

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH BENGALURU**
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)
(through Web-Based Video Conferencing)

**I.A No. 290 of 2022,
I.A No. 589 of 2023 &
C.P. (IB) No.05/BB/2022**

U/s 9 of I&B Code, 2016
R/w Rule 6 of I&B (AAA) Rules, 2016

Mr. A.N. Srinivasa Raje Urs

(Sole Proprietor of

M/s. Sri Krishna Enterprises)

Ganesh Rice Mill Compound,

Behind KSRTC Bus Stand, Budhanagar,

Shimoga – 577 201.

... Petitioner/Operational Creditor

Versus

M/s. Shreyas Papers Pvt. Ltd.

Registered Office at:

#138, 3rd Floor, Maruthi Tower,

Airport Road, Kodihalli,

Bengaluru – 560 008.

... Respondent/Corporate Debtor

Order delivered on: 31st October, 2023

Coram:

1. Hon'ble Justice (Retd.) T. Krishnavalli, Member (Judicial)

2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Present:

For the Petitioner

:

Ms. Geeta Lundwani along with

Shri Amay H. and Ms. Vishaka A., Advs.

For the Respondent

:

Shri Naman G. Joshi, PCS

ORDER

Per: Manoj Kumar Dubey, Member (Technical)

- 1.** The instant Petition has been filed on 29.06.2021 u/s 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter as 'IBC / Code') r/w Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by Mr. A.N.

Srinivasa Raju Urs, Sole Proprietor of M/s. Sri Krishna Enterprises (hereinafter as 'Petitioner / Operational Creditor') with a prayer to initiate the Corporate Insolvency Resolution Process (CIRP) in respect of M/s. Shreyas Papers Pvt. Ltd. (hereinafter as 'Respondent / Corporate Debtor') for defaulting an amount of Rs.1,86,59,180/- due and payable by the Corporate Debtor.

2. The Corporate Debtor – **M/s. Shreyas Papers Pvt. Ltd.**, is a Private Limited Company incorporated under the provisions of Companies Act, 1956 with CIN: U02101KA1992PTC013345 having its registered address at Nayak Chambers, 51, Raj Nagar, Hubli, Karnataka-580032. Hence, the jurisdiction lies with this Adjudicating Authority.

3. Brief facts of the case as stated by the Petitioner are as under:

- (a) The Operational Creditor is one of the renowned dealer, supplier and wholesaler of waste paper products. It is stated that the Operational Creditor (OC) and Corporate Debtor (CD) are in business for a period of more than 5 years. The OC states that after delivering goods to the satisfaction of the CD, it raised necessary invoices in respect thereof.
- (b) Despite providing quality goods in a timely manner, the CD failed to honour the amount raised under the Invoices. Ledger Account of the CD for the period 01.04.2018 to 31.03.2020 maintained in the books of the OC reflects that the CD is still liable to pay Rs.1,86,59,180/-.
- (c) While the CD has also admitted its debt obligation, which is evident from the confirmation of Accounts for the period 01.04.2019 to 28.12.2019 issued by the CD, bearing stamp and signature of the CD, wherein it has admitted its liability to the tune of Rs.1,86,59,167/-. In spite of various requests made to the CD to release the outstanding payment, the CD has not made any payment towards the said liability.
- (d) Therefore, the OC issued Demand Notice in Form 3 and Form 4 dated 07.10.2020 calling upon the CD to pay the outstanding unpaid amount. While the Notice has been sent to both the Registered Address as well as at Dandeli Address of CD, the Notice sent to the registered address was returned with

the remark *Addressee cannot be located*. However, the CD received the Notice on its Dandeli address on 26.10.2020. Further, the Demand Notice sent through email dt.19.10.2020 on the registered email address as per MCA portal was duly delivered.

- (e) It is further stated that even after the delivery of Demand Notice, no reply or payments are received from the CD till date. Since the CD has failed in making the payment of outstanding amount, it can be construed that the CD has gone commercially insolvent to discharge its liability. Hence, this Petition.
- (f) In support of its case, the Petitioner *inter alia* filed the following:
- i. *Copy of Invoices;*
 - ii. *Copy of ledger account of the Corporate Debtor for the period 01.04.2018 to 31.03.2020 maintained in the books of the Operational Creditor;*
 - iii. *Copy of confirmation of Accounts received by the Corporate Debtor for the period 01.04.2019 to 28.12.2019;*
 - iv. *Demand Notice dated 07.10.2020;*
 - v. *Copy of Bank Account Statements for the period 04.10.2019 to 14.10.2019.*

4. Pursuant to the issue of notice, Respondent filed its statement of objections *vide* Diary No.2157 dated 20.05.2022 by *inter alia* contending as under:

- (a) It is submitted that the Corporate Debtor is incorporated under the provisions of Companies Act, 1956 on 14.07.1992 with its registered office at Block No.11, Kerwad Village, Haliyal Taluk, Dandeli, Uttara Kannada – 581325.
- (b) Till the FY 2019-20 the CD was managed by Mr. Ramchandra Nayak, Mr. Ramnath Nayak and Ms. Radhika Nayak, who are the Shareholders and Directors of the Company (hereinafter as ‘Old Management’). In the FY 2020-21 Mr. Timmanna Soraganvi and Mr. Chikkayya P. was appointed as Director of Company on 19.11.2020. Further, Mrs. Shridevi Timmanna Soraganvi was appointed as Director on 09.12.2021 and Mr. Chikkayya P. was resigned from Company with effect from 24.03.2022 (hereinafter as ‘New Management’).

- (c) The Operational Creditor is a dealer, supplier and whole seller of the waste paper products it has entered orally into contract with Corporate Debtor and has agreed to provide quality of goods as mutually decided by the Parties. The OC has failed to provide quality of goods. The quality and control department of the Company has rejected the quality of goods because of substandard quality. Copy of the few invoices rejected by the Q&C Department are annexed as Annexure-II.
- (d) It is contended that out of the total supplies made by the OC 60-70% of supplies were not usable because of the substandard quality of goods i.e. road side waste papers and plastic. Therefore, the old management of the CD has raised its concern on quality of goods and proposed to pay 40% of total consideration at maximum. The old management of the CD has kept the payment of OC on hold for supply of degraded quality of products. The new management has agreed to provide settlement for 45% of the total pending dues of Rs.1,86,59,167/- to resolve the issue where old management has only considered the payable amount as only 40% of invoice value. Further, the OC has agreed for settlement orally in the meeting held at Factory. Copy of settlement letter sent to OC is annexed as Annexure-III.
- (e) Further, the invoices annexed on Page Nos.195, 204-205, 207-208, 220, 231, 235, 237-239, 250, 255, 259, 307, 315, 325, 328-329, 331-332, 336 and 353 belongs to M/s. Shreenidhi Papers Pvt. Ltd. and not to the CD. The OC has not annexed proof of claiming in favour of all the transactions which are covered in ledger extract annexed in the CP therefore on what basis the OC has arrived claim of Rs.1,86,59,180/- which creates suspicion and also contended that these documents are forged and fabricated.
- (f) The Ledger account of the CD maintained in the books of OC which has been annexed as Exhibit-D itself reflect that the payments has been made to the OC. Thereafter, the OC had itself admitted in the Petition by misguiding the Bench that the last payment has been credited to it on 14.10.2020 in the sequence of Events, but in Part-IV of CP it stated that the last date of payment was on 14.10.2019. The OC is presenting false information without

submitting the detailed Bank Statement till the date of application which was mandatory requirements to substantiate the fact on confirmation of non-payment while making application is not duly in compliance to present their fact.

- (g) The old management of the CD has sent statement of accounts for confirmation for the period 01.04.2019 to 28.12.2019 indicating the payment made during the period and balance due for the period to confirm outstanding dues of Rs.1,86,59,167/-. Further, the OC has suppressed the same by not submitting the detailed bank statement until the date of Petition. Further, the CD has informed OC about the substandard quality of goods being supplied hence payment has been withheld. The CD was not aware of the fact that OC has served Demand Notices to the old management and it came to notice only when they served notice and copy of the Petition by the Tribunal on 19.01.2022.
- (h) The CP is not maintainable as there is a dispute exist between parties since 2018 on the supply of the substandard asset; the petition was not in compliance as there was no bank statement till the date of application but attached the Bank statement for only 10 days from 04.10.2019 to 14.10.2019; frivolous invoices of M/s. Shreenidhi Papers Pvt Ltd were attached to mislead and escalate the due amount.

5. Subsequently, the Petitioner filed Rejoinder *vide* Diary No.2838 dated 01.07.2022, by *inter alia* stating as under:

- (a) This Petition has been filed in lieu of its legitimate claim substantiated in the invoices attached to CP. The CD choose to not reply to the Section 8 Demand Notice and only now raising false statements without corroborating any material documentary evidence.
- (b) Petitioner has inadvertently annexed few invoices of M/s. Shreenidhi Papers Pvt. Ltd. due to oversight and even if such invoices are excluded, the default amount of Rs.1,86,59,167/- is in relation to the invoices which are raised upon the CD only. The CD for the first time is raising frivolous dispute in

regards to quality of goods without any document. It is stated that the Receipt Notes annexed with the reply are fabricated and that the Authorised Representative of the CD, Mr. Sidray Soma Kadolkar, has confirmed via Affidavit that there was never any sort of handwritten note/remarks on the said receipt note. A Complaint has been filed against the CD before Doddapete Police Station, Shivamogga in this regard.

- (c) The CD has categorically admitted in its settlement letter dt.05.08.2021 that the CD's books of account shows a credit balance to the tune of Rs.1,86,59,167/- as on 31.03.2020, the last two lines of the said proposal is as under:

"In view of this, we request you to give us a letter for agreeing for settlement of your old dues at 45% of the outstanding amount.

Our books of account shows Rs. 1,86,59,167.00 Credit balance as on 31.03.2020 kindly confirm."

- (d) The proposal issued by the CD was never issued in the context of any sort of dispute as averred in its reply. The CD has filed fabricated receipt notes in order to shy away from its liability under the attached invoices. The CD has also acknowledged its liability for the period of 01.04.2019 to 28.12.2019 which is evident from the confirmation of accounts provided by the CD to the Applicant which shows that a debit balance of Rs.1,86,59,187/- is outstanding which is due and payable to the OC, and the same has been confirmed by the CD with stamp and signature.
- (e) It is stated that the date of default is correctly mentioned as 14.10.2019 in Form 5 and it is only a matter of clerical error that 14.10.2020 is mentioned in the List of Dates/Events. The said date of default is evident from the Bank Statements annexed at pages 527-528 of CP.
- (f) Further, the Applicant submits that the actual practice followed in the transactions was that the delivery of Goods to the Mills of the CD was effected by the Applicant on 'Delivery Challan' issued by him. After quality inspection at the Mills, the discrepancy, if any was intimated to the Applicant by the

Authorised Officer of the Mills based at their then Head Office in Hubli. The intimation was by way of Receipt Notes either sent to the Applicant by Post or by Email. Thereafter, the Sale Invoice was raised by the Applicant on the 'Net Accepted Quality and Value' as mentioned in the Receipt Notes.

- (g) Hence, all the Sale Invoices raised on the CD truly mentions the net accepted quantity, quality and value of Goods supplied. As such, with the acceptance and accounting of these invoices of the Applicant/ Petitioner by the CD, there remains no room for any dispute as being falsely made out by the CD. No communication in whatsoever mode was ever sent by the CD as there was no dispute at all.
- (h) In support of its contentions, the Petitioner relied upon following cases:
- i. *Hon'ble Supreme Court in Mobilox Innovations Pvt. Ltd. vs. Kirusa Software Pvt. Ltd.;*
 - ii. *Hon'ble NCLAT in Next Education India Pvt. Ltd. vs. K12 Techno Services Pvt. Ltd.;*
 - iii. *Hon'ble NCLAT in Ahluwalia Contracts India Ltd. vs. Raheja Developers Ltd.;*

6. Vide Diary No.1389 dated 10.03.2023, the Petitioner filed its written submissions by *inter alia* further stating as under:

- (a) It is submitted that the CD has defaulted in payment of invoices ranging from 02.04.2017 and the last invoice is dated 30.09.2019. Hence, right to sue accrued on 02.04.2017. Further, the period of limitation extended from time to time in view of various acknowledgements, confirmations given by the Corporate Debtor.
- (b) The CD made last payment on 14.10.2019. By virtue of Sec. 19 of the Limitation Act, the limitation period for filing the present application is extended by further three years from 14.10.2019. In this regard, the Petitioner relied upon the Judgment of Hon'ble NCLAT in *Atharva Auto Logistics Pvt. Ltd. vs. Intec Capital Ltd. & Anr. in Company Appeal (AT) (Insolvency) No.303 of 2022*. In the present case, right to sue accrued on 02.04.2017 and the 3 years limitation period ends on 02.04.2020 which

comes within the exclusion period given by the Hon'ble Supreme Court in *Suo Motu Writ Petition No.03 of 2020*, wherein, the period from 15.03.2020 to 28.02.2022 has been excluded for the purposes of computing limitation period in respect of all judicial or quasi-judicial proceedings. The Petition is e-filed on 06.01.2021 i.e. very well before the expiry of limitation period.

- (c) The Petitioner has filed an Affidavit in compliance to the provision u/s 9(3)(b) of the Code to the effect that the CD has not replied to the Demand Notice and now belatedly tried to create a moonshine dispute which is untenable in Law.
- (d) The OC denies that there were any pre-existing disputes. Furthermore, the fabricated Receipt Notes filed along with the reply only amounts to Rs.5,93,130/- which makes it clear that there is an acknowledgement of the liability which is more than Rupees One Crore.

7. Vide Diary No.1528 dated 17.03.2023, the Respondent filed its written submissions by *inter alia* further contending as under:

- (a) At the Creditors meeting which took place after 19.11.2020 for negotiation of settlement of invoices of vendors and creditors, the Petitioner has not intimated to new management that they have served Demand Notice on the CD, though new management was made aware of said dispute. It was very difficult for the new management to ascertain the exact payment made by old management to Petitioner because of Merger of Corporation Bank with Union Bank and later the A/c maintained with Union Bank was closed, and some of receipt notes, old vouchers and invoices were missing.
- (b) It is contended that Attachments to the Petition refers that debt being due and defaulted from 01.04.2018 but Part-IV of CP does not give date of default it only refers to last payment receipt date. The due and default date mentioned by the Petitioner in its written submission is 02.04.2017 in contradiction to the date of default given in the CP. In accordance with Section 9(3)(a) the Petitioner has not furnished copy of the invoices

demanding payment from date 02.04.2017 and the invoices have been served from 05.04.2018.

- (c) The Petitioner has not provided Certificate from Financial Institution maintaining accounts of Operational Creditor confirming that there is no payment of operational debt by CD, after last date of receipt, which is mandatory as per Section 9(3)(c). This Certificate becomes relevant in the present case to ensure total liability claim because CD does not have access to old bank statement.
- (d) Form 5 mandates the statement of bank account where deposits are made or credits received normally by the Operational Creditor in respect of the debt of the Corporate Debtor as mandatory evidence for default in payment. However, the Petitioner had attached only bank statement of 10 days from 04.10.2019 to 14.10.2019 in Petition and in rejoinder bank statement of one year from 01.04.2018 to 31.03.2019 is attached, and the Petitioners has intentionally not provided the Bank Statement after 14.10.2019 so that reconciliation cannot be made.
- (e) The present Petition is barred by limitation as the Petitioner has failed to approach the Tribunal within 3 years from the date of default i.e. 02.04.2017 and the limitation is barred in this Petition on 01.04.2020.
- (f) The CD has intimated about the dispute and supply of substandard quality of raw materials through receipt notes, some of receipt notes attached from page nos.32 to 39 of reply to CP and it is admitted by the Petitioner that receipt notes are the means of disputing on supply of substandard quality of raw materials in its rejoinder. Petitioner has intentionally hidden the fact about the receipt notes and deny the invoices and not even produced original invoices to their baseless claims, has filed false affidavit from Ex-employee of CD to misguide the Bench with respect to existence of dispute.
- (g) In the meeting by new management of CD, it was agreed that 45% of total invoice value shall be paid as one time settlement though invoice values are in dispute or not, it is not only for petitioner but for all. Accordingly, on

05.08.2021 letter for OTS was sent with bonafide intention to make OTS, hence there was no admission of liability by sending letter with subject OTS.

(h) In support of its contentions, the Respondent relied on following cases:

- i. *Hon'ble NCLAT in Smart Timing Steel Ltd. vs. National Steel and Agro Industries Ltd.;*
- ii. *Hon'ble Supreme Court in B.K. Educational Services Pvt. Ltd. vs. Parag Gupta & Associates.*

- 8.** Further, the respondent filed memo dated 17.10.2022 for settlement of claims submitting that the respondent wants to pay the full amount of Rs. 1,86,59,167/- in 6 monthly tranches of Rs. 30,00,000/- each over a period of twelve months. However, on 16.12.2022 the Learned Counsel for the Petitioner submits that Operational creditor has not agreed for the said settlement proposal.
- 9.** Heard Ms. Geeta Lundwani, Ld. Counsel for the Petitioner and Shri Naman G. Joshi, Ld. PCS for the Respondent and perused the pleadings on record.
- 10.** The matter was reserved for orders on 28.02.2023. However, on perusal of records, it is noticed that in Para IV of Form 5 of the CP the date of default was stated as 14.10.2019 (date as on which last payment was received from Corporate Debtor) and the same was also mentioned in Demand Notice issued under the Code. On the other hand, in the written submission filed by the Petitioner it was stated that the right to sue accrued on 02.04.2017. In view of the same the matter was de-reserved. The Learned Counsel for the petitioner was directed to file an affidavit clarifying with regard to the date of default along with necessary documents with two weeks.
- 11.** In compliance to the above direction the Learned Counsel for the Petitioner filed affidavit vide diary No. 3025 dated 09.06.2023, it is stated that the date on which default occurred is the date when last invoice due i.e 30th September 2019. It is further submitted that the Corporate Debtor has given various acknowledgments and part payments/conformations thereby extending the limitation period under Section 19 of the Limitation Act. The Corporate debtor has made last payment

on 14.10.2019 hence once again the right to sue arose. Therefore the petitioner has taken 14.10.2019 as the date of default. It is further submitted that as per sec 19 of the Limitation Act, when a part payment is made in relation to the debt, a fresh limitation period starts from the time when the payment was made. Hence, every part payment has given rise to fresh limitation period. The last part payment was made on 14.10.2019. Therefore, it is contented that the present petition is within limitation.

- 12.** Further, on 09.06.2023, this Tribunal directed that in view of the observations made in order dated 24.05.2023, Part- IV of Form- 5 of CP has become defective. Therefore, in view of Proviso to Section 9 (5)(ii) of the Code, Petitioner was granted an opportunity to file the rectified Form-5 within 7 days' time.
- 13.** However, the Petitioner filed revised Form – 5 only after a delay of 21 days. Application for condonation of delay, I.A 589 OF 2023 was filed on 31.07.2023, However, vide order dated 21.08.2023 this Tribunal directed the registry to accept the revised Form-5. Accordingly, the delay condonation has been allowed and **I.A No. 589 disposed off accordingly.**
- 14.** The date of default as per the revised Form 5 filed on 31.07.2023 is 30.09.2019 (date when the last invoice fell due)/14.10.2019 as stated by the applicant. Further, Corporate debtor has given various acknowledgment and part payments/confirmations thereby extending the limitation period under Section 19 of the Limitation Act. The Applicant has further also relied upon the Hon'ble Supreme Court order in Suo-moto writ petition no. 3 of 2020 dated 10.01.2022, in which the period of limitation was extended on account of the covid pandemic.
- 15.** It is seen that the instant Petition has been filed by Mr. A.N. Srinivasa Raje Urs, Sole Proprietor of M/s. Sri Krishna Enterprises, seeking to initiate CIRP against the Corporate Debtor – M/s. Shreyas Papers Private Limited for defaulting to pay the outstanding debt. As seen from Part-IV of Form-5 of the Petition, the total amount of Principal debt claimed to be in default is Rs.1,86,59,180/- with the

last payment received from Corporate Debtor being 14.10.2019. This Petition has been filed by the Operational Creditor u/s 9 of the Code on 29.06.2021.

- 16.** The contention raised by the respondent is that the materials provided by the Petitioner are of substandard quality and some of the invoices annexed along with the petition are not of the Corporate Debtor. In support of the contention for substandard quality for products the corporate debtor has produced some invoices with a handwritten remark that the invoices that are rejected. However, it is seen that the Petitioner has filed a police complaint against the said invoices on 25.05.2022. Further, the Petitioner has also produced an affidavit dated 26.05.2022 issued by the authorised representative of the corporate Debtor to the above mentioned police complaint that the remarks on the receipt was not written by him and that no such handwritten remarks was present on the receipt notes when he had signed the same.
- 17.** Hence it is concluded that the Corporate Debtor has not raised any dispute with regard to the quality of the goods. In fact, the corporate debtor has itself filed the Memo for settlement dated 14.10.2022; in which it is categorically stated that the corporate debtor wants to pay the full amount of Rs. 1,86,59,167/- in 6 tranches of Rs. 30 lakhs each over a period of 12 months; thus acknowledging the entire amount which is the subject matter of this application.
- 18.** Moreover, with regard to the contention that, some of the invoices attached are not of the corporate debtor, it is submitted by the Petitioner that even if such invoices are excluded the default amount of Rs.1,86,59,167/- still hold good and does not change as the debt is due in regard to Shreyas Papers Pvt Ltd/Corporate Debtor and the invoices pertaining to the debt due from the Corporate debtor are annexed with this petition. Further, it is submitted that the default amount of Rs. 1,86,59,167/- is in relation to the invoices which are raised upon the corporate debtor only. On perusal of the invoices attached along with the petition it is seen that even after excluding the invoices of “Sreenidhi Papers” the amount is still above One Crore.

- 19.** Moreover, this Tribunal has perused the confirmation of Accounts for the period 01.04.2019 to 28.12.2019 attached at Pg 505 of the petition, issued by the corporate debtor, wherein it is observed that the respondent has admitted its liability to the tune of Rs. 1,86,59,167/-.
- 20.** The date of default given in form No.5 is 30.09.2019 and the present petition is filed on 29.06.2021. Considering the explanation given by the petitioner with regard to the limitation, it is held that the present petition is filed within limitation. The demand notice dated 07.10.2020 is served on the Corporate debtor and the same is not disputed. The amount in default is Rs. 1,86,59,167/- which is above the limit of 1crore as mandated by Section 4 of IBC.
- 21.** We have carefully considered the arguments of the respective Counsels and their pleadings. In view of the facts and circumstances discussed above, the present Petition being complete and having established the default in payment of the operational debt and for the default amount being above Rs.1,00,00,000/- (Rupees One Crore Only), the instant **Petition** is **admitted** in respect of **Respondent - M/s. Shreyas Papers Private Limited** u/s 9 of the I & B Code, 2016. Accordingly, moratorium is declared in terms of Section 14 of the Code.
- 22.** The Learned Counsel for the Respondent filed I.A No. 290 of 2022 inter alia praying to confirm the fact of existence of dispute between the Operational Creditor and Corporate Debtor. However, it is seen that the same contentions raised in the statement of objection has been reiterated here in this I.A. No material documents were produced to show the existence of dispute. However, this Company petition is admitted today and hence this I.A has become infructuous.
- 23.** As a necessary consequence of the moratorium in terms of Section 14, the following prohibitions are imposed, which must be followed by all and sundry:
- i. The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;*

- ii. *Transferring, encumbering, alienating or disposing off by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;*
- iii. *Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
- iv. *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.*

It is further directed that the supply of essential goods or services to the Corporate Debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period.

The provisions of sub-section (1) shall however, 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 to a surety in a contract of guarantee to a Corporate Debtor.

The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, as the case may be.

24. The Operational Creditor has proposed the name of Mr. Narayana Kamma, a qualified insolvency professional having Regn. No. IBBI/IPA-002/IP-N01072/2020-2021/13429 as the Interim Resolution Professional (IRP) in respect of the Corporate Debtor, *vide* Diary No.3636 dated 29.08.2022. Affidavit and Written Consent of the IRP in Form-2 dated 11.08.2022 have been filed by the Petitioner, wherein, the proposed IRP *inter alia* affirmed that he is eligible to be appointed as an IRP in the case of the Corporate Debtor and that no disciplinary proceedings are pending against him with the Board or ICSI IPA.

25. The Law Research Associate of this Adjudicating Authority has checked the credentials of Mr. Narayana Kamma, and there is nothing adverse against him. Therefore, the Adjudicating Authority hereby appoints **Mr. Narayana Kamma**, bearing Regn. No. IBBI/IPA-002/IP-N01072/2020-2021/13429 with his address at #E-1807, Brigade Gateway, 26/1, Dr. Rajkumar Road, Malleswaram (West),

Bengaluru-560055, having Mobile: 9844283398, Email: kln6019@gmail.com as the Interim Resolution Professional of the Corporate Debtor. The IRP is directed to take the steps as mandated under Sections 15, 17, 18, 20 and 21 of IBC, 2016. Since the enclosed copy of AFA had expired on 13.02.2023, the renewed copy of AFA is to be filed by him within one week from the date of receipt of copy of this order.

- 26.** The Operational Creditor shall deposit a sum of **Rs.2,00,000/- (Rupees Two Lakhs Only)** with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors.
- 27.** The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the financial 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 for filing the report of Constitution of the Committee. The Interim Resolution Professional is further directed to send regular progress reports to this Adjudicating Authority every fortnight.
- 28.** A copy of the order shall be communicated to both the Parties. The learned Counsel for the Petitioner shall deliver a copy of this Order to the Interim Resolution Professional forthwith. The Registry is also directed to send a copy of this Order to the Interim Resolution Professional at his e-mail address forthwith.

-Sd-

**MANOJ KUMAR DUBEY
MEMBER (TECHNICAL)**

-Sd-

**T. KRISHNAVALLI
MEMBER (JUDICIAL)**