



IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH (COURT- I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON **04.04.2025** THROUGH VIDEO CONFERENCING

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**PRESENT:** HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)  
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

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**APPLICATION NUMBER** :  
**PETITION NUMBER** :CP(IB)/261/CHE/2024  
**NAME OF THE PETITIONER(S)** :Sagaa Traders  
**NAME OF THE RESPONDENTS** :Srinithi Enterprises Pvt Ltd  
**UNDER SECTION** :Sec 9 Rule 6 of IBC, 2016

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**ORDER**

Present: Ld. Counsel Shri. Sarangan for the Petitioner.

None for the Respondent.

Vide separate order pronounced in Open Court, the petition is allowed and Shri. Sanjeevi C is appointed as the IRP.

**Sd/-**

**(VENKATARAMAN SUBRAMANIAM)**  
MEMBER (TECHNICAL)

MG

**Sd/-**

**(SANJIV JAIN)**  
MEMBER (JUDICIAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL,  
DIVISION BENCH – I, CHENNAI

**CP(IB)/261(CHE)/2024**

*(filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 r/w Rule  
6 of the Insolvency and Bankruptcy (Petition to Adjudicating Authority)  
Rules, 2016)*

*In the matter of Srinithi Enterprises Pvt. Ltd.*

**Sagaa Traders,**

Represented by its Proprietor Mr. G. Surya,

having office at:

2<sup>nd</sup> Floor, 12, Sagaa Traders,

Chairman Thammannan Salai,

Arisipalayam, Salem

Tamil Nadu-636 009

*... Operational Creditor / Petitioner*

-Vs-

**M/s. Srinithi Enterprises Pvt. Ltd.,**

Through its Directors

No. 3/5, J.J. Nagar,

Dindsigul Main Road, SalaiPudur,

Oddanchatram-624 619

Dindigul – District, Tamil Nadu

*... Corporate Debtor/Respondent*

**Order Pronounced on 4<sup>th</sup> April, 2025**

CORAM:

**SANJIV JAIN, MEMBER (JUDICIAL)**

**VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

*For Operational Creditor: Shri. P.V. Balasubramaniam, Senior Advocate*

*Mr.R. Kalaikumar, Advocate*



For Corporate Debtor:      *Mr.V. Arun Kumar, Advocate*  
   *Mr.Abdus Salam, Advocate*

**ORDER**

(Hearing conducted through VC)

This petition under Section 9 of the Insolvency and Bankruptcy, 2016 (“**IBC**”) read with Rule 6 of the Insolvency and Bankruptcy Board of India (Petition to Adjudicating Authority) has been filed by **Saaga Traders, Represented by its Proprietor Mr. G. Surya** (hereinafter referred to as “**Petitioner/Operational Creditor**”) against **Srinithi Enterprises Private Limited** (hereinafter referred to as “**Respondent/Corporate Debtor**”) to initiate Corporate Insolvency Resolution Process (“**CIRP**”) against the Corporate Debtor.

2. **Part-I** of the petition sets out the particulars of the Petitioner/Operational Creditor. Its office is situated at 2<sup>nd</sup> Floor, 12, Saaga Traders, Chairman Thammannan Salai, Ariipalayam, Salem, Tamil Nadu-636 009. **Part-II** of the petition sets out the details of the Corporate Debtor. It has its Registered Office at No.3/5, J.J. Nagar, Dindigul Main Road, Salai Pudur, Oddanchatram-624 619, Dindigul District, Tamil Nadu within the jurisdiction of this Tribunal. The



Corporate Debtor as per the details was incorporated on 19.11.2009 with Nominal Share Capital of Rs.10,00,00,000/- (Rupees Ten Crores only) and Paid-up Share Capital of Rs.4,65,00,000/- (Rupees Four Crores Sixty Five Lakhs only)

3. In **part-III** of the petition, the Petitioner has not proposed the name of any Interim Resolution Professional and left it to the discretion of this Tribunal to appoint the same.

4. **Part-IV** of the petition sets out the details of the debt i.e. Rs.14,13,28,420/- (Rupees Fourteen Crores Thirteen Lakhs Twenty Eight Thousand Four Hundred and Twenty only) and date of default as 15.12.2023.

5. The case of the Petitioner/Operational Creditor is that it is engaged in the business of supplying milk cream, butter, skimmed milk and milk powder. It is one of the leading suppliers across India. It had supplied milk cream products during the period from 15.12.2023 to 30.03.2024 to the Corporate Debtor. It raised 20 invoices during the period from 15.03.2023 to 30.03.2024 for a total sum of Rs.14,13,28,420/- (Rupees Fourteen Crores Thirteen Lakhs Twenty Eight Thousand Four Hundred and Twenty only). The Corporate Debtor had assured that



the invoices raised by it would be cleared within three months from the date of invoices but the Corporate Debtor failed to do so. It is stated that the Operational Creditor has been repeatedly following up with the Corporate Debtor since 30.03.2024 but the Corporate Debtor has not made any payment despite repeated requests / demands.

6. The Petitioner has placed the details of the Outstanding Invoices as on 30.03.2024 at page-12 of the petition. It is stated that the Corporate Debtor has also admitted its outstanding liability of Rs.14,13,28,420/- (Rupees Fourteen Crores Thirteen Lakhs Twenty Eight Thousand Four Hundred and Twenty only) vide reply notice dated 24.09.2024 sent against demand notice issued on 04.09.2024 by the Operational Creditor.

7. On getting notice of the petition, the Respondent / Corporate Debtor appeared on 10.02.2025 through its Counsel Shri. Abdus Salam who on instructions submitted that the Respondent admits the liability and has not to file any reply.

8. We have heard Ld. Senior Counsel for the Petitioner, Ld. Counsel for the Respondent and perused the documents.



9. A perusal of documents reveals that the Corporate Debtor during the period from 15.12.2023 to 30.03.2024, had purchased milk cream products from the Petitioner/Operational Creditor. Based on the supplies, the Operational Creditor raised the invoices details mentioned at page-11 & 12 of the petition for a total sum of Rs.14,13,28,420/-. During purchases, the Corporate Debtor had assured the Petitioner that it carries a good name and reputation in Dindigul and that it would clear the invoices within three months from the date of the invoices. Despite follow-ups and reminders, the Corporate Debtor did not make the payment which made the Petitioner send a demand notice on 04.09.2024 to the Corporate Debtor calling upon it to make the payment. The Corporate Debtor vide reply dated 24.09.2024 placed at page-77 of the petition, acknowledged the supplies on credit, however, sought time to clear the outstanding liability amount stating that it will try to settle the outstanding liability of Rs.14,13,28,420/-.

10. The Corporate Debtor in reply to the petition, has also admitted its liability to pay the debt to the Operational Creditor/Petitioner.

11. As seen from the record, the Corporate Debtor did not raise any dispute as to the quantity and quality of the supplies made by the



Operational Creditor. It has rather admitted its liability / dues amounting to Rs.14,13,28,420/- which is more than Rs.1.0 Crore, the threshold limit provided for initiating CIRP against the Corporate Debtor as provided under Section 4 of IBC, 2016. The default period is from 15.12.2023 to 30.03.2024. In part-IV of the petition, the date of default is stated as 15.12.2023. This petition has been filed on 16.11.2024 i.e. within the limitation of three years from the date of default.

12. We are therefore of the considered view that the Operational Creditor has successfully demonstrated and shown the existence of debt and the default committed by the Corporate Debtor. Hence the petition, as filed by the Operational Creditor, is required to be **admitted** under Section 9(5) of the IBC, 2016. We accordingly admit the petition and order for initiation of CIRP against the Corporate Debtor viz., Srinithi Enterprises Pvt. Ltd.

13. In the present case, the Operational Creditor has not proposed any Insolvency Resolution Professional in Part – III of the petition. This Tribunal therefore appoints **Shri. Sanjeevi C, Insolvency Resolution Professional (“IRP”) with Registration Number**



**IBBI/IPA-003/IP-N00108/2017-2018/11215** (AFA valid upto 31.12.2025)

to act as Interim Resolution Professional for the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Code, more specifically in terms of Section 15, 17, 18 of the Code and file the report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

14. As a consequence of the petition on being admitted in terms of Section 9 (5) of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor:

- a. The institution of suits or continuation of pending suits or proceedings against the respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;



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

*Explanation.*-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance 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 or a similar grant or right during moratorium period;

- 15. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:



(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;



(b) a surety in a contract of guarantee to a corporate debtor.

16. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

17. The Operational Creditor is directed to pay a sum of **Rs.2,00,000/- (Rupees Two Lakhs only)** to the Interim Resolution Professional upon the Interim Resolution Professional filing the necessary declaration form as required under the provisions of the



Code to meet out the expenses to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

18. Based on the above terms, the petition **CP/IB/261(CHE)/2024** stands **admitted** in terms of Section 9(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order be communicated to the Operational Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named is also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

**Sd/-**  
**VENKATARAMAN SUBRAMANIAM**  
Member (Technical)

**Sd/-**  
**SANJIV JAIN**  
Member (Judicial)