



S.No.1

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1**
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
01-05-2023 AT 10:30 AM

Company Petition IB/53/2021
u/s. 9 of IBC, 2016

IN THE MATTER OF:

Sri Lakshmi Venkateshwara Traders

...Operational Creditor

VS

SNS Starch 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

Order in CP IB 53/2021 pronounced. Recorded vide separate sheets. In the result, the Company Petition is admitted. Moratorium in terms of Section 14 against the Corporate Debtor is hereby declared. IRP appointed as per the terms and conditions mentioned in the Order.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH No.1, HYDERABAD**

CP (IB) No.53/9/HDB/2021

UNDER SECTION 9 OF INSOLVENCY AND
BANKRUPTCY CODE, 2016 READ WITH RULE 6 OF THE
INSOLVENCY AND BANKRUPTCY (APPLICATION TO
ADJUDICATING AUTHORITY) RULES, 2016.

In the matter of

M/s Sri Lakshmi Venkateshwara Traders

Represented by its Proprietor

Having its registered office at:

2/47, Shatanakota Village

Nandikotkur Mandal, Kurnool District

Andhra Pradesh – 518401.

**.. Petitioner/
Operational Creditor**

VERSUS

M/s SNS Starch Ltd

311/A, Block-II, 2nd Floor

Road No.12, MLA Colony

Banjara Hills, Hyderabad.

Telangana – 500034.

**.. Respondent
Corporate Debtor**

Date of order: 01.05.2023



Coram:

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA
HON'BLE MEMBER (JUDICIAL)**

and

**SHRI CHARAN SINGH
HON'BLE MEMBER (TECHNICAL)**

Parties / counsels present:

For the Petitioner: Shri L. Ravichander, Senior Counsel.

For the Respondent: Shri S. Ravi, Senior Counsel assisted by Shri M. Naga Deepak, Shri Rohan Aloor and others, Advocates.

PER BENCH

ORDER

The Company Petition under Section 9 of Insolvency and Bankruptcy Code, 2016, read with Rule 4 of Insolvency & Bankruptcy (Application to the Adjudicating Authority) Rules, 2016, is preferred by M/s Sri Lakshmi Venkateshwara Traders, through its proprietor, namely K. Maheswar Reddy, who has filed Affidavit under section 9(3)(b) of the I&B Code, 2016 (page 7 of the petition), claiming a sum of **Rs.1,35,36,079/-** (Rupees one crore thirty five lacs thirty six thousand and seventy nine only) as on **30.11.2020**. The said sum consists of principal amount: **Rs.84,54,068/-** and interest : **Rs.50,82,011/-** calculated from the date of default till 30.11.2020. Default is alleged to have occurred on various occasions and lastly on 31.03.2019, the Corporate Debtor confirmed the debt and interest, as per Computation of default and Statement of Interest (Annexure-3, page 25-26) and Ledger Accounts (Annexure-4, pages 27-38). The Operational Creditor seeks admission of this petition, initiation of Corporate Insolvency Resolution



Process (CIRP), granting moratorium and appointment of Interim Resolution Professional as prescribed under the Code and Rules thereon.

II. The respondent, Ms. SNS Starch Limited has availed supplies of maize from the Operational Creditor by virtue of the invoices.

III. The averments made in the application are:

(i) The Operational Creditor had supplied Maize to the Corporate Debtor on various occasions towards that Corporate Debtor had an outstanding amount of Rs.84,54,068/-payable to the Operational Creditor. Despite several reminders the Corporate Debtor has failed to pay the outstanding amount.

(ii) As per the terms of supply, the Corporate Debtor shall pay the invoice amounts immediately upon the receipt of the material, failing which the Corporate Debtor shall be unconditionally liable to pay to the Operational Creditor interest on the amount of the invoices at the rate of 18% per annum from the due date. Copies of Tax Invoices, Purchase orders and delivery challans are produced at Annexure-5 (pages 39 to 95 of the petition).

(iii) In support of its claim the Operational Creditor has produced the following documents:

- Tax Invoices, Purchase Orders, Delivery Challans produced at Annexure-6, pages 39-95.
- Latest Bank Statement produced at Annexure-6, pages 96-102.



- Payment Plan confirmation dated 16.07.2016, Annexure-7, page 103 (produced in original).
- Confirmation of outstanding balance, Annexure-8, page 104 (produced in original).

(iv) As the Corporate Debtor failed to repay the outstanding amounts, which fell due on the respective dates, the Operational Creditor has repeatedly followed up with the Corporate Debtor for payment of the outstanding invoice amounts and calling upon the Corporate Debtor to clear the outstanding dues with interest. However, the Corporate Debtor failed to clear the amount.

(v) The Operational Creditor was constrained to issue Demand Notice dated 02.12.2020 (ANNEXURE-1, Page 15) under section 8 of the I&B Code, 2016 read with rule 5 of the I&B (AAA) Rules, 2016 to the Corporate Debtor demanding payment of the said sum with interest at the rate of 18% per annum.

(vi) The Corporate Debtor gave reply dated 14.12.2020 (ANNEXURE-2, page 24) denying the claims made by the Operational Creditor and describing the documents produced by the Operational Creditor fabricated.

(vii) The Operational Creditor submits that the sub-ledgers acknowledge the debt of Rs.84,54,068/- as described hereunder:



Sub-ledger for the period		Annexure	Page number of the petition
From	To		
01.04.2018	31.03.2019	4	27
01.04.2017	31.03.2018	4	28
01.04.2016	31.03.2017	4	29
01.04.2015	31.03.2016	4	30-32
01.04.2014	31.03.2015	4	33-36
01.04.2013	31.03.2014	4	37

Besides Payment Plan confirmation dated 16.07.2016, Annexure-7, page 103 duly signed by Director of the Corporate Debtor confirms the outstanding balance.

IV. The respondent/ Corporate Debtor has filed REPLY STATEMENT/ COUNTER dated 29.04.2021 stating that:

(i) The respondent/ Corporate Debtor denies veracity of the claim made by the petitioner. However, the Corporate Debtor admits that there were certain business relations between the Operational Creditor and the Corporate Debtor.

(ii) The ledger account is manipulated and put in service to sustain the time-barred claim of the Operational Creditor. Signature and seal appearing on Ledger Accounts (Annexure-4, pages 27-38) do not pertain to the Corporate Debtor or any of its authorised officer/ employee. Besides, the signature/ seal does not show date when it was issued and given to the petitioner.



(iii) Barred by limitation: The present petition is presented on 30.12.2020 before this Tribunal. Whereas the entries in the Ledger Account were dated 30.06.2017. Last transaction being of 30.06.2017, the petition was filed three years thereafter. No explanation is offered by the petitioner for the delay. Evidently, the petition is barred by limitation. Therefore, the petitioner/ Operational Creditor has lost its right to payment by the date of presenting this petition on 30.12.2020 and this does not fall within the definition 'claim' under section 3(6)(a) of the I&B Code, 2016.

(iv) Payment Plan dated 16.07.2016 (Annexure-7, page 103) suffers from the following infirmities:

- It is not on official letterhead of the debtor.
- It does not bear signature of authorised signatory.
- It does not indicate outstanding amount as on 05.08.2016.
- Once the amount as on a particular date is mentioned there is no need to mention about payments made during the period preceding that date.

(v) The respondent questioned veracity of letter dated 18.10.2016 captioned as 'Confirmation of outstanding balance' purported to have been issued by the Corporate Debtor. The ledger account copy said to have been given to the petitioner by the respondent does not indicate any such entry as on 18.10.2016.

(vi) All the supporting documents shown by the petitioner are fabricated and forged. None of the invoices are acknowledged by the Corporate Debtor. As such the same are invented for the purpose of unlawful gain.



(vii) The respondent contends that the Operational Creditor claiming to be a seller of goods cannot file this petition under section 9 of the I&B Code, 2016 without availing remedy under section 55 of the Sale of Goods Act.

V. The petitioner/ Operational Creditor has filed REJOINDER dated 25.08.2021 stating that:

(i) The respondent has admitted that there is a business relationship between the petitioner/ Operational Creditor and the respondent/ Corporate Debtor.

(ii) SNJ Synthetics Limited is a company form which payments were made to the petitioner/ Operational Creditor on 31.05.2017 and 30.06.2017. The registered address, logo and email address of the respondent/ Corporate Debtor, viz. SNS Starch Ltd and SNJ Synthetics Ltd are one and the same. Master data of the said companies on M CA website is annexed as ANNEXURE-1 of this Rejoinder.

(iii) As regards the averment that Account Statement till 31.03.2019 is false and that letter dated 18.10.2016 (Annexure-8) captioned as 'Confirmation of outstanding balance' is also false, the petitioner submitted that such statements of the Corporate Debtor are baseless, said document (Annexure-8) signed by authorised signatory cannot be denied and such defence of the Corporate Debtor cannot be relied upon.



(iv) As regards the contention of the Corporate Debtor that the petition is barred by limitation, the petitioners/ Operational Creditor has denied the said contention.

VI. The respondent/ Corporate Debtor has filed WRITTEN SUBMISSIONS dated 09.11.2021, stating that its submissions are four-fold, which are summarised as under:

(i) There is a pre-existing dispute: The Corporate Debtor has filed a suit being SR No.17418 of 2019 before the City Civil Court, Hyderabad on 17.07.2019 against the petitioner herein inasmuch as the petitioner herein had supplied substandard and inferior material to the Corporate Debtor, due to which the respondent herein had sustained a loss of Rs.97,09,439/-

(ii) Claim of the Operational Creditor is time-barred: The petition mentions date of default as 31.03.2019. The present petition was filed on 30.12.2020. According to the petitioner last payment made by the Corporate Debtor was on 18.01.2017; thereafter another entity, named, SNJ Synthetics made certain payments dated 31.05.2017 and 30.06.2017 on behalf of the Corporate Debtor. Even if those payments made by the Corporate Debtor and on behalf of the Corporate Debtor are assumed to be true, the present petition filed on 30.12.2019 is time barred.

(iii) Appropriate remedy under section 55 of the Sale of Goods Act, 1930 is not availed : The Operational Creditor claiming to be a seller of goods cannot file this petition under section 9 of the I&B Code, 2016 without availing remedy under section 55 of the Sale of Goods Act, 1930. Section 55(1) of the said Act reads as under:



“55. Suit for price.—(1) Where under a contract of sale the property in the goods has passed to the buyer and the buyer wrongfully neglects or refuses to pay for the goods according to the terms of the contract, the seller may sue him for the price of the goods.”

(iv) Crystallisation of debt: In the present case debt is crystallised. I&B Code, 2016 should not be used inappropriately as a substitute for debt adjudication and for recovery of money. In this regard the respondent relies on Mobilox Innovation Pvt Ltd Vs. Kirusa Software Pvt Ltd. (2018) 1 SCC 533; and K. Kishan Vs. M/s Vijay Nirman Company, (2018) 17 SCC 662.

VII. The petitioner has filed WRITTEN SUBMISSIONS dated 12.11.2021, wherein it is inter alia submitted that there was no communication from the Corporate Debtor about substandard quality of material. It is for the first time before this Tribunal the Corporate Debtor is voicing about poor quality material. As a matter of fact, the entire material has been consumed by the Corporate Debtor. Other contentions raised in the Written Submissions are taken note of.

VIII. In the light of the contest as above, the points that emerge for our consideration are;

- (1) Whether an Operational Debt of a sum over rupees one crore *is due and payable* by the Corporate Debtor exists in favour of the Operational Creditor? If so, whether the Corporate Debtor *defaulted* in repayment of the same?



- (2) Whether there is a *pre-existing* dispute between the parties or the record of the pendency of a suit or arbitration proceedings filed before the receipt of the demand notice of the unpaid operational debt in relation to such dispute?
- (3) Whether claim of the Operational Creditor under this application is within the prescribed period of limitation?

IX. We have heard Shri L. Ravichander, learned Senior Counsel for the petitioner, and Shri S. Ravi, learned Senior Counsel assisted by Shri M. Naga Deepak and Shri Rohan Aloor, learned advocates for the respondent. Perused the record, case law and the written submissions filed by the parties.

X. In order to arrive at a just and proper finding on the points involved in the subject lis, it is apt to rely on decision in Mobilox Innovations Private Limited Vs. Kirusa Software Private Limited rendered by the Hon'ble Supreme Court in Civil Appeal No. 9405 of 2017 dated 21.09.2017, wherein it is held that:

“It is, thus, clear that so far as an operational creditor is concerned, a demand notice of an unpaid operational debt or copy of an invoice demanding payment of the amount involved must be delivered in the prescribed form. The corporate debtor is then given a period of 10 days from the receipt of the demand notice or copy of the invoice to bring to the notice of the operational creditor the existence of a dispute, if any.”

“It is clear, therefore, that once the operational creditor has filed an application, which is otherwise complete, the adjudicating authority must reject the application under Section 9(5)(2)(d) if notice of dispute



has been received by the operational creditor or there is a record of dispute in the information utility. It is clear that such notice must bring to the notice of the operational creditor the “existence” of a dispute or the fact that a suit or arbitration proceeding relating to a dispute is pending between the parties. Therefore, all that the adjudicating authority is to see at this stage is whether there is a plausible contention which requires further investigation and that the “dispute” is not a patently feeble legal argument or an assertion of fact unsupported by evidence. It is important to separate the grain from the chaff and to reject a spurious defence which is mere bluster. However, in doing so, the Court does not need to be satisfied that the defence is likely to succeed. The Court does not at this stage examine the merits of the dispute except to the extent indicated above. So long as a dispute truly exists in fact and is not spurious, hypothetical or illusory, the adjudicating authority has to reject the application”

(3) In in the same ruling, it has been also that,

“Therefore, the adjudicating authority, when examining an application under Section 9 of the Act will have to determine: (i) Whether there is an “operational debt” as defined exceeding Rs.1 lakh? (See Section 4 of the Act) (ii) Whether the documentary evidence furnished with the application shows that the aforesaid debt is due and payable and has not yet been paid? and (iii) Whether there is existence of a dispute between the parties or the record of the pendency of a suit or arbitration proceeding filed before the receipt of the demand notice of the unpaid operational debt in relation to such dispute?”

“If any one of the aforesaid conditions is lacking, the application would have to be rejected.” (Emphasis is ours).

XI. Point No.(1) :

Whether an operational debt of a sum over rupees one crore is *due and payable* by the respondent to the applicant? If so, whether the respondent has *defaulted* in repayment of the same?



In support of the plea that an operational debt of a sum over rupees one crore is due and payable by the corporate debtor, the petitioner/ financial creditor has filed invoices pertaining to the supply of Maize by petitioner/ Operational Creditor to respondent/ corporate debtor, along with delivery challans giving details of quantity shipped, transport vehicles etc. besides the sub-ledger of petitioner maintained by corporate debtor / SNS Starch Limited from 01.04.2013 to 31.03.2019 which bears the round stamp of Corporate Debtor and some initial on it. In addition to the above the petitioner has also filed the letter dated 16.07.2016 regarding confirmation of payment plan towards 25% of outstanding amount due to the petitioner. This letter is signed stating 'authorised signatory of corporate debtor'. The Petitioner has also submitted letter of confirmation of outstanding balance of Rs 1,01,36,956/- as on 10.10.2016 signed by Mr Satish Tripathi on behalf of corporate debtor, and the bank statement of, The Karur Vysya Bank Limited, which shows some credit transactions from SNJ Synthetics on behalf of corporate debtor, last of such transactions being a NEFT credit of Rs 1,25,000.00 on 22.06.2017.

XII. We have carefully perused the invoices, transport vouchers, which contain the inward entry of vehicle by security department of corporate debtor and also the sub-ledger of petitioner maintained by corporate debtor and found that supply chain is complete. Therefore, we are not inclined to accept the conclusion of the corporate debtor that the Operational Creditor has failed to establish supply of goods, as required under section 5(21) of the Code. In fact, in its reply statement dated 29.04.2021, the Corporate Debtor has stated that,



“It is true that there are certain business relations between the Operational Creditor and the respondent.”

Except the business of supply of Maize, no record of any other business activity between the petitioner and the respondent is placed before us.

XIII. Nextly, the Corporate Debtor has disputed the signatures of its officials on letter dated 10.01.2016 whereunder outstanding balance of Rs.1,01,36,956/- was confirmed by Mr. Satish Tripathi, on behalf of the Corporate Debtor and contended that the same cannot bind the Corporate Debtor. The Operational Creditor refuted the said plea and also filed a copy of the Settlement Agreement submitted before this Bench in CP (IB) No.689 of 2019, which was signed by Mr. Satish Tripathi and contended that Mr. Satish Tripathi is the authorised person of the Corporate Debtor. A bare comparison of both these signatures to the naked eye found to be the same.

XIV. That apart, on a bare perusal of the copy of the plaint in the unregistered suit discloses that the same was filed by one, Satish Kumar Tripathi, who also sent letter dated 10.01.2016 for confirmation of outstanding balance of Rs 1,01,36,956/- to Operational Creditor and the said letter was signed by the Corporate Debtor. A bare comparison of the signatures on the letter dated 10.01.2016 and on the plaint filed in the Civil Court discloses that both are the same.

XV. Therefore, the authenticity of letter of confirmation of balance is not questionable. The Operational Creditor has given calculations showing that



amount due to it along with interest @18% comes to Rs 1,35,36,079.00. The interest clause as mentioned on invoices has not been contravened by the corporate debtor. The petitioner/ Operational Creditor has issued the demand notice for the amount due and payable by the Corporate Debtor, however, the same was not paid. Therefore, in view of our discussion as above we hold that an operational debt of a sum over rupees one crore is *due and payable* by the respondent/ Corporate Debtor to the applicant/ Operational Creditor, and the respondent has *defaulted* in repayment of the same. Point No.1 is answered accordingly.

Point No.(2):

Whether there is a *pre-existing* dispute between the parties or the record of the pendency of a suit or arbitration proceedings filed before the receipt of the demand notice of the unpaid operational debt in relation to such dispute?

The Corporate Debtor relying on the pleadings in its reply statement that the Civil Suit presented before City Civil Court, Hyderabad on 17.07.2019 contended that as a Civil Suit is pending by the time of Demand Notice, hence this application is not maintainable. However, a perusal of the photocopy of the said plaint discloses that the same which was filed on 17.07.2019 was returned on 26.07.2019 due to deficit court fees. Except merely filing a photocopy of the plaint the suit number, its status as on the date of receipt of the demand Notice is not mentioned.

XVI. Here we refer to section 8(2) of the I&B Code, 2016, which is as below:

“8. *Insolvency resolution by operational creditor.* –



(2) The corporate debtor shall, within a period of ten days of the receipt of the demand notice or copy of the invoice mentioned in sub-section (1) bring to the notice of the operational creditor –

(a) existence of a dispute, 1 [if any, or] record of the pendency of the suit or arbitration proceedings filed before the receipt of such notice or invoice in relation to such dispute;

(b) the 2 [payment] of unpaid operational debt-

(i) by sending an attested copy of the record of electronic transfer of the unpaid amount from the bank account of the corporate debtor; or

(ii) by sending an attested copy of record that the operational creditor has encashed a cheque issued by the corporate debtor.”

Thus, a bare perusal of the above provision clearly indicates that the Corporate Debtor shall within a period of 10 days of receipt of Demand Notice or copy of the invoice mentioned in sub-section (1) of section 8 of the I&B Code, 2016 bring to the notice of the Operational Creditor the record of pendency of a suit in relation to such dispute. In this case reply to the Demand Notice dated 02.12.2020 has been given on 14.12.2020. However, there is no mention about the pending suit (unregistered), which the Corporate Debtor is now trying to rely on. When the Operational Creditor was not brought notice of the suit purportedly pending, the Corporate Debtor is not entitled to rely it.

XVII. That apart, subsection (2) of section 8 of the Code only speaks about record of pendency of ‘suit’ in relation to such dispute. Admittedly, the Civil Suit filed on 12.07.2019 before the Chief Judge, City Civil Court, Hyderabad is not registered even till the date of filing a copy of the same before this Tribunal. Needless to say that when a plaint is returned to the suitor with certain objection, until suit is represented and registered, the same



is a private document and only when the same is represented after complying the objections and is registered, it becomes a public document and then attains the status of 'pending suit'.

XVIII. Moreover, a bare perusal of relief sought for in the said unregistered civil suit was in respect of cause of action that arose in the month of October 2013. Whereas, in the case on hand, the earliest of the invoices that was relied on by the applicant is dated 16.12.2015. So much so the unregistered Civil Suit was not in respect of the claim made in this application to the applicant.

The point is answered accordingly.

Point No.(3) :

Whether claim of the Operational Creditor under this application is within the prescribed period of limitation?

In support of the plea that the operational debt claimed as due and payable by the Corporate Debtor to the applicant is not barred by limitation. The Operational Creditor has relied on its sub-ledger prepared upto 31.03.2019 issued by the Corporate Debtor containing seal and signature on it and also on its bank statement which shows credits from Corporate Debtor and also from SNJ Synthetics on behalf of Corporate Debtor. On going through these statements, we find that sub ledger shows two entries of Rs.3.00 lac and Rs.3.25 lacs totaling to Rs.6.25 lacs for the amount received from SNJ Synthetics and the same amount is reflected as received from SNJ Synthetics



though in different denominations (Rs.2.00 lac on 26.05.2017, Rs.1.00 lac on 09.06.2017, Rs.2.00 lacs on 16.06.2017 and Rs.1.25 lacs on 22.06.2017, total Rs.6.25 lacs) and also on different dates with difference of few days. This is acceptable because bank account is on real time basis whereas sometimes entries in sub ledger are not recorded on real time basis. Further, operational creditor has filed master data of corporate debtor and SNJ Synthetics Limited from official web pages of the companies which shows common directors, same registered address, email address etc. This reconciliation of amount being reflected in sub ledger maintained by Corporate Debtor for Operational Creditor and bank account of Operational Creditor, and also closely held relationship nature of both the companies, we conclude that the amount received from SNJ Synthetics was on behalf of SNS Starch Limited. To support his argument regarding accepting entry in sub ledger as acknowledgment of debt, petitioner has placed his reliance on judgement by Hon'ble Supreme Court in Civil Appeal Nos. 84-85 of 2020 in the matter between Asset Reconstruction Company (India) Limited vs Tulip Star Hotels (India) Limited and others. In the said judgement it is held that:

“books of account and/or balance sheets of a corporate debtor would amount to an acknowledgement under section 18 of the limitation act.”



Therefore, by virtue of the acknowledgement of debt as above, the period of limitation in this case, stands extended by three years from 22.06.2017, and in view of the Hon'ble Supreme Court judgement in Miscellaneous Application No.21/2022 in MA 665/2021 in SMW© No.3 of 2020 in Re. Suo Motu Vs. Re. Cognizance, wherein the period from 15.03.2020 till 28.02.2022, the operation of provision relating to limitation has been suspended, the present Company Petition **having been filed on 31.12.2020 is within limitation.**

Point is answered accordingly.

XIX. Therefore, in the light of our discussion as above and in view of the answers to the issues as framed in this case, we are of the view that this petition deserves to be admitted.

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

(A) Corporate Debtor, M/s SNS Starch Limited is admitted in Corporate Insolvency Resolution Process under section 7 of the Insolvency & Bankruptcy Code, 2016,

(B) 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;

(C) 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.

(D) Notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concessions, clearances or a similar grant or right during the moratorium period.

(E) 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.



(F) That 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 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.

(G) 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.

(H) That this Bench hereby appoints **Shri Medi Yadaiah**, having Registration No. IBBI/IPA-002/IP-N01039/2020-2021/13334, as Interim Resolution Professional, whose contact details are:

e-mail ID: yadmedi[at]gmail[dot]com

Address: 8-16-30/2 Sowbhagya Nagar Colony, Sowbhagya Nagar Colony, SBH Venture 3, LB Nagar Hyderabad, Near Madhavi Kirana General Store, Ranga Reddy, Telangana ,500074

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

(I) Proposed IRP to file Form-2 within a week from the date of this order. His Authorisation for Assignment is valid till 05-02-2024. This information is 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.



(J) The Registry is directed to furnish certified copy of this order to the parties as per Rule 50 of the NCLT Rules, 2016.

(K) The petitioner is directed to communicate this order to the proposed Interim Resolution Professional.

XXI. Registry of this Tribunal is directed to send a copy of this 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.

XXII. Accordingly, this Petition is admitted.

Sd/-
CHARAN SINGH
MEMBER (TECHNICAL)

Sd/-
DR. VENKATA RAMAKRISHNA BADARINATH NANDULA
MEMBER (JUDICIAL)

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