

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

CP (IB) No.661/7/HDB/2018

U/s 7 of IBC, 2016
R/w Rule 4 of I & B (AAA) Rules, 2016

In the matter of:

State Bank of India
Stressed Assets Management Branch-II
(SAMB-II), First Floor
TSRTC Bus Stand Complex
Kachiguda
Hyderabad.
Corporate Office at State Bank Bhavan
Madame Cama Road
Mumbai, Maharashtra.
represented by its Assistant General Manager
Mr.C. Prakash Reddy.

.. Petitioner/
Financial Creditor



VERSUS

Messrs Meena Jewellers Private Limited
Registered Office at: 5-9-58/ 1-15
Shop No.201/A, Babukhan Estate
Basheer Bagh,
Hyderabad TG 500029.

.. Respondent/
Corporate Debtor

Date of order: 26.11.2019

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)
Hon'ble Shri Narendra Kumar Bhola, Member (Technical)

Parties / counsels present:

For the Petitioner : Shri G.P. Yash Vardhan, Advocate.
For the Respondent: Shri R. Raghunandan Rao, Advocate.
Shri G. Bhupesh, Advocate.

NPW

**Per: Hon'ble Shri Narender Kumar Bhola,
Member (Technical)**

Heard on:16.07.19, 07.08.19, 30.08.19, 05.09.19, 20.09.19,
04.10.19, 21.10.19 & 30.10.19.

ORDER

The Present Petition is filed by Sate Bank of India, the financial creditor, which is incorporated on 01.07.1955 with identification no.AAACS8577K. The petitioner stated that the respondent- corporate debtor has been sanctioned a debt of Rs.66,00,00,000/- (Rupees sixty six crores only) and disbursed and the last renewal of debt/ sanction was on 19.01.2016. The corporate debtor has defaulted in paying an amount of **Rs.80,72,56,249.56 (Rupees eighty crores seventy two lakhs fifty six thousand two hundred forty nine and paise fifty six only)** as on 31.08.2018. Hence this petition is filed under Section 7 of Insolvency and Bankruptcy Code, 2016, read with Rule 4 of Insolvency & Bankruptcy (Application to the Adjudicating Authority) Rules, 2016, seeking commencement of Corporate Insolvency Resolution Proceedings (CIRP) against the Corporate Debtor. The corporate- debtor is incorporated under the provisions of the Companies Act, 1956 and is engaged in the business of retailing of jewellery.



2. The averments in the petition filed by the Petitioner/Financial Creditor in brief are:

(i) The corporate debtor was sanctioned a debt of Rs.66,00,00,000/- (Rupees sixty six crores only) and disbursed the last renewal of debt/ sanction was on 19.01.2016. The corporate debtor has defaulted in paying an amount of Rs.80,72,56,249.56 (Rupees eighty crores seventy two lakhs fifty six thousand two hundred forty nine and paise fifty six only) as on 31.08.2018 and has become Non-performing Asset (NPA) on 28.10.2016. Date of default was on 30.07.2016.

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(ii) Several documents have been filed by the financial creditor along with the application, such as, application-cum-request letter dated 21.11.2009, sanction letter dated 26.03.2010, resolution of the Board of Directors of the corporate debtor dated 29.03.2010, agreement of loan dated 31.03.2010, agreement of hypothecation of goods and assets in Form C-2 dated 31.03.2010. deed of guarantee dated 31.03.2010, omnibus counter guarantee dated 31.03.2010, letter-cum-undertaking by corporate-debtor dated 31.03.2010, and several other documents.

(iii) The petitioner- financial creditor has addressed letter dated 27.12.2016 (Annexure-65) to corporate- debtor and all the directors calling upon them to pay total dues of **Rs.69.76 crores** as on 30.11.2016 and the postal acknowledgement receipts of such communication signed by the corporate-debtor are placed at Annexure-66.

3. The respondent/corporate debtor filed reply. The objections raised in the counter, in brief, are as under:-

(i) The respondent/corporate debtor had initially approached Vijaya Bank for financial assistance. When facilities as agreed were not disbursed by said Bank the respondent/corporate debtor has approached the petitioner-financial creditor.

(ii) The respondent/corporate debtor has admitted in para 5(c) that,

“.. .. unhealthy competition in the market, non-receipt of debts from dealers, global recession including demonetization, imposition of excise duty and closure of shops for 5 to 6 months due to national strike, the account of the corporate debtor was forced to become irregular ... “







However, respondent/corporate debtor has objected to the petitioner/ financial creditor arbitrarily classifying respondent/corporate debtor as NPA and stated that due to such arbitrary classification respondent/corporate debtor has lost its 25 years' credibility in the market.

(iii) It is stated in para 5(e) of the counter that respondent/corporate debtor has requested to revive/reschedule the facilities basing upon the high value of the secured assets. The petitioner, however, rejected the said request.

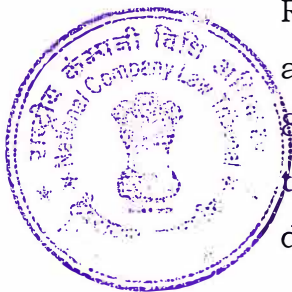
(iv) It is further averred in para 5(f) that a proposal of One Time Settlement (OTS) mooted by respondent/corporate debtor vide letter dated 26.05.2017 met with no response. Instead, the petitioner has initiated measures under section 13(4) of the SARFAESI Act, 2002 on the same day.

(v) It is stated in para 5(g) of the counter that possession notices dated 26.05.2017 under section 13(4) of the Act read with Rules 8(1) and (2) of the Security Interest (Enforcement) Rules, 2002 have been issued against the secured immovable assets followed by another notice dated 21.07.2017 under Rule 8(6) of the Security Interest (Enforcement) Rules, 2002, putting the secured assets to public auction within 30 days from the date of issuance of the said notice.

(vi) On receipt of said notices the respondent- corporate debtor has offered revised OTS proposal dated 01.08.2017, which was met with rejection. The petitioner has published 'e-auction sale notice' dated 03.09.2017. Such publication of notice allegedly gave negative signs to investors who allegedly came forward to arrange funds to close accounts under settlement.







(vii) The corporate debtor in para 5(i) of its reply stated that the petitioner-Bank has filed O.A. No.402 of 2017 under SARFAESI Act, 2002 before the Hon'ble Debts Recovery Tribunal. The corporate debtor has filed its reply in the said proceedings establishing that the debt was not maintainable. The corporate debtor also alleged that it established as to how the properties were not validly secured for the bank to proceed against and as to how the guarantees either personal or corporate were not maintainable.

(viii) The respondent- corporate debtor has further stated in para 5 (j) of the counter that the petitioner has filed Crl. M.P. Nos.99-103 of 2018 before the Hon'ble Chief Metropolitan Magistrate, Hyderabad at Nampally seeking appointment of an Advocate Commissioner for taking physical possession of the assets of corporate debtor. The learned Magistrate vide order dated 23.02.2018 has sought certain documents from the petitioner- financial creditor. Said proceedings have ultimately been dismissed by the learned Magistrate on the ground of suppression of material facts.

(ix) It is stated in the counter that the petitioner- financial creditor has preferred writ petitions before the Hon'ble High Court and the Hon'ble High Court has disposed of said writ petitions with liberty to file fresh application under section 14 of the Securitisation Act. The petitioner-financial creditor has preferred such applications before the learned Magistrate and the same are pending as on date.

(x) In the meanwhile the respondent/corporate debtor had preferred an appeal against the order of the Hon'ble High Court before the Hon'ble Supreme Court and the same was disposed of by the Hon'ble Supreme Court on 18.02.2019 reiterating the position stated by the Hon'ble High Court, viz. granting leave to the petitioner to file fresh application before the learned Chief Metropolitan Magistrate. Against the said order dated



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18.02.2019 the corporate debtor had preferred a review application bearing Diary No.20297 and the same is pending as on date.

(xi) It is also stated in the counter that sister-companies of respondent/corporate debtor had preferred similar appeals before the Hon'ble Supreme Court, which are pending as on date.

(xii) The respondent/corporate debtor, in para 9 of the counter, relied on the decision of the Hon'ble NCLAT rendered in **S.C. SEKARAN Vs. AMIT GUPTA & OTHERS**, wherein it is held that,

"The 'Liquidator' is supposed to keep the companies as 'going concern' even during the period of liquidation. If so necessary, the 'Liquidator; can take steps under section 230 of the Companies act, 2013 after consultation with the 'members' or 'the creditors' of the Companies for making arrangement with the third party. ..."

4. Rejoinder is filed by the petitioner/ financial creditor, reiterating the averments made in the petition and denying all the submissions made by the respondent/ corporate debtor in the counter. The petitioner has contended:

(i) That the petitioner- financial creditor has denied all the allegations levelled in the counter and submitted that the petitioner- financial creditor has not suppressed any facts.

(ii) That while articulating that financial assistance has been provided by the petitioner- financial creditor to the respondent-corporate debtor vide sanction letter dated 26.03.2010 and renewal letters dated 10.02.2011, 30.01.2012, 25.05.2012, 17.10.2013, and copy of arrangement letter dated 19.01.2016, the petitioner has relied on the admission made by the corporate debtor that,





“.. due to unhealthy competition in the market, non-receipt of debts from dealers, global recession including demonetization, imposition of excise duty and closure of shops for 5 to 6 months due to national strike, the account of the corporate debtor was forced to become irregular ...”

The petitioner- financial creditor contends that the above admission itself shows that the respondent- corporate debtor was unable to repay the financial assistance availed from the financial creditor as stipulated under the sanction letters. The petitioner- financial creditor would contend that the acts of the corporate debtor becoming irregular and committing default in payment of principal and interest thereon led to the loan account of the corporate debtor getting classified as NPA on 28.10.2016 in accordance with the guidelines relating to asset classification issued by RBI.

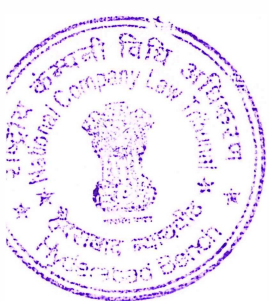
(iii) The petitioner- financial creditor submitted that the corporate debtor has admitted in its reply dated 27.03.2017 that it is ready to pay the amounts towards interest due every month regularly. It is denied by the petitioner- financial creditor that the corporate debtor has made any request to revive/ reschedule the facilities. This statement is made by the corporate debtor allegedly to counter the notice issued by the financial creditor under section 13(2) of SARFAESI Act, 2002. The petitioner- financial creditor submitted that the corporate debtor has not filed any specific or concrete proposal for resolution of the loan amounts of the corporate debtor.

(iv) That the corporate debtor vide its letter dated 22.02.2017 (Annexure-51, page no.565, Volume No.3) has brought to the notice of the financial creditor that,

“.. we are organising funds from the funder to clear the outstanding loan amounts of the financial creditor. ...”

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However, the corporate debtor failed to keep such proposal made in the said letter. The corporate debtor has promised to repay an amount of Rs.5.00 crores and Rs.10.00 crores in first week and second week of March 2017 respectively, but could not keep the promise. The financial creditor has granted two months' time to the corporate debtor and gave indulgence not to take any recovery measures against the corporate debtor. The financial creditor informed the corporate debtor vide its letter dated 31.03.2017 (Annexure A-56, Page No.576, Volume No.3) that it was directed to submit RBI permission and sanction letter issued by the FII, but the corporate debtor did not provide the same. The financial creditor had asked the corporate debtor either to close all the loan accounts or to submit a definite plan for resolution of the loan accounts failing which the financial creditor would be forced to initiate legal proceedings. Thus, the corporate debtor was granted ample opportunity to clear the dues. However, the corporate debtor has neither regularised the loan account by paying the outstanding principle and interest under the loan account nor submitted any concrete resolution plan by way of organising funds from the proposed funder. The financial creditor vide its letter dated 07.04.2017 has informed the corporate debtor that due to failure of the corporate debtor in repaying the outstanding amount, financial creditor had to invoke the provisions of SARFAESI Act, 2002 calling upon the corporate debtor to repay the entire amount.

(v) The financial creditor has denied that it has initiated measures under section 13(4) of SARFAESI Act, 2002 on the same day when it has received OTS proposal dated 26.05.2017 and submitted that on expiry of 60 days from the date of receipt of notice under section 13(2) of SARFAESI Act, 2002 has taken symbolic possession of the properties of the corporate debtor as contemplated under section 13(4) of the SARFAESI Act, 2002. The corporate debtor had requested some more time to repay the outstanding loan amounts. The

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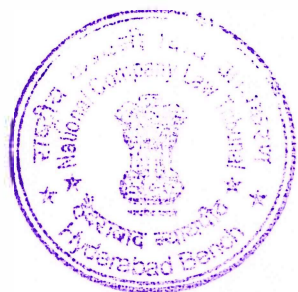
corporate debtor in its letter dated 10.05.2017 assured the financial creditor that in the event of failure to pay the outstanding loan amounts or failure to keep promises made above, the financial creditor can publish possession notice **after 20.05.2017**. Immediately, on the next day, viz. 11.05.2017 (ANNEXURE 99) the corporate debtor made another request to the Bank that there was an error with regard to date '**20.05.2017**', which should be **20.05.2018**. This demonstrates the delay tactics adopted by the corporate debtor.

(vi) It is averred in the rejoinder that the corporate debtor has promised vide its letter dated 10.05.2017 (ANNEXURE-99) that it would pay Rs. 20.00 lakhs and Rs. 180.00 lakhs on 12.05.2017 and 18.05.2017 respectively and will close the loan amounts by 20.05.2017. The financial creditor has believed the words of the corporate debtor and had delayed the proceedings under SARFAESI Act and did not publish possession notice in the newspapers. The financial creditor vide letter dated 23.05.2017 (ANNEXURE-99 to the rejoinder) has informed the corporate debtor that due to failure to repay the outstanding amounts the financial creditor is constrained to continue recovery measures and ultimately the financial creditor has taken symbolic possession of the properties of the corporate debtor on 05.05.2017.

(vii) It is submitted by the financial creditor that the OTS proposal dated 01.08.2017 submitted by the corporate debtor has been rejected by the financial creditor as the amount offered was very less. The financial creditor has issued and published e-auction notice after expiry of 30 days from the dated of notice dated 21.07.2017 under Rule 8(6) of Security Interest (Enforcement) Rules.

(viii) It is submitted by the financial creditor that the proceedings in Crl. M.P. Nos.99-103 of 2018 before the Hon'ble





Chief Metropolitan Magistrate, Hyderabad at Nampally, orders passed by the Hon'ble High Court of Hyderabad in favour of the financial creditor in Writ Petitions No.41784 of 2018 and other petitions and subsequent to filing of Cr. MP Nos.48 of 019 and other applications and the Hon'ble Supreme Court dismissing SLP No.4786 of 2019 holding that it is not inclined to interfere with the impugned judgment passed by the Hon'ble High Court of Hyderabad in WP No.41784 of 2018 in favour of the financial creditor are all part of the record. It is submitted by the financial creditor that **it is the settled law that pendency of proceeding before any court/ tribunal will not bar the financial creditor from filing an application under 7 of the IBC.** The financial creditor under section 7 of IBC has only to establish debt and default. In the present case, the financial creditor has produced all necessary documents to establish that the corporate debtor has availed financial assistance and also proved the default committed by the corporate debtor in repayment of the outstanding loan amounts. It is submitted by the financial creditor that the corporate debtor itself vide its OTS proposal dated 26.05.2017 and 01.08.2017 (Pages 23-25 in Volume No.1) has admitted its liability and the debt payable to the financial creditor.



(ix) It is submitted by the financial creditor that the corporate debtor has resolved to obtain financial assistance from the financial creditor in its minutes of the following meetings:

Meeting dated	Document filed by the financial creditor available at
01.02.2012	A-16, Page No.185 and 186, Volume-I.
02.06.2012	A-19, Pages No.199-200, Volume-I.
18.10.2013	A-35, Pages No.303-304, Vol.II.

Said financial assistance from the financial creditor is to be secured by creation of deposit of title deeds of immovable

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properties of the corporate debtor and guarantee to be given by the directors. Pursuant to such resolutions only the corporate debtor has **executed various agreements and other confirmation letters vide pages no.359 - 394, Volume-II.** The question of there being any dispute with regard to the properties mortgaged and guarantees executed does not arise. It is submitted by the financial creditor that in OTS proposal offered by the corporate debtor and in which the corporate debtor has admitted the amount due and liable to be paid to the financial creditor.

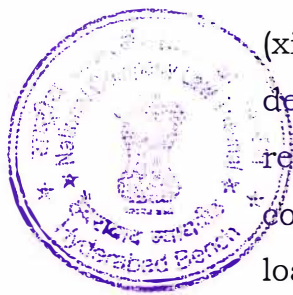
(x) It is submitted by the financial creditor that the lives of the employees and their families will not be put on roads as is claimed by the corporate debtor, on the contrary they will be protected by the IRP. It is submitted that the retail shops have been closed for more than two years sans activity, sans jewellery stocks. It is submitted that the purpose of the IBC is not to liquidate but to revive them. Bearing the said object in mind the financial creditor has filed the Company Petition in order to ensure that the interest of all the stakeholders of the corporate debtor is protected and the company is revived.

(xi) It is submitted by the financial creditor that existence of debt has amply been proved in the preceding paragraphs. As regards default committed by the corporate debtor, the corporate debtor has admitted its liability to repay outstanding loan amounts by the following among other documents:

- (a) OTS request letters dated 26.05.2018 and 01.08.2017 (Pages 23- 31, Volume No.1 of the documents filed by the corporate debtor).
- (b) Statement of account of the corporate debtor along with the certificate under Bankers Book of Evidence.

5. We have heard the Counsel for financial creditor and the counsel for the corporate debtor. The counsel for the financial





creditor filed written submissions. The points raised in the written submissions will be dealt in the course of the order. The case of the financial creditor is that the corporate debtor has already availed various loans from Vijaya Bank and the corporate debtor approached the financial creditor with a request to take over the loan account that it had with Vijaya Bank and also to enhance the working capital limits through its letter dated 21.11.2009. The case of the financial creditor that after discussions, the financial creditor had informed the corporate debtor about its acceptance to take over the overall limits from Vijaya Bank and also about the sanction of term loan and working capital limits. The case of the financial creditor is that in pursuance of the Board Resolution an agreement of loan for overall limit was executed between the financial creditor and the corporate debtor. The corporate debtor also created mortgage by depositing title deeds. The case of the financial creditor is that from time to time limits were being sanctioned, enhanced and were being forwarded to the corporate debtor. The case of the financial creditor is that the corporate debtor executed revival letters and balance confirmation letter and other various documents. It is the case of the financial creditor that it had sanctioned overall limits to the tune of Rs.66 crores and the corporate debtor did not service the debt properly and committed default and the account of the corporate debtor was treated as NPA. Thus, the learned counsel for the financial creditor would contend that voluminous documents are filed by the financial creditor containing volumes no.1 to 5 in a booklet form. The counsel referred to some important documents, such as,

Annexure-A/4, at pages 23 to 30 of Volume-1 of petition,
Annexure-A/5, at page 31 of Volume-1 of petition, and
Annexures A/6 and A/7, at pages 42-48 of Volume-1 of
the petition.

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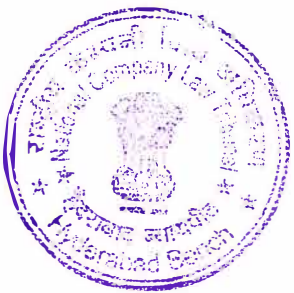


Similarly, the financial creditor relied on Annexure A/2, at pages 19-21 of Volume-1. He also relied on revival letters at pages 289 to 302 and 328 to 330 and balance confirmation letters at page 305 and at page 354.

6. The financial creditor relied on other documents and the financial creditor has also given the list of documents filed. The counsel for the financial creditor would contend that the financial creditor is able to establish the loan sanctioned to the corporate debtor and further able to establish that the corporate debtor committed default. The counsel contended that in light of abundant voluminous documents filed by the financial creditor the petition is therefore, liable to be admitted as the corporate debtor committed default of debt.

7. The counsel further contended that the stand taken by the corporate debtor in the reply has no effect at all on the case of the financial creditor. The counsel contended that there is nothing from the side of the corporate debtor that it had cleared the debt due to the financial creditor. The counsel contended that the second objection raised by the corporate debtor is that the financial creditor has already initiated proceedings under SARFAESI Act, 2002 before the Debt Recovery Tribunal. The counsel contended that it is the settled law that the financial creditor is not precluded from initiating action against the corporate debtor under section 7 of the IB Code and the pending proceedings before the Debt Recovery Tribunal is no bar to initiate proceedings under section 7 of the IB Code against the corporate debtor as the provisions of the IB Code have over-riding effect over other enactments. The counsel contended that the petition is in order and the petition is liable to be admitted.

8. On the other hand it is the case of the corporate debtor that the financial creditor has not released the facilities as agreed as per the sanction letter. The counsel contended that



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the corporate debtor has paid more than what it has availed from the financial creditor. The counsel contended that there are certain other factors due to which the debt could not be serviced and this is the way in which the financial creditor indulged in arm-twisting methods and got classified the account of the corporate debtor as NPA in an arbitrary manner. The counsel contended that the financial creditor further initiated action against the corporate debtor under section 13(2) of SARFAESI Act, 2002 and informed the corporate debtor that the account was treated as NPA on 28.10.2016. The counsel contended that the corporate debtor after receipt of notice under section 13(2) of SARFAESI Act, 2002 requested the financial creditor to revive/ re-schedule the facilities basing on the high value of the assets which are secured by the financial creditor. The counsel contended that in fact, the corporate debtor even sent another detailed OTS proposal on 26.05.2017. However, the financial creditor initiated action under section 13(4) of SARFAESI Act, 2002 on the very same day and further issued possession notice.

9. The counsel contended that the corporate debtor has submitted revised OTS proposal dated 01.08.2017 with a request to settle the account at Rs.15 crores. The financial creditor again rejected the OTS proposal. The corporate debtor is searching for a strategic investor to revive the company. The counsel contended that the corporate debtor filed written submissions before the Debt Recovery Tribunal in OA No.402 of 2017. The counsel contended that the financial creditor filed petition before the Court of the learned Chief Metropolitan Magistrate, Hyderabad for appointment of Commissioner to take possession of the assets of the corporate debtor. The counsel contended that after hearing the corporate debtor the learned Chief Metropolitan Magistrate dismissed the petition. The financial creditor filed writ petition which was disposed of by the Hon'ble High court.



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10. The financial creditor thereafter filed fresh petitions before the learned Chief Metropolitan Magistrate and the corporate debtor preferred appeal to the Hon'ble Apex Court against the order of the Hon'ble High Court and the same was also disposed of by the Hon'ble Apex Court reiterating the stand taken by the Hon'ble High Court. The counsel contended that the object of the Code is to revive the company, but not to see the company to be liquidated. The counsel contended that there is no bona fide on the part of the financial creditor in initiating action against the corporate debtor and the application is liable to be dismissed.

11. The petitioner is the financial creditor. The petitioner has filed various documents in proof of its case that it has granted loan to the corporate debtor towards working capital limits of Rs.66 crores and the corporate debtor committed default. It is true that the financial creditor has filed number of documents which would go to establish the case of the financial creditor that it has sanctioned working capital limits of Rs.66 crores to the corporate debtor and that the corporate debtor also executed revival letters and balance confirmation letter in favour of the financial creditor and thereby acknowledged the debt due to the financial creditor.

12. The corporate debtor filed various documents to show that proceedings are initiated against it by the financial creditor under SARFAESI Act, 2002 and the matter was taken up to the Hon'ble Apex Court and the Hon'ble Apex Court has also confirmed the order passed by the Hon'ble High Court. Mere fact that proceedings are already initiated against the corporate debtor under SARFAESI Act, 2002 is not a bar for the financial creditor to initiate action against the corporate debtor under section 7 of the IB Code. It is the settled law that the provisions of the IB Code prevail over other enactments. Pendency of proceedings before the Debt Recovery Tribunal is

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not a bar for the financial creditor to initiate action under section 7 of the IB Code against the corporate debtor.

13. Absolutely there is no proof that the corporate debtor paid to the financial creditor more than the loan availed by it from the financial creditor. There is nothing to show that the corporate debtor has discharged the debt due to the financial creditor. On the other hand the corporate debtor executed revival letters and also balance confirmation letters.

14. This is a petition under section 7 of the IB Code and the Tribunal to see whether the financial creditor is able to establish the debt due by the corporate debtor and also default. Here no dispute is raised with regard to the sanction of working capital limits to the tune of Rs.66 crores which was availed by the corporate debtor. There is also no material to show that the corporate debtor discharged the debt. On the other hand the corporate debtor renewed the loans by executing revival letters and also by executing balance confirmation letters. The corporate debtor, no doubt, filed several documents which relate to the proceedings initiated against it before the Debt Recovery Tribunal, writ petition filed before the Hon'ble High Court and also appeal preferred before the Hon'ble Apex Court. These are the proceedings started when the financial creditor initiated action against the corporate debtor under SARFAESI Act, 2002. Pendency of proceedings before the Debt Recovery Tribunal is not a bar for the financial creditor to initiate action against the corporate debtor. Therefore, the financial creditor is able to establish the debt and default. The financial creditor has also suggested the name of the proposed IRP, who has given consent in Form-2 and details of the proposed IRP are as follow:

Shri Kondapalli Venkata Srinivas, Address: 3-4-756/1, Flat No.402, 4th Floor, Sai Raghavendra Residency, Barkatpura, Hyderabad – 500027.





E-mail: kvs@assetsadvisory.com

Registration No.IBBI/ IPA-001/ IP-P00520/ 2017-18/10945.

15. Thus, the petition is in order and is liable to be admitted.

16. Hence, the Adjudicating Authority admits this Petition under Section 7 of IBC, 2016, declaring moratorium for the purposes referred to in Section 14 of the Code, with following directions:-

- (a) The Bench hereby prohibits 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; 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;
- (b) 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.
- (c) 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.



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- (d) That the order of moratorium shall have effect from **26th November 2019** till the 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.
- (e) That the public announcement of the initiation of Corporate Insolvency Resolution Process shall be made immediately as prescribed under section 13 of Insolvency and Bankruptcy Code, 2016.
- (f) That this Bench hereby appoints Shri Kondapalli Venkata Srinivas, Address: 3-4-756/1, Flat No.402, 4th Floor, Sai Raghavendra Residency, Barkatpura, Hyderabad – 500027.
E-mail: kvs@assetsadvisory.com
Registration No.IBBI/ IPA-001/ IP-P00520/ 2017-18/10945, as Interim Resolution Professional to carry the functions as mentioned under the Insolvency & Bankruptcy Code.
- (g) Accordingly, this Petition is admitted.



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26.11.19

NARENDER KUMAR BHOLA
MEMBER (TECHNICAL)

Karim

26.11.19
RATAKONDA MURALI
MEMBER (JUDICIAL)

[Signature]
Dv. Regr./Asst. Regr/Court Officer/
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER *(P.C.) No. 661/13/108/2018*
निर्णय का तारीख
DATE OF JUDGEMENT *26/11/19*
प्रति तैयार किया गया तारीख
COPY MADE READY ON *3/12/19*