the default in repayment thereof has been occurred,.

14. However, before admission, this Adjudicating Authority has to satisfy that the Application 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 an Application.

15. We have gone through the contents of the Application filed by the Financial Creditor and found that the same is complete. As per Part III of Form 1 of the Petition, the Financial Creditor has proposed the name of Mr. Chillale Rajesh, Registration No. IBBI/IPA-001/IP-P-00699/2017-2018/11226, as Interim Resolution Professional ("IRP") in the matter and has also filed his written consent in Form 2 dated 27.02.2025 affirming that he

is eligible to be appointed as IRP in respect of the Corporate Debtor and certified that there are no disciplinary proceedings pending against him with the Board or with Indian Institute of Insolvency Professionals of ICAI. During the course of today's hearing, the credentials of the proposed IRP was verified on the IBBI website, which shows that proposed IRP holds the valid AFA up to 31.12.2025. The relevant extract of the IBBI website is given below:

Name of the IP	Mr. Chillale Rajesh
Registration no	IBBI/IPA-001/IP-P00699/2017-2018/11226
Date of Registration	23-Nov-17
Member of IPA	Indian Institute of Insolvency Professionals of ICAI
Member of IPE	IRR Insolvency Professionals Private Limited
Email id	chillalerajesh[at]yahoo[dot]co[dot]in
Address	B-725, Western Plaza, OU Colony, HS Darga, Manikonda ,Hyderabad,Telangana ,500008
Have Valid AFA	Yes
AFA Certificate No.	AA1/11226/02/311225/107357
AFA Valid Upto	31-Dec-25
Total CPE Earned	75
Total Assignments	27

16. As a sequel to the discussion above, the present Petition bearing **CP(IB)/12/7/AMR/2025** filed by the Financial Creditor under Section 7 of the IBC for initiating CIRP against the Corporate Debtor, namely, M/s. **Sri Krishna Stockist & Traders Pvt Ltd (CIN: U51101AP2009PTC063070)**, 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 licence, 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 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.

(iv) 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.

(v) 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.

17. Accordingly, we hereby appoint Mr. Chillale Rajesh, Registration No. IBBI/IPA-001/IP-P-00699/2017-2018/11226, email ID-chillalerajesh@yahoo.co.in having registered address at B-725, Western Plaza, OU Colony, HS Darga, Manikonda, Hyderabad, Telangana-500008, as IRP in the instant matter, with the following directions: -

(i) The term of appointment of Mr. Chillale Rajesh, shall be in accordance with the provisions of Section 16(5) of the Code, subject to his written consent to be filed within 7 days of this order, after due examination of the relevant Regulations regarding his eligibility more particularly with reference to number of assignments.

(ii) 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.

(iii) 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.

(iv) The IRP shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the CIRP in terms of Section 13(1)(b) read with Section 15 of the Code calling for the submission of claims against Corporate Debtor.

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

(vi) 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 IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

(vii) The Corporate Debtor, its Directors, personnel and the persons associated with the management shall extend all cooperation to the IRP 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.

(viii) 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. In case, the books are maintained in the electronic mode, the Suspended Board of Directors are to share with the Resolution Professional 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, 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.

(ix) 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.

(x) 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 IRP/RP may take the assistance of Digital Forensic Experts empanelled with this Bench for this purpose. 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.

(xi) 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.

(xii) 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 on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days of filing the report of constitution of the Committee.

(xiii) 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 authorities, trade unions, and employee associations to inform them about the commencement of CIRP.

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

18. The Financial Creditor is directed to deposit Rs.5,00,000/- (Rupees Five Lakhs only) with the IRP to meet out the expense to perform the functions assigned to him in accordance with Regulation 6 of the IBBI (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.

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

Accordingly, CP (IB)/12/7/AMR/2025 stands admitted.

Sd/-	**Sd/-**
(UMESH KUMAR SHUKLA)	**(KISHORE VEMULAPALLI)**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**