NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH

1

SPECIAL BENCH (URGENT HEARINGS THROUGH VIDEO CONFERENCE)

PRESENT: HON'BLE SHRI RATAKONDA MURALI– MEMBER JUDICIAL
HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI—MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 02.09.2020 AT 10.30 AM

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CP (IB) No. 441/9/HDB/2019
NAME OF THE COMPANY	SNS Starch Ltd
NAME OF THE PETITIONER(S)	Vasavi & Co.,
NAME OF THE RESPONDENT(S)	SNS Starch Ltd
UNDER SECTION	9 of IBC

Counsel for Petitioner(s):

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

Counsel for Respondent(s):

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

ORDER

Orders passed in CP(IB)No.441/9/HDB/2019 vide separate orders.

CP(IB)No.441/9/HDB/2019 admitted.

Member(Technical)

Member(Judicial)

Pavani

NATIONAL COMPANY LAW TRIBUNAL
BENCH-1, HYDERABAD

CP (IB) No. 441/9/HDB/2019

U/s 9 of IBC, 2016
R/w Rule 6 of IBC, 2016

In the matter of S.N.S. Starch Limited

M/s. Vasavi & Co,
R/o: D. No. 13/83,
Market Yard, Nagarkurnool Town,
Nagarkurnool,
Telangana, 509 209.

... Petitioner/
Operational Creditor

VERSUS

M/s. SNS Starch Limited,
R/o: Block II, 2nd floor,
311/A, Road No. 12,
MLA Colony, Banjara Hills,
Hyderabad, 500 034

... Respondent/
Corporate Debtor

Judgement dated: 2nd September, 2020

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)

Hon'ble Shri Veera Brahma Rao Arekapudi, Member (Technical)

Parties / counsels present:

For the Petitioner : Shri G. Bhupesh, Advocate

For the Respondent: Shri G.S. Rama Rao, Advocate

Heard on: 19.08.2020

**PER: SHRI RATAKONDA MURALI
MEMBER (JUDICIAL)**

JUDGEMENT

1. The Petitioner M/s. Vasavi & Co. (hereinafter referred as Petitioner/ Operational Creditor) has filed the present petition against M/s. SNS Starch Limited (hereinafter referred as Respondent/ Corporate Debtor) to trigger CIRP. It is alleged by the Petitioner that the Corporate Debtor had defaulted in paying of Rs. 1,04,72,633/- (One Crore, Four Lakhs, Seventy Two Thousand, Six Hundred and Thirty Three Rupees only) i.e. Principal Amount- Rs.64,16,888/- adding Rs.40,55,745/- being interest @ 18 % pa. The debt arose due to failure of making payment towards consideration for supplying goods to the Respondent. Hence this petition is filed under Section 9 of Insolvency and Bankruptcy Code, 2016, R/w Rule 6 of Insolvency & Bankruptcy (Application to the Adjudicating Authority) Rules, 2016, seeking admission of the Petition, initiation of Corporate Insolvency Resolution Process, granting moratorium and appointment of Interim Resolution Professional as prescribed under the Code and Rules thereon.

2. The averments made in the Petition are as follows:

2.1 The objects of the Corporate Debtor Company are mentioned in its Memorandum or Association which are filed in Annexure 2- containing Articles of Association and Memorandum of Association. The authorized Share Capital of the Corporate Debtor is Rs. 14,00,00,000/- and the paid up share capital is Rs. 13,21,96,100/-.

2.2 The Corporate Debtor approached Operational Creditor and placed purchase orders of maize. Pursuant to supply of maize as required by the Corporate Debtor, the Invoices/ Cash-Credit bills were raised by the Operational Creditor. The same are evident from Annexure 4 of the Petition.

2.3 It is averred that upon receipt of invoices/ cash- credit bills, the Corporate Debtor made part payment of Rs. 65,00,000/- by 12.05.2016. The documents evidencing the part payment made by the Corporate Debtor are annexed as Annexure-5 in the Petition.

2.4 It is averred that however, Principal amount of Rs. 64,16,888/- and interest amount of Rs. 40,55,745 totaling to Rs. 1,04,72,633/- remained due and payable from the Corporate Debtor.

Particulars	Amount (Rs.)
Total Value of Maize supplied	1,29,16,888
(-) ***Less*** Part Payment made	65,00,000
Interest @18% pa. calculated till 25.03.2019	40,55,745
Balance Payable	1,04,72,633/-

2.5 It is averred that having confirmed and agreed to pay the said outstanding amounts due vide its Letters dated 20.05.2016 and 14.07.2016, the Corporate Debtor has not cleared the same yet.

2.6 It is averred that the Operational Creditor made efforts for recovering the said amount from the Corporate Debtor and finally issued a demand notice under the provisions of the Insolvency and Bankruptcy Code, 2016 on 08.04.2019. However, even after receiving Demand Notice the Corporate Debtor did not make payment towards this debt. The copy of demand notice along with the postal receipt and track consignment are annexed as Annexure 7 in the Petition.

2.7 The date of default is 14.07.2016 (being the date of acknowledgment of debt).

2.8 The Operational Creditor to support its case has filed the following documents along with Petition:

- Certificate of Incorporation, MOA, AOA of the Corporate Debtor.
- Copy of Authorization.
- Invoices/ Cash- Credit Bills.
- Proof of part payment.
- Letters dated 20.05.2016 and 14.07.2016.

- Demand notice dated 08.04.2019 issued by the Operational Creditor along with the Postal Receipt and Track Consignment Report.
- Details of workings for computation of debt.
- Bank Account statement of the Operational Creditor maintained with State Bank of India, Nagarkurnool Branch.
- A copy of ledger maintained by the Operational Creditor.

PRELIMINARY COUNTER BY CORPORATE DEBTOR:

3. The Corporate Debtor/ Respondent filed the Preliminary Counter on 18.10.2019. The contentions raised in the counter are as follows:

3.1 It is contended that the Petition is not maintainable and is liable to be dismissed on grounds that there is pre- existing dispute and Form- 3 (Demand Notice) was not received by the Corporate Debtor and the present application is barred by limitation.

3.2 The invoices raised and the Principal amount claimed are false and not as per books of account of Respondent. The Petitioner has produced only selective communication between the parties in order to make false claim against the Respondent.

3.3 It is contended that purchase order of the Respondent was for 1500 Metric tons and the said purchaser order was issued only when the Petitioner assured the entire supply of 1500 Metric tons, but Petitioner supplied only 770 Metric tons hence defaulted the contract arising under the purchase order.

3.4 It is stated that the Petitioner never submitted their invoices to the Respondent. All the invoices were fabricated for convenience to file in this Petition for the wrongful gains and unfair trade practice.

3.5 It is contended that during regular quality check and on the basis of its quality report, the Respondent issued a debit note towards quality deductions for supply of inferior quality of maize, on the Petitioner. Despite several reminders, the Petitioner has never responded to settle the issue of debit notes which were accepted by the Petitioner during the course of regular supply. Thus, the quality deduction for an amount of Rs. 25,64,650/- was made for which the Petitioner has not accounted.

3.6 It is stated that on receiving the supplies from the Petitioner, Corporate Debtor has credited an amount of Rs. 1,03,95,822/- to the Petitioner account in its books, based on the Purchase order, quantity supplied and quality deduction made. Subsequently the payment of Rs. 65,00,000/- was made to the Petitioner. Even after multiple reminders the Petitioner has not submitted the original bills or issued the credit notes to the Respondent.

MAIN COUNTER BY CORPORATE DEBTOR

4. The Respondent filed its main counter on 25.02.2020 as part and parcel with preliminary counter. The contentions raised in counter dated 25.02.2020 are as follows:

4.1 It is contended that the Petitioner has only filed Petition on the strength of invoices and way bills but there is no mention of Purchase order. The purchase order clearly demonstrates the description of goods, quantity and agreed price as consideration of products and services. For consideration of proper facts on Corporate Debtor side, the Corporate Debtor has filed the copy of purchase order No. SNS/PURMAIZE/207 dated 18.12.2015 which is annexed as Document No.1 in this counter.

4.2 The purchase order clearly demonstrates the Corporate Debtor placed purchase order to buy 1500 Metric tons of Agricultural product "Maize" at the rate of Rs. 13,500/- per metric ton from the Operational Creditor valuing at Rs. 2,02,50,000/-. As per terms and condition of the purchase order the Operational Creditor was to supply 1500 metric tons of Maize within 7 days from the date of receipt of the purchase order subject to meeting of its technical specifications and if the said product fails to meet required specifications, deductions will be done as per quality parameters. The Operational Creditor in breach of the terms and conditions of the purchase order delivered only 770 Metric Tons out of 1500 Metric Tons and that shortage of supply caused severe financial loss to the Corporate Debtor. The Material receipt note, Quality Control Report issued by the chemist, receipt issued by Sri Sathya Sai Weigh Bridge and way bill are Annexed on Document No. 2 to 5.

4.3 It is contended that the Operational Creditor raised invoice/ cash credit bill at an inflated rate at Rs. 16,500/- per metric which was 25% on and above the agreed price i.e. Rs. 13,500/- per metric ton and the Corporate Debtor came to know only after the material papers were served along with Petition to him.

4.4 It is contended that the Corporate Debtor was not aware of the delivery of statutory notice under Form- 3 (Demand Notice). When Corporate Debtor enquired about the same in Postal Department he came to know that the notice was received by some unauthorized person who is not connected to Corporate Debtor. Thus Corporate Debtor not responding to Demand notice was neither willful nor intentional.

REJOINDER

5. The Petitioner filed Rejoinder, reiterating the averments made in the Petition and opposed the reply/ counter filed by the Respondent. The averments in the rejoinder in brief are:-

5.1 There does not exist any pre-existing dispute between the parties and the Corporate Debtor had acknowledged the debt vide its Letter dated 14-7-2016. While so, the question the petition being filed on 13-5-2019 barred by limitation, does not arise.

5.2 It is averred that the total value of the maize supplied by the Operational Creditor amounted to Rs.1,29,16,888/-. For the supply made by the Operational Creditor, the Operational Creditor had placed invoices/cash-credit bills upon the Corporate Debtor. Upon receipt of the same, the Corporate Debtor had made part payment totaling to an amount of Rs.65,00,000/- by 12-5-2016. While the balance payments were not being made, the Corporate Debtor vide its Letters dated 20-5-2016 and 14-7-2016 confirmed and agreed to pay the same after expiry of 45 days from the Letter dated 14-7-2016. It is submitted that the invoices raised by the

Operational Creditor pertains to the year 2015 and the part payments were made by the Corporate Debtor in the year 2016 and Letters confirming and agreeing to pay the balance amounts were given in the year 2016.

5.3 It is denied that the Corporate Debtor placed purchase order for 1500 Metric Tons while the Operational Creditor supplied only 770 Metric Tons and that there exists default in the contract. Thus, it is averred that the Operational Creditor had never agreed to supply 1500 MT of maize. Further, while the payment for 770 MT of maize was defaulted by the Corporate Debtor, the question of additional supply of maize did not arise.

5.4 It is denied that the quality deduction for an amount of Rs.25,64,650/- had been made for which the Operational Creditor has not yet accounted for. It is averred that after performing the quality check for all the supplies made by Operational Creditor during delivery, the Corporate Debtor had made deduction of Rs.2,11,139/- only and the Operational Creditor had also availed ledger copy of the ***Operational Creditor*** in the books of the Corporate Debtor, for audit purposes and the same evidences and confirms the sale value and deduction being only Rs.2,11,139/-. There exists no communication from the Corporate Debtor for quality deduction of Rs.25,64,650/-. The Corporate Debtor placed reliance on a document filed at Page No.7 of its counter to show that a quality deduction of Rs.25,63,650/- was done and as if the same has been signed by the Operational Creditor. Therefore, it is averred that document filed at Page No.7 of the counter is a rank forgery and the signature on the said document is forged for the purposes of suppressing their allegations in the counter. The art of forgery can be evidenced through naked eye itself if the signature on the document filed at Page No.7 of the counter is tallied with the signatures on the company petition and the invoices/cash-credit bills raised by the Operational Creditor during the year 2015.

5.5 It is denied that the Corporate Debtor had credited an amount of Rs.1,03,95,822/- to the Operational Creditor. It is also denied that after multiple reminders, the Operational Creditor had not submitted original bills or issued credit notes to the Corporate Debtor. It is also denied that the Operational Creditor had defaulted on the quantity committed to be supplied causing operational issues and financial loss to the Corporate Debtor. Thus, it is averred that the Operational Creditor had submitted all the invoices amounting to Rs.1,29,16,888/- to the Corporate Debtor and the same cannot be denied by the Corporate Debtor. Further, the Operational Creditor had produced Kata slips with the endorsement and seal of the Corporate Debtor confirming receipt of the supply made.

5.6 It is averred that the Operational Creditor prior to filing of the present company petition had taken out Demand Notice under Form 3 to the Corporate Debtor and same has been received by the Corporate Debtor on 9-4-2019. The Operational Creditor filed Postal Receipt along with Track Consignment Report drawn from India Post Website at Page Nos.396A and 396B to evidence the receipt of the Demand Notice by the Corporate Debtor on 9-4-2019. While the Track Consignment Report drawn from the India Post Website evidences and confirms the delivery on 9-4-2019, the Corporate Debtor cannot allege that it had not received the Notice. The Letter dated 7-10-2019 addressed by the Corporate Debtor to the Post Master General is only a tactic to delay the adjudication process.

5.7 The date of acknowledgment of debt is 14-7-2016 on which date the Corporate Debtor had addressed a Letter to the Operational Creditor confirming the indebtedness and agreeing to pay the same after expiry of 45 days of the letter. While so, the present company petition was filed on 13.5.2019 which falls very much within limitation.

DISCUSSION / FINDINGS

6.1 We have heard the Counsel for Operational Creditor and the Counsel for Corporate Debtor. Written submissions are filed on behalf of Operational Creditor. Pursuant to the order passed by Hon'ble NCLAT on 28.07.2020 wherein the Corporate Debtor was directed to file written submissions before the Adjudicating Authority by 13.08.2020. Accordingly, the Learned Counsel for Corporate Debtor filed written submissions on 13.08.2020. The Learned Counsel for Corporate Debtor relied on the judgement of Hon'ble Apex Court in ***Mobilox Innovations (P) Ltd vs Kirusa Software (P) Ltd (2018) 1 SCC 353***, Hon'ble NCLAT order passed in ***Ramco Systems Ltd vs Spicejet Ltd, 2019 SCC OnLine NCLAT 354*** and ***Neeraj Jain vs. Cloudwalker Streaming Technologies Private Limited & Ors*** in Company Appeal (AT) (Insolvency) No. 1354 of 2019 dated 24.02.2020. The points urged in the written submissions will be dealt in the course of the order.

6.2 This is a Petition filed under Section 9 of Insolvency & Bankruptcy Code against Corporate Debtor alleging that Corporate Debtor committed default of operational debt of Rs. 1,04,72,633/-. It is not in dispute that Operational Creditor supplied 770 MT of maize. It is also not in dispute that Corporate Debtor paid an amount of Rs. 65 lakhs.

6.3 It is the case of Operational Creditor that the total value of maize supplied to the Corporate Debtor is Rs. 1,29,16,888/-. The case of Operational Creditor is that Corporate Debtor paid Rs. 65 lakhs. The balance of Rs. 64,16,888 plus interest of Rs. 40,55,745/- was due from the Corporate Debtor.

6.4 At the first instance the Corporate Debtor filed preliminary counter reserving the right to file final counter. Thus, the Corporate Debtor filed two counters viz. preliminary and final counter. It is the contention of the Corporate Debtor that the invoices relied by the Operational Creditor are not true and correct. The claim of Operational Creditor is not true and correct as per the books of accounts. The case of Corporate Debtor is that it had given purchase order to the Operational Creditor for supply of 1500 MT of maize. However, Operational Creditor supplied only 770 MT and defaulted in supplying the balance.

6.5 This allegation of the Corporate Debtor was denied by the Operational Creditor. The contention of the Learned Counsel for Operational Creditor that the Corporate Debtor made a false allegation as if Operational Creditor to supply1500 MT of maize. The contention of the Learned Counsel that Corporate Debtor for the first time made this allegation against the Operational Creditor as if there was short supply of maize. It was never raised by Corporate Debtor at any time. It is true the Corporate Debtor never whispered in the letters addressed to the Operational Creditor dated 20.05.2016 and 14.07.2016 shown at page Nos. 233 and 234 of the papers filed on behalf of the Operational Creditor. We have gone through these two letter which are admittedly not in dispute. Soon after supply of maize and after making part payment, the Corporate Debtor addressed these two letters to the Operational Creditor. If really there was shortage of supply of maize, the same ought to have been raised by the Corporate Debtor through these letters. Secondly, there was part payment of nearly Rs. 65 lakhs in respect of maize supplied. In these two letters the Corporate Debtor acknowledged the liability and requested time for payment. The alleged dispute of short supply is raised for the first time in the counter. Had it been true that there was short supply of maize, the Corporate Debtor would not have made part payment. Even otherwise when there was no payment in respect of supply already made, then one cannot expect the Operational Creditor to continue to supply maize. Unless the balance is paid, then only the Operational Creditor is expected to make further supplies. Even if it is assumed that there was an understanding of supplying 1500 MT of maize, yet the Corporate Debtor failed to make payment to the supplies already made, then it cannot be said that there was fault on the part of the Operational Creditor.

6.6 The Corporate Debtor is contending that the Operational Creditor never sent invoices. It is the case of Corporate Debtor that the invoices filed by the Operational Creditor were all fabricated for the purpose of their convenience. The

Operational Creditor filed invoices shown as Annexure-4 (Colly) at page Nos. 85-224 of the paper booklet. The Operational Creditor filed copies of documents evidencing part payment made by the Corporate Debtor shown as Annexuasre-5 (colly) at page Nos 225-232.

6.7 It is impossible to believe the contention of the Corporate Debtor that invoices filed by the Operational Creditor are all fabricated for the purpose of the Petition. The Corporate Debtor has admitted supply of maize. The Corporate Debtor is admitting part payment of Rs. 65 lakhs. If there were no invoices, how Corporate Debtor made part payment? What was the basis for the Corporate Debtor to make part payment. Until and unless there were invoices raised in respect of maize supplied, the Corporate Debtor would not be in a position to make part payment. Invoices must be the basis for making part payment. If no invoices are raised then how the value of maize supplied was ascertained.

6.8 The Corporate Debtor contended that it was demanding the Operational Creditor to supply invoices. If at all it was true, then there must be some evidence from the side of Corporate Debtor to establish that it was demanding Operational Creditor to supply invoices. One would not remain silent without demanding through letter or email to the Operational Creditor to supply invoices. There is absolutely no material from the side of Corporate Debtor to support this allegation levelled against Operational Creditor.

6.9 It is a specific case of Operational Creditor that it was sending invoices / cash credit bills. Apart from that they were also sending weighment slips, lorry receipts etc. The Operational Creditor has filed all relevant documents apart from the invoices. At no time the Corporate Debtor raised with Operational Creditor the demand for supply of invoices.

6.10 It is the case of Operational Creditor that Demand Notice under Section 8 of IBC was issued to the Corporate Debtor. Demand Notice is dated 08.04.2019, which is shown at page

No. 235-396 of the paper booklet. The Demand Notice is accompanied by cash/credit bill and the vehicle number and weight of the goods / maize and also the images. Of course the Corporate Debtor disputed service of demand notice on it. However, the Operational Creditor filed postal receipts as well as track consignment record obtained from Indian Postal website. They are shown at page nos. 396-A and 396-B respectively. It was delivered on 09.04.2019. The Corporate Debtor cannot be allowed to say that there was no service of notice. Of course it might have sought information under RTA from the postal department but no information is filed by the Corporate Debtor. On the other hand, the document filed by the Operational Creditor would strongly support the case of Operational Creditor that Demand Notice was served on Corporate Debtor. It is easy for the Corporate Debtor to deny but it is very difficult to dispute the documents filed by the Operational Creditor. Notice was served but there was no reply. The Corporate Debtor received the copies of invoices along with other connected papers through demand notice. Surprisingly, the Corporate Debtor did not give any reply. If at all the invoices sent through demand notice were all fabricated, then there must be a proper reply from the Corporate Debtor. Denying the genuineness of the invoices for the first time after service of demand notice and after filing the present petition. The Corporate Debtor is raising a dispute as if it is said to be pending. No credence can be given to this dispute raised for the first time as a defence in a petition filed under Section 9 of IBC. Hon'ble Apex Court has clearly held in Mobilox Innovations Private Ltd vs Kirusa Software Private Ltd on 21 September, 2017 in CIVIL APPEAL NO. 9405 OF 2017 that dispute must not be spurious, hypothetical or illusory.

6.11 The case of Corporate Debtor that there was a prior dispute as if a debit note was raised for Rs. **25,64,650/- due** to poor quality of maize. The case of Operational Creditor that there was never a debit note from the side of Corporate Debtor for the above amount. It was contended on behalf of the Operational Creditor that Corporate Debtor after quality check deducted an amount of Rs. 2,11,139/-. There was never a debit note for Rs. 25,64,650/- as alleged.

6.12 In this connection the Corporate Debtor relied on a letter said to have been addressed to Operational Creditor which was filed along with the preliminary counter relating to debit note dated 07.01.2016. Counsel for Operational Creditor vehemently contended that this is a forged document. Counsel contended that this debit note allegedly raised on 07.01.2016 had never seen the light of the day till it is filed with the preliminary counter. Counsel contended that if really debit note was raised allegedly on 07.01.2016 then why letters dated 20.05.2016 and 14.07.2016 were sent to the Operational Creditor by the Corporate Debtor. In these two letters, the Corporate Debtor never informed Operational Creditor about raising of debit note. Therefore, no importance can be given to this document. The next contention of Operational Creditor that this debit note was stated to have been received by one Mr. P. Ramu, the authorized agent of Operational Creditor. The signature on this letter purportedly to have been signed by P. Ramu is forged. The Learned Counsel contended that Tribunal can examine the admitted signature of P. Ramu which are found in the petition as well in the Affidavit filed with petition and disputed signature and it will be known to the naked eye that disputed signature does not tally with the admitted signature of P. Ramu. The further contention of Counsel for Operational Creditor that there is no stamp of Operational Creditor in this letter. Thus, this letter is nothing but a created and forged document. It is true that there is no stamp or seal of Operational Creditor under the alleged signature of P. Ramu. If at all this debit note was really received by the Operational Creditor then, the stamp or seal of the Company should appear. Secondly, we have seen the admitted signature of P. Ramu appearing in the Petition and Affidavit with that of the disputed signature in the letter dated 07.01.2016. They are not identical. The admitted signature of P. Ramu totally differ with the disputed signature on the letter dated 07.01.2016. Therefore, this document cannot be relied to come to a conclusion as if there was a dispute. We already made it clear that this document was not referred to in any of the correspondences with the Operational Creditor. If at all this letter really came to existence on 07.01.2016, then this letter ought to have been sent through email to the Operational Creditor

6.13 Further, the Learned Counsel for Operational Creditor would contend that the logo on this letter dated 07.01.2016 is quite different from the logo of Corporate Debtor in the letters dated 20.05.2016 and 14.07.2016. It is true there is a lot of difference in the logos appearing in the two letters sent by the Corporate Debtor to the Operational Creditor and the logo on the disputed letter dated 07.01.2016. Thus, doubt is created with reference to this letter dated 07.01.2016.

6.14 The next contention of the Learned Counsel for Corporate Debtor that the invoices are fabricated in the sense that the agreed price for each MT of maize was Rs. 13,500/- whereas in the fabricated invoices filed by the Operational Creditor the price of maize per MT was claimed at Rs. 16,500/-. Therefore, these invoices cannot be relied. Had it been true that the price for MT was Rs. 13,500/-, then why the Corporate Debtor made part payment of Rs. 65 lakhs to the Operational Creditor. Certainly he would have raised this issue with the Operational Creditor. Even in the letters addressed to the Operational Creditor, the Corporate Debtor did not dispute the price at which the maize was agreed to be supplied. Therefore, all these defences are raised for the first time when the Operational Creditor filed the petition to trigger CIRP.

6.15 The last contention raised on behalf of the Corporate Debtor is that the claim is barred by limitation. The petition was filed on 13.05.2019. The last payment was on 12.05.2016. The limitation starts from the date of last payment due under the invoices. The starting point for limitation for these invoices was 12.05.2016. Since 12.05.2019 being Sunday the petition was filed on 13.05.2019, the next working day. Therefore the petition is within the limitation.

6.16 The Operational Creditor failed to name anyone as Interim Resolution Professional and has requested the Tribunal to appoint one for the Corporate Insolvency Resolution Process. The Insolvency and Bankruptcy Board of India (IBBI) has recommended a panel of Insolvency Professionals for appointment as Insolvency Resolution Professional for the period 1st July 2020 to 31st December 2020 in compliance with Section 16(3)(a) of the Code in order to avoid delay. Accordingly, this Tribunal appoints Shri **Mr. Kurapati Singarayya Chowdary** having registration **No. IBBI/IPA-003/IP-N000149/2017-2018/11728**, #R/o Flat No. 104, Kavuri Supreme Enclave, Opp: Punjab & Sindh Bank, Kavuri Hills, Madhapur, Hyderabad – 500033, email: kurapatichowdary55@gmail.com as Interim Resolution Professional. The aforesaid interim resolution professional has no disciplinary proceedings pending against him. Proposed IRP filed Form-B issued by the Institute of Insolvency Professionals. It is filed through e-mail today. Authorisation for Assignment is valid from 10.12.2019 to 09.12.2020. This information is also available in IBBI Website. Thus, there is compliance of Regulation 7A of IBBI (Insolvency Professionals) Regulations, 2016, as amended. Therefore, the proposed IRP is fit to be appointed as IRP since the relevant provision is complied with.

ORDER

7. Hence, the Adjudicating Authority admits this Petition under Section 9 of IBC, 2016, declaring moratorium for the purposes referred to in Section 14 of the Code, with following directions:-

7.1 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;

7.2 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.

7.3 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.

7.4 That the order of moratorium shall have effect from 02.09.2020 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.

7.5 The Petitioner is directed to pay a sum of Rupees 1,00,000/- (One Lakh Only) to the interim resolution professional to meet out the expenses to perform the functions assigned to him in accordance with regulation 6 of IBBI (Insolvency Resolution Process for Corporate Person) Regulations, 2016. This shall, however, be subject to adjustment by the committee of creditors as accounted for by interim resolution professional and shall be paid back to the petitioner.

7.6 That the Public announcement of Corporate Insolvency Resolution Process shall be made immediately as specified under section 13 of the code.

7.7 Registry of this Tribunal is directed to send a copy of this order to RoC, Hyderabad for marking appropriate remarks against the Corporate Debtor on MCA site as being under CIRP.

Accordingly, this Petition is admitted.

02/09/2020

(VEERA BRAHMA AREKAPUDI)
MEMBER (TECHNICAL)

2.9.2020

(RATAKONDA MURALI)
MEMBER (JUDICIAL)

Binnu