



S.No.26

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1  
VC AND PHYSICAL (HYBRID) MODE  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
03-03-2025 AT 11:00 AM**

**CP(IB) No. 211/7/HDB/2024**  
u/s. 7 of IBC, 2016

**IN THE MATTER OF:**  
A P S F C

**...Financial Creditor**

**AND**

M/s. Sri Umamaheswara Paper Private Limited.

**...Corporate Debtor**

**C O R A M:-**

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)  
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

**ORDER**

Orders pronounced. In the result, **this Company Petition is admitted**. CIRP is initiated against the Corporate Debtor and Moratorium is imposed, as per the terms of the order.

**Sd/-**  
**MEMBER (T)**

**Sd/-**  
**MEMBER (J)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH -1**

**CP (IB) No. 211/7/HDB/2024**

*(Under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of  
Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.*

**In the matter of:**

Andhra Pradesh State Financial Corporation,  
Nalgonda Branch, 6-1-99/7, Boyawada, Ramagiri Area,  
Nalgonda District- Telangana - 508001  
Rep by its Branch Manager Sri D.Giribabu.

**... Petitioner/ Financial Creditor**

**Versus**

M/s. Sri Umamaheswara Paper Private Limited.,  
Rep. by its Managing director  
Having its registered office at D.No. 17-1-383/A/43,  
III Floor, Vinay Nagar Colony,  
Saidabad, Hyderabad -500059.

**... Respondent / Corporate Debtor**

**Date of order:03.03.2025.**

**Coram:**

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member (Judicial)  
Shri Charan Singh, Hon'ble Member (Technical)

**Appearance of Parties/Counsels:**

For the Creditor : Mr R Rajendra Prasad, Adv

**PER: BENCH**

**ORDER**

1. This Company petition is filed under section 7 of IBC, 2016, for initiation of Corporate Insolvency Resolution Process against the respondent/



Corporate Debtor under IBC, 2016, alleging that the respondent defaulted in repayment of the financial debt of a sum exceeding rupees one crore, to the petitioner.

2. The petitioner states that the respondent/corporate debtor had availed the term loan facility of Rs 360 Lakhs for its business purposes, vide the sanction letter dated 24.07.2007, and the said amount has been duly disbursed to the respondent by crediting the same to the account of the respondent/corporate debtor.
3. It is stated that after availing the term loan the respondent/corporate debtor defaulted the terms and conditions of re-payment and the account of the respondent has been classified as NPA on 31.03.2012.
4. It is stated that the respondent/corporate debtor has admitted the liability by confirming the same vide the debt acknowledgement letter dated 09.01.2015. It is stated that, on 15.12.2007 by way of OTS letters dated 02.11.2018,27.12.2020,09.12.2021 and lastly on 19.08.2023. However, despite acknowledging the debt, the respondent/corporate debtor did not pay the same amount. Since, the respondent failed to discharge the outstanding dues, therefore the petitioner on 30.07.2019 issued a demand notice demanding payment of outstanding amount of Rs. 36,83,42,143.70/- together with interest as on 04.09.2024. The said demand notice was served on the respondent/corporate debtor, however, the terms of the demand



notice were not complied with by the respondent/corporate debtor. The applicant therefore recalled the loan, on 04.09.2024, the respondent became liable to pay the sum of Rs. 36,83,42,143.70/- .

5. In support of the above contentions the petitioner had filed the following documents:

- (i) The copy of sanction of loan to the Corporate Debtor dated 24.07.2007.
- (ii) The copy of Deed of Hypothecation executed by the Directors of the Corporate Debtor on behalf of the Corporate Debtor dated 22.11.2007.
- (iii) The copy of agreement of guarantee executed by the Directors/Guarantors dated 22.11.2007.
- (iv) The Copy of memorandum of deposit of title deeds dated 22.11.2007.
- (v) The Copy of recall notice issued by the Financial Creditor to the Corporate Debtor under SARFAESI Act dated 30.07.2019.
- (vi) The Copy of the letter acknowledging the liability by the Corporate Debtor dated 09.01.2015.
- (vii) The Copy of the letter acknowledging the liability by the Corporate Debtor dated 15.12.2017.
- (viii) The Copy of OTS letters dated 02.11.2018,27.12.2020,09.12.2021 and lastly on 19.08.2023.
- (ix) The Copy of letter addressed by the Corporate Debtor requesting for extension of time for OTS payment, dated 09.12.2021.
- (x) The copy of request letter addressed by the Corporate Debtor for releasing of primary security and requesting to pay the OTS amount, dated 19.08.2023.

6. The petitioner further submits that as per the directions of this Tribunal, it had issued notice through registered/speed post and also by way of e-mail to the respondents to the address that is made available by the respondent/corporate debtor to the petitioner. The said notice was served



on the respondent on 07.11.2024, however the respondent did not choose to appear and contest the matter. The respondent therefore was set ex-parte.

7. This Tribunal carefully perused the company petition as well as the enclosures thereto.
8. Perusal of the sanction letter dated 24.07.2007, the terms of which are acknowledged by the respondent, clearly discloses that the respondent had sanctioned the term loan for its business purposes for a sum of Rupees 360.00 Lakhs. The deed of hypothecation dated 22.11.2007, discloses that the respondent in terms of the sanction letter hypothecated the plant and machinery. The petitioner also filed the guarantee agreement deed on 22.11.2007 and memorandum of deposit of title deed dated 22.11.2007, evidencing the deposit of the original title deed as a security for the due repayment of the loan facilities availed.
9. The copy of the demand notice dated 30.07.2019 and the postal dispatch receipt were filed. The demand for payment of the money was not complied by the respondent.
10. The copy of the letter acknowledging the liability dated 15.12.2017, discloses that the respondent has acknowledged the debt. The OTS letters dated 02.11.2018, 27.12.2020, 09.12.2021 and lastly on 19.08.2023, also confirms that the respondent had acknowledged the outstanding liability.



11. The letter dated 19.08.2023, addressed by the respondent for releasing the primary security also confirms that the respondent had availed the term loan and committed default. The petitioner also filed Form-D issued by Information Utility- NeSL wherein the default on the part of the respondent has been recorded.
12. Therefore, having carefully perused the above record, we are satisfied that the petitioner has established the existence of a Financial Debt of sum exceeding Rupees One Crore due and payable by the respondent to the petitioner. In the light of the debt acknowledgment letter dated 15.12.2017, and the subsequent letters of OTS, it is clear that the claim filed is within a period of limitation. Therefore, the existence of a financial debt of exceeding sum of Rupees One Crore and its default since established, we have no hesitation in admitting this petition.
13. Hence, the Adjudicating Authority hereby 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:

**ORDER**

- (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;

- (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.
- (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.
- (4) That the order of moratorium shall have effect from date of this order 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.
- (5) That this Bench hereby appoints Smt G Kalpana, having IBBI Registration No. IBBI/IPA-001/IP-P00756/2017-2018/11288 as Interim Resolution Professional, whose contact details are:

e-mail : [kalpanagonugunta1@gmail.com](mailto:kalpanagonugunta1@gmail.com)  
Mobile No : 9962568858  
Address : H.No. 16-11-19/4, G-1 ,Sri Laxmi  
Nilayam ,Saleem Nagar Colony ,Malakpet  
,Hyderabad ,West Marredpally  
,Telangana ,500036.

as Interim Resolution Professional to carry the functions as mentioned under the Insolvency & Bankruptcy Code. Proposed



IRP to file Form-2 within 2 days of receipt of this order. Authorisation for Assignment is valid to 31.12.2025. 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.

- (6) That the Public announcement of Corporate Insolvency Resolution Process shall be made immediately as specified under section 13 of the Code.
- (7) The Petitioner/Operational Creditor is directed to deposit an amount Rs.2,00,000/- with the IRP to meet the initial CIRP expenses including the fee of IRP.
- (8) The Operational Creditor is directed to communicate this order to the IRP appointed in this case.
- (9) The Registry of this Tribunal is directed to send a copy of his order to the Registrar of Companies, Hyderabad for marking appropriate remarks against the Corporate Debtor on website of Ministry of Corporate Affairs as being under CIRP.

**The Petition is admitted accordingly.**

**Sd/-**

Charan Singh  
Member Technical

**Sd/-**

Dr. Venkata Ramakrishna Badarinath Nandula  
Member Judicial