S.No.1

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1

ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
23-03-2023 AT **10:30 AM**

CP(IB) No.207/7/HDB/2022
u/s. 7 of IBC, 2016

IN THE MATTER OF:

M/s. SREI Equipment Finance Ltd **…Financial Creditor**

VS

AKR Construction Ltd **…Corporate Debtor**

C O R A M:-
DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)

O R D E R

Order in Company Petition 207/2022 pronounced. Recorded vide separate sheets. In the result of this company petition is allowed. The Corporate Debtor is put under CIRP asper the terms and conditions mentioned in the order.

Shri Rajesh Chillale, Insolvency Professional is appointed as IRP and moratorium declared as per Section 14 of IBC, from the date of the order. No costs.

SD/- SD/-
MEMBER (T) **MEMBER (J)**

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IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH-1

CP (IB) No.207/7/HDB/2022

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:

SREI Equipment Finance Limited
'Vishwakarma', 86C, Topsia Road
Kolkata - 700046, West Bengal.

.. **Financial Creditor**

VERSUS

AKR Construction Limited
Plot No.8-2-684/J3, 1st Floor
Bhavani Nagar Colony, Kanakadurga Temple Lane
Road No.12, Banjara Hills
Hyderabad Telangana 500034.

... Corporate Debtor

Date of Order: 23rd March 2023

Coram:

Dr. Venkata Ramakrishna Badarinath Nandula
Hon'ble Member (Judicial)

Shri Charan Singh,
Hon'ble Member (Technical)

Parties/Counsels present:

For applicant: Shri Srikanth Hariharan, Advocate

For respondent: Ms. Almas Mohammed, Advocate

PER BENCH

This Application is filed by SREI Equipment Finance Limited (*Hereinafter referred as Financial Creditor*) under Section 7 of Insolvency and Bankruptcy Code (*Hereinafter to be referred as "IBC"*), read with Rule 4 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiation of Corporate Insolvency Resolution Process (*Hereinafter referred as CIRP*) against AKR Construction Limited (*Hereinafter referred as Corporate Debtor*), alleging non-payment of **Rs. 2,77,77,89,288/-** (Rupees two hundred and seventy seven crore seventy seven lac eight nine thousand two hundred and eighty eight only), said to be due and payable by the Corporate Debtor to Financial Creditor as on **28.02.2022**.

II. The Contentions as put-forth by the Financial Creditor are:

(i) It is submitted that the Financial Creditor is a registered Non-Banking Financial Company and having CIN as U70101WB2006PLC109898.

(ii) It is submitted that the Corporate Debtor is in the business of construction projects and having CIN as U45200TG2004PLC044320. Its Authorized Share Capital is Rs. 30,00,00,000 and Paid-up Capital is Rs. 21,29,19,180.

(iii) It is submitted that the Financial Creditor granted credit facilities to the Corporate Debtor to the tune of Rs. 43,96,27,959/- for the business purposes of the Corporate Debtor. The Facility/Loan Agreements are enclosed as Annexure 3. The said amounts have been disbursed to the Corporate Debtor.

(iv) It is submitted that the Corporate Debtor executed Deeds of Hypothecation and created a charge in respect of the machinery and equipment. The Deeds of Hypothecation and the list of assets are enclosed as Annexure 4 and 5.

(v) It is submitted that the Corporate Debtor also registered the charges with the Registrar of Companies (*Hereinafter referred as ROC*). The Certificate of Registration of Charges issued by the ROC is enclosed as Annexure 6.

(vi) It is submitted that the Corporate Debtor also submitted a Personal Guarantee in respect of the loans availed by it through Mr. A. Krishna Reddy, who is the Director of the Corporate Debtor. The Personal Guarantees issued are enclosed as Annexure 7.

(vii) It is submitted that the Corporate Debtor failed to make the repayments of the instalments, despite several requests by the Financial Creditor. Vexed with the attitude of the Corporate Debtor, the Financial Creditor issued a demand notice dated 29.03.2022 demanding an amount of Rs. 2,77,77,89,288 from the Corporate Debtor. The Demand Notice dated 29.03.2022 along with the proof of delivery is enclosed as Annexure 9. The Statement of Account of the Corporate Debtor is enclosed as Annexure 8.

(viii) It is submitted that the Financial Creditor has proposed the name of **Shri Rajesh Chillale** as Interim Resolution Professional having IBBI Registration No. as IBBI/IPA-001/IP-P00699/2017-2018/11226 and his AFA is valid till 25.10.2023 and Form -2 and Written Consent is enclosed as Annexure 10.

(ix) It is submitted that despite receipt of the notice, the Corporate Debtor failed to reply to the demand notice nor has made the payments to the Financial Creditor. The Corporate Debtor is in default of its payments to the Financial Creditor. Hence, this present Petition is filed under Section 7 of the IBC.

III. The contentions put forth by the Corporate Debtor in its Counter are:

(i) It is submitted that the Corporate Debtor is involved in the construction and maintenance of various Government Irrigation projects and has participated in the tenders of various State Governments.

(ii) It is submitted that the facility provided to the Corporate Debtor was in the Form of Vehicle loans for the purchase of vehicles.

(iii) It is submitted that as per the Annexures enclosed along with the Application, there are no instalments due under the five out of six hypothecation agreements.

(iv) It is submitted that the Financial Creditor has not filed a single scrap of paper before this Adjudicating Authority to prove that the Financial Creditor has disbursed the amounts as claimed by it as per the tabular column and in absence of the said proof of disbursement amount to the Corporate Debtor, the present alleged claim of the Financial Creditor is fatal and devoid of merits as such the same cannot be entertained.

(v) It is submitted that the credit facilities granted to the Corporate Debtor by the Financial Creditor to the tune of Rs. 43,96,27,959/- (Rupees forty three crores ninety six lakhs twenty seven thousand nine hundred and fifty nine only) for the business purposes are vehemently denied.

(vi) It is submitted that this Corporate Debtor many times requested the Financial Creditor to issue the ledger account of the Corporate Debtor on the books of the Financial Creditor and to issue copy of invoices and the details of the amounts disbursed to the vehicle owners/showrooms to arrive an exact outstanding due, but the Financial Creditor never provided any information and when this Corporate Debtor demanded to withdraw the charge in ROC shown against this Corporate Debtor, the Financial Creditor taking advantage of the charge created against this Corporate Debtor has fabricated the documents styled as the facility/loan agreements and hypothecation deeds for the purpose of raising false claim.

(vii) It is submitted that the Facility Agreements filed by the Financial Creditor are not executed properly, forged and fabricated for the purpose of filing the claim before this Adjudicating Authority to gain illegally and the various lacunas of the documents are as follows:

- That the agreements are of without consideration/disbursement.

- That the agreements are not duly stamped as per the Stamps and Registrations Act.

- That the columns of the agreements are not duly filled which goes to show that the Financial Creditor has filled the columns before filing this claim.

- That the signatures of the Corporate Debtor are forged and the documents are fabricated.

- That it is a visible fact that as per the agreement the signature of the guarantor does not belongs to A. Krishna Reddy but it is of somebody else's signature.

- That the Annexure III to Schedule VIII and Annexure IV to Schedule VIII are shown as signed but not filled which goes to show that the signatures have been obtained on blank agreements.

- That list of vehicles mentioned in facility agreement and hypothecation deeds are not one and the same.

- That the Corporate Debtor denied the purchase of second hand vehicles at any point of time, in fact all the vehicles purchased by the Corporate Debtor are brand new.

- That the Corporate Debtor never purchased any vehicles during the execution of alleged agreements of facility and hypothecation and there was no disbursement to this Corporate Debtor's account from the Financial Creditor.

- That further the Corporate Debtor purchased approximately 50 vehicles and the statement/list of vehicles shown is false and fabricated and the Financial Creditor is put to strict proof of the same.

- That the Corporate Debtor has paid the entire out standings and for the pending instalments has surrendered the vehicles to the Financial Creditor who in-turn sold the same and failed to adjust the realized amount to the accounts of the Corporate Debtor which were obtained much prior to the above alleged agreements.

(viii) It is further submitted that the documents filed by the Financial Creditor under Annexure 4 are the deed of the Hypothecation and the same are also deficiently executed with forged signatures and further the Annexure 5 is a false list of vehicles which this Corporate Debtor never purchased and never owned and the Financial Creditor never disbursed any amounts to purchase the same during the time of alleged execution of the agreements shown under the different Annexures.

(ix) It is submitted that it came to the knowledge of this Corporate Debtor after receipt of the notice from this Adjudicating Authority and upon enquiries this Corporate Debtor realized that the claim of the Financial Creditor is only on the base of the ROC charge created by them and to substantiate the same the Financial Creditor seems to have forged and fabricated the facility agreements and hypothecation deeds by taking advantage of the long pending charge raised by the Financial Creditor in ROC without there by any disbursement and the Financial Creditor is put to strict proof of the same.

(x) It is submitted that a personal guarantee in respect of the loans availed ~~by it~~ through Mr. A. Krishna Reddy, who is the Director of the Corporate Debtor is false and hence denied by this Corporate Debtor. That the documents enclosed as Annexure 7 goes to show that the name of customer is A. Krishna Reddy and also the Guarantor is A. Krishna Reddy wherein the signatures of the same person are not one and the same which itself disprove the contentions of the Financial Creditor that the documents were executed on a valid consideration and the document without consideration is void ab initio.

(xi) It is submitted that as per Annexure 8 wherein it is an admitted fact by the Financial Creditor that the Corporate Debtor does not owe any instalment to the Financial Creditor and as per the practice and as per the guidelines of banking sector on the date of payment of amount all the charges and penalties has to be deducted and then adjusted to the subsequent monthly instalments, but the Financial Creditor has adjusted all the instalments and calculated the late payment charges from the beginning and allegedly claiming the same after the long gap of 10 years without mentioning any reason and even if treated to be the claim as genuine the same is a time barred debt as such the present claim of the Financial Creditor is barred by limitation.

(xii) It is submitted that the Financial Creditor to match the amounts shown under charge in ROC has calculated the interest on the late payment and penalties @ 36.50% which is exuberant and against the RBI Guidelines and against the principles of natural Justice.

(xiii) It is submitted that as per the Annexure 8, it is the contention of the Financial Creditor that the Corporate Debtor paid an amount of Rs. 14,72,72,925/- (Rupees fourteen crores seventy two lakhs and seventy two thousand nine hundred and twenty only) on a single day of 15-09-2010 under the various alleged agreements and the Financial Creditor is put to strict proof of the receipt of the said huge amount on the said date.

(xiv) It is submitted that after receipt the said Demand Notice this Corporate Debtor sent reply by sorting the detailed information with respect to the claim of the Financial Creditor by raising the objection as stated supra and the Financial Creditor having no ground to substantiate its claim without considering the representation of the Corporate Debtor has approached this Adjudicating Authority with a *mala fide* intention to hell bent upon the Corporate Debtor to gain illegally under the threat of false claim.

(xv) It is submitted that the calculation shown is after thought and fabricated in such a manner to suit the charge raised in ROC against the Corporate Debtor and the alleged agreements are of without consideration and the Financial Creditor is put to strict proof of the same.

(xvi) It is submitted that the Financial Creditor failed to file the documents of collateral security property though mentioned the same in the Part V of the Application which goes to show that the Financial Creditor is not having any record with respect to the same as the officials of the Financial Creditor repeatedly requested this Corporate Debtor to provide the said details of the document when this Corporate Debtor requested to release the mortgaged property on successful payment of facility availed under the said mortgage. The copy of the said mortgage document along with its EC is enclosed.

(xvii) It is submitted that the contrary claims of the Applicant are as mentioned below:

- The Mortgage is executed on 13.10.2010 for an amount of Rs. 18,25,00,000/- (Rupees eighteen crores twenty five lakhs only) for the agreement No. HL 0038098 and the said agreement is not part and parcel of the Annexures of this Application and the Applicant claims that the said property is Collateral Security.

- A notice was issued to the Respondent on 02.11.2020 in which the Applicant alleged that the Agreement No. is 171993 and immediately in the below paragraph on the same page it is mentioned that the Agreement No. is

116939 and further that the amount shown as total overdue is wrongly calculated.

- A notice was issued to the owner of the mortgaged property on 21.10.2021 claiming the different contract number under subject heading as No. 171993 which is allegedly executed as per the Applicant on 30- 09-2018 which is much after the execution of the mortgage deed and as per the said notice the outstanding is Rs. 5,65,68,280/- (Rupees five crores sixty five lakhs sixty eight thousand two hundred and eighty only)

- An another notice was issued to this Respondent on 30.12.2021 through email and as per the said mail the outstanding amount as on 28-12-2021 is Rs. 4,36,53,22,676/- (Rupees four hundred and thirty six crores fifty three lakhs twenty two thousand six hundred and seventy six only) and the same is contra to the present claim of the Applicant.

(xviii) It is submitted that the alleged facility agreement has the Arbitration clause under Schedule V and the panel of arbitrators names also mentioned therein as such the Financial Creditor is estopped to file the present claim before this Adjudicating Authority without exhausting the available alternative remedy. Hence prayed that the Petition be dismissed with exemplary costs.

IV. The Rejoinder of the Financial Creditor was not taken on record as the same was taken without leave of this Adjudicating Authority

V. The contentions as put forth by the Financial Creditor in its Written Submissions are:

(i) It is submitted that the Corporate Debtor failed to honour the repayment schedule of EMIs as per the Master Facility Agreements. In fact, the last of the EMI received by the Corporate Debtor was for a sum of Rs. 2,99,976/- on 16.03.2020 as against the instalment amount due of Rs. 20,00,000/- for the month of March 2020. Thereafter, there has been no payment from the Corporate Debtor. (Statement of Account-Annexure 8- Pg. 407 of the Main Application)

(ii) It is submitted that the Corporate Debtor itself had issued a letter dated 16.06.2022 to the Financial Creditor wherein the Corporate Debtor had specifically stated that the Corporate Debtor had been advanced with various facilities from time to time and in the year the same was rescheduled and the liability of the same was brought under a single contract bearing number 171993. Further vide letter dated 16.06.2022 the Corporate Debtor had specifically admitted its liability to be Rs. 20.49 Crores and sought to request for a OTS proposal. Therefore, also the debt and default of debt has been established in the present case.

(iii) It is submitted that from the Statement of Account, it is clear that the Corporate Debtor is due and payable the debt due from him.

(iv) It is submitted that in Innoventive Industries Limited vs. ICICI Bank it was observed as under:-

> *"...Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the*

existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application.

(v) It is submitted that the debt is not repaid since 2018 and the Corporate Debtor has been evading the payment on one pretext or other. It is further submitted that this Adjudicating Authority ought to exercise its discretion to admit the present application in favour of the Financial Creditor as otherwise the Financial Creditor will be put to grave hardship in respect of the outstanding due.

VI. The contentions as put forth by the Corporate Debtor in its Written Submissions are:

(i) It is submitted that as per the page 7 of the Application, it is categorically mentioned by the Financial Creditor that the agreements under which the present claim is filed were alleged to be executed on 30.09.2018 and 22.06.2009 and the Limitation for the purpose of present claim is within the period of 3 years either from the date of execution of Agreement or from the date of last payments within the limitation

(ii) It is submitted that that as per the Application the limitation from the date of the execution of the Agreement shall expire on 30.09.2021 and 22.06.2012 respectively for all the 6 Agreements.

(iii) It is submitted that for the purpose of last payment during the existence of limitation period, the Corporate Debtor denies the payments of Rs. 5,30,000/- on 27.11.2019, Rs. 6,15,280/- on 29.11.2019 and Rs.2,99,976/- on 16.03.2020 (pages 407 & 408 of the main Petition) into the particular account vide agreement No. 171933. That the Financial

Creditor wontedly to overcome the limitation hurdle fabricated the statements to gain illegally as such without there being any proof of payment by the Corporate Debtor on record the same shall not be considered as the said statements are generated by the Financial Creditor and cannot be considered as genuine.

(iv) It is submitted that it is pertinent to mention here that if there exists the liability as allegedly claimed by the Financial Creditor in this Application to seek redressal under the IBC and further if the payment is made by the Corporate Debtor as alleged within the period of limitation the Bank Statement would be the genuine public document which will crystallize facts. That instead of filing the Bank Statements, the Financial Creditor by filing the false and fabricated documents is trying to get benefitted illegally by misleading the Adjudicating Authority and introducing fabricated documents.

(v) It is submitted that the Financial Creditor is failed to mention the details of the vehicles such as make, model, value of the vehicle for which the facility is sanctioned and the invoices and insurances of the said vehicles and the payments made to whose favour and the contribution of the Corporate Debtor to each vehicle etc., That in the absence of such crucial information it cannot be concluded that there exists a legally enforceable debt between the parties of this Application.

(vi) It is submitted that the Financial Creditor failed to mention in this Application that in whose possession the said Hypothecation vehicles are placed and the measures of the Financial Creditor for its recovery of amounts etc., which are known to law for the recovery of dues etc.

(vii) It is submitted that the capitalization of overdue charges and interest as allegedly claimed by the Financial Creditor under IBC is unknown to law as the same does not fall under the time value of money as such the present application is liable to be rejected.

(viii) It is submitted that as per the Section 7, Sub section 3 of IBC, the Financial Creditor shall along with the Application furnish (a) Record of the default recorded with the information Utility or such other record or evidence of default as may be specified. That in this Application the Financial Creditor miserably failed to establish the claim by filing any evidence more particularly "the disbursement" of financial facility" as alleged and in the absence of the main ingredient of the enforceable debt the claim is fatal.

(ix) It is submitted that the general accounting system for the NBFC's with respect to the outstanding amounts and its payment as per the accounting packages recognized by the RBI are that if any payment is made in the loan account the amount will be adjusted towards the pending instalment and before going to the next instalment the overdue amount will be deducted and the remaining will be carry forward to the next month's instalment. But in this Application the procedure followed by the Financial Creditor is unknown to the law even to the procedures of accounting as the payment were continuously adjusted to the instalments and the overdue charges along with the interest is calculated as per the dates, which goes to show that the statement of account is prepared/fabricated at one stretch to gain illegally, but not maintained properly.

(x) It is submitted that the clear observation of the statement of accounts (Pages 392 to 409 of the main Petition) goes to show that on the same day the Corporate Debtor has paid many instalments and there is no evidence that the same has happened as shown.

VII. In the light of the aforestated contentions, the point that emerged for our due consideration is:

- Whether a financial debt as claimed by the financial creditor is due and payable by the corporate debtor, if so, whether the corporate debtor defaulted in payment of the same?

VIII. We have heard Shri Srikanth Hariharan, learned counsel for Financial Creditor and Ms. Almas Mohammed, learned counsel for Corporate Debtor. Perused the Record, the written submissions and the case law.

POINT:

- Whether a financial debt as claimed by the financial creditor is due and payable by the corporate debtor, if so, whether the corporate debtor defaulted in payment of the same?

IX. At the outset it may be stated that the present application being one under section 7 of the I&B Code, 2016, it is imperative for the applicant to establish that a financial debt of a sum of over Rs.1 crore is due and payable by the respondent to the applicant and the respondent had defaulted in repayment of the said financial debt.

X. This legal position can be traced from the ruling of the Hon’ble Supreme Court of India in re. the Hon’ble Supreme Court in Innoventive Industries Vs. ICICI Bank, (2018) 1 SCC 407, wherein it was held that,

> *"30. .. .. in the case of a corporate debtor who commits a default of a financial debt, the <u>adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date.</u> It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise."(Emphasis is ours).*

Hon'ble Supreme Court of India in Vidarbha Industries Power Limited Vs. Axis Bank Limited, Civil Appeal No.463 of 2021, held that,

> *"88. The Adjudicating Authority (NCLT) has to consider the grounds made out by the Corporate Debtor against admission, on its own merits. For example when admission is opposed on the ground of existence of an award or a decree in favour of the Corporate Debtor, and the Awarded/decretal amount exceeds the amount of the debt, the Adjudicating Authority would have to exercise its discretion under Section 7(5)(a) of the IBC to keep the admission of the application of the Financial Creditor in abeyance, unless there is good reason not to do so. The Adjudicating Authority may, for example, admit the application of the Financial Creditor, notwithstanding any award or decree, if the Award/Decretal amount is incapable of realisation. The example is only illustrative".*

XI. Therefore, in light of the above legal frame and the factual matrix of this case, we proceed to decide the point that we have framed as above.

(i) A perusal of the counter filed by the Corporate Debtor clearly discloses that the Corporate Debtor had not denied the execution of loan and other documents relating to the credit facilities extended to it by the

Financial Creditor. However, the Corporate Debtor strongly contended that the amount supposed to have been lent under the Facility Loan Agreement referred to above has not been disbursed. Therefore, according to the learned counsel for the Corporate Debtor, when debt itself remained unestablished the plea that the Corporate Debtor committed default in repayment of the so called unfounded debt shall fail invariably.

(ii) In light of the contentions put forth we have carefully examined the following records relied by the applicant in support of its plea of existence of financial debt and its default:

- Entries in the Balance Sheet of the Corporate Debtor for the Financial Year ending on 31.03.2020.
- The record submitted by the Corporate Debtor to Credit Information Bureau (India) Limited **(**CIBIL), and
- Undisputed letter of the Corporate Debtor dated 16.06.2022 addressed to the Financial Creditor.

(iii) The applicant along with counter has filed copy of Independent Auditors' Report dated 07.12.2020 for the Financial Year ending on 31.03.2020 and the Balance Sheet of the Corporate Debtor for the said year. The said Balance Sheet under the head 'Long Term Borrowings' categorically discloses the Term Loan of Rs. 14,61,07,770/- in respect of SREI Infrastructure Term Loans besides others.

(iv) That apart in letter dated 16.06.2022 addressed to the Financial Creditor, the Corporate Debtor had categorically admitted availing of credit facilities and requested for One Time Settlement (OTS) for a sum of Rs.350 lacs with payment tenure of 180 days. These two undisputed documents not only categorically establish existence of financial debt of a sum over Rs.1 crore and its default by the Corporate Debtor, but also demolishes the theory that the Financial Creditor had not disbursed the amount under the Loan Agreements.

XII. The Hon'ble Supreme Court of India in re. Dena Bank & others Vs. C. Shiva Kumar Reddy, in judgement dated 04.08.2021 in Civil Appeal No.1650 of 2020 held as follows:

> "118. It is well settled that entries in books of accounts and/or balance sheets of a Corporate Debtor would amount to an acknowledgment under Section 18 of the Limitation Act. In Asset Reconstruction Company (India) Limited v. Bishal Jaiswall and Anr. (supra) authored by Nariman, J. this Court quoted with approval the judgments, inter alia, of Bengal Silk Mills Co. v. Ismail Golam Hossain Ariff, 18 ["Bengal Silk Mills"] and in Re Pandem Tea Co. 19 Ltd., the judgment of the Delhi High Court in South Asia Industries (P) Ltd. v. General Krishna Shamsher Jung Bahadur Rana 20 and the judgment of Karnataka High Court in Hegde Golay Ltd. v. State Bank of India 21 and held that an acknowledgement of liability that is made in a balance sheet can amount to an acknowledgement of debt."

XIII. Therefore, we have no hesitation to hold that the Financial Creditor has established that the Corporate Debtor herein had availed credit facilities of a sum over Rs.1 crore and had defaulted in repayment of the same. Thus, we are satisfied that existence of financial debt as well as its default are established by the applicant. We have also found that the application as failed is in order.

XIV. Therefore, this Adjudicating Authority **admits the Petition** under Section 7 of IBC declaring moratorium for the purposes referred to in Section 14 of IBC, with following directions:

A. The Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against 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.

D. That the order of moratorium shall have effect from the date of this order till the completion of 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. This Bench hereby appoints of **Shri Rajesh Chillale** as Interim Resolution Professional, having Reg. No. IBBI/IPA-001/IP-P00699/2017-2018/11226, whose address is : B-713, Western

Plaza, OU Colony, HS Darga, Manikonda, Hyderabad, Telangana, 500104 and Email: chillalerajesh@yahoo.co.in. He has given his consent in Form-2 dated 29.06.2022 and Authorization for Assignment is valid up 25.10.2023.

F. 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.

G. The Financial Creditor is directed to send a Copy of this Order to the appointed Interim Resolution Professional and Registrar of Companies, Hyderabad for making appropriate remarks against Corporate Debtor on website of Ministry of Corporate Affairs as being under CIRP.

H. The Registry is directed to send a copy of this order to the Financial Creditor and Interim Resolution Professional appointed in this case.

I. The Registry is directed to furnish free copy to the parties as per Rule 50 of the NCLT Rules, 2016.

XV. Accordingly, this Petition is admitted.

SD	SD
CHARAN SINGH	**Dr. VENKATA RAMAKRISHNA BADARINATH NANDULA**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

pavani/ karim