NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(Video Conference)

PRESENT: JUSTICE TELAPROLU RAJANI – MEMBER JUDICIAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 18.01.2022 AT 10.30 AM

TC/CP. Nos.	CA/IA No.	Section/ Rule	Name of Parties
CP No. 74/7/AMR/2021		7 of IBC	Dovefibn Micro Finance Private Limited Vs. Laxme Saai Steel Private Limited

s

Counsel for Petitioner(s):

Ries

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

Counsel for Respondent(s):

Ries

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

ORDER

CP No. 74/7/AMR/2021 is admitted, vide separate orders.

Rani

JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL

NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
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CP (IB) No. 74/7/AMR/2021

In the matter of a Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016
AND

In the matter of
M/s. LAXME SAAI STEEL PRIVATE LIMITED

Between

M/s. Dovefin Microfinance Private Limited,
Registered Office at D.No.1-55/11/KJ/3F,
S.No.185, Masjidband, Kondapur,
Ranga Reddy District, Telangana -500084

... Financial Creditor

AND

M/s. Laxme Saai Steel Private Limited,
Registered Office at D.No.3-156A,
Old Garividi, Sriram Nagar, Garividi Mandalam,
Vizianagaram District, Andhra Pradesh -535101.

... Corporate Debtor

Date of pronouncement of orders: 18.01.2022

CORAM:

Justice Telaprolu Rajani, Member Judicial.

Appearance:

For Operational Creditor	:	Mr. J.Basava Raju, Advocate.
For Corporate Debtor	:	Mr.V.V.S.N.Raju, Mr.Praveen Kumar Jain, Advocates

ORDER

1. This Application is filed by M/s. Dovefin Microfinance Private Limited ("hereinafter referred to as Financial Creditor") seeking initiation of Corporate Insolvency Resolution Process (CIRP) in respect of M/s. Laxme Saai Steel Private Limited ("hereinafter

referred to as Corporate Debtor") alleging that the Corporate Debtor committed default in making payment to the Financial Creditor in view of the invoices raised by them upon the Corporate Debtor, by invoking under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

2. The Financial Creditor is a Private Limited Company, registered and incorporated under the Provisions of Indian Companies Act, 1956. The Financial Creditor is carrying business of providing short term and long term lending to individuals, small and medium enterprises. The Corporate Debtor is a Private Limited Company registered and incorporated under the Provisions of Companies Act, 1956, engaged in the business of ferro alloys.

3. The Corporate Debtor approached the Financial Creditor for loan. The Corporate Debtor availed a loan amount around Rs.17.50 Crores from Indian Overseas Bank, Jagadamba Branch, Visakhapatnam to meet its capital requirements and mortgaged its properties to the Bank. Due to the failure of the Corporate Debtor to repay the loan amount, the Bank account of the Corporate Debtor has been declared as NPA. Further, the Corporate Debtor has approached the Bank to settle the said amount and got one Time Settlement (OTS) offer for INR 13.5 Crores payable within 90 days. As per the said OTS, INR 6 Crores is to be paid within 30 days and remaining INR 7.5 Crores to be paid within 90 days. The Corporate Debtor has paid INR 4 Crores out of INR 6 Crores payable in the first tranche and requested the Financial Creditor for a fund of INR 2.10 Crore for fulfilling the first tranche stating that initially they would repay the same within 6 months along with interest @ 15% p.a. On 03.10.2017 the Financial Creditor has

granted the required loan of INR 2.10 Crores to the Corporate Debtor. The Corporate Debtor availed the loan and utilized the same. The Corporate Debtor expressed its difficulty in repaying the loan within 6 months and requested to pay interest @ 18% p.a. and to grant some more time to arrange funds to repay the loan. The Financial Creditor agreed the same.

4. Further the Corporate Debtor was admitted to CIRP previously vide orders of NCLT, Hyderabad Bench in CP(IB) No.95/9/HDB/2018 and subsequently during CIRP process, the Financial Creditor has submitted its claim to Interim Resolution Professional therein and the claim was admitted and the Financial Creditor was included in the Committee of Creditors. The said orders in CP(IB) No.95/9/HDB/2018 were set-aside by the orders of the Hon'ble NCLAT. An amount of INR 4,67,93,092.95 is due and payable by the Corporate Debtor as on 30.11.2021. The Corporate Debtor is liable to pay interest on the said amount from the said date.

5. I heard the counsel for the Financial Creditor and the Counsel for the Corporate Debtor. The Counsel for the Corporate Debtor submits that there is no denial by them with regard to the debt due to the Financial Creditor. But he submits that the Corporate Debtor requires 6 to 7 months' time for repaying the debt. The Counsel when suggested that payment schedule to pay the debt amount in instalments can be furnished, expressed his inability stating that the Corporate Debtor cannot make any payments before 6 or 7 months. He also submits that they have to pay debts to the Operational Creditors also. Hence from the above, it is evident that the Corporate Debtor is not only indebted to the Financial Creditor herein. But also other debts to the Operational Creditor and that the

Corporate Debtor is not a viable condition is obvious from the said submitted facts. In these circumstances, there cannot be any other option for the Tribunal except to order for Corporate Insolvency Resolution Process (CIRP).

6. Hence I am of the considered view that it is a fit case to admit and order initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor. The Financial Creditor has suggested one name i.e., Mr.Rajesh Chillale (IBBI/IPA-001/IP-P00699/2017-2018/11226) as Insolvency Resolution Professional (IRP).

ORDER

The Company Petition is admitted. The Corporate Insolvency Resolution Process of the Corporate Debtor shall commence from this date and shall be completed within 180 days hence.

i. Mr.Rajesh Chillale (IBBI/IPA-001/IP-P00699/2017-2018/11226), having office at B421, Western Plaza, H.S.Darga, Golkonda, Hyderabad; e-mail: **chillalerajesh@yahoo.co.in**; Mobile: 9866294434 is appointed as the Interim Resolution Professional. No disciplinary proceeding is pending against him as per the IBBI website.

ii. He is directed to take charge of the Corporate Debtor's management forthwith and take necessary steps in furtherance of the CIRP in terms of Sections 13(2), 15, 17, 18 and 20 of Code and Rules made thereunder.

iii. Moratorium in respect of the Corporate Debtor is hereby declared in terms of Section 14 of the Code.

iv. The Directors, Promoters or any other person(s) associated with the management of Corporate Debtor shall extend all assistance and cooperation to the IRP as stipulated under section 19 of the Code for effectively discharging his functions under the Code.

v. The Registry shall communicate the order to the Financial Creditor and the Corporate Debtor forthwith.

vi. The Financial Creditor and the Registry shall send the copy of this order to IRP for necessary compliance.

JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL

Swamy Naidu