

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD**

SPECIAL BENCH - COURT 1 (HEARINGS THROUGH VIDEO CONFERENCE)

**PRESENT: HON'BLE SHRIMADAN BHALCHANDRA GOSAVI- MEMBER JUDICIAL  
HON'BLE SHRI VEERA BRAHMA RAO AREKAPUDI - MEMBER TECHNICAL**

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 01.10.2021 AT 13.00 HRS

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CP (IB) No.291/10/HDB/2020
NAME OF THE COMPANY	SSB Retail India Pvt Ltd
NAME OF THE PETITIONER(S)	SSB Retail India Pvt Ltd
NAME OF THE RESPONDENT(S)	
UNDER SECTION	10 of IBC

**Counsel for Petitioner(s):**

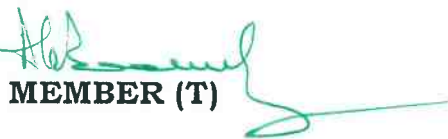
Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

**Counsel for Respondent(s):**

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

**ORDER**

Order pronounced in **CP(IB) No.291/10/HDB/2020**, vide separate order.

  
**MEMBER (T)**

Syamala

  
**MEMBER (J)**

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

**CP (IB) No.291/10/HDB/2020**

Petition under section 10 of I&B Code, 2016 read with Rule 7 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

**IN THE MATTER OF M/s. SSB RETAIL INDIA PRIVATE LIMITED**

Messrs SSB Retail India Private Limited  
Represented by its Director  
Mr. Ajay Kumar Singh  
Having its registered office at:  
P. No.19 & 30, Sy No.81/1 (NEW)  
82/2 (OLD), New Narasimha Nagar Colony  
Mallapur, Hyderabad – 500 076.

... Applicant /  
Corporate Applicant

VERSUS

Karnataka Bank Limited  
No.1-1-262/3, Plot No.73  
Srinivasa Nagar  
Main Road  
Brindavan Colony  
Dr. A.S. Rao Nagar, Kapra  
Secunderabad – 500 062.

... Respondent  
Financial Creditor

**Date of order: 1<sup>st</sup> October 2021**

Coram:

Hon'ble Madan Bhalchandra Gosavi, Member (Judicial)

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

Parties / counsels present:

For the Petitioner .. V. Ravi Kumar, Advocate.

For the respondent .. J.V.L. Bharati, Advocate.

Heard on: 08.07.2021, 09.07.2021, 04.08.2021 and 24.09.2021.

**PER BENCH**

This petition is filed by M/s SSB Retail India Private Limited (Corporate Applicant) to initiate corporate insolvency resolution process under Section 10 of the I&B Code read with Rule 7 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

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

2.1 The applicant averred that the Corporate Debtor availed Overdraft facility from Financial Creditor for an amount of Rs.1,50,00,000/- on 09.06.2017. Corporate Debtor has committed default of Rs.1,90,27,993.26.

2.2 The applicant averred that the Corporate Debtor / company is not functioning for the last two years. Consequently, audit was not done and the applicant was able to file provisional balance sheet upto 31.03.2019 only.

2.3 Residential building valued at Rs.221 lacs of Sarath Baby Yalamachali was held as security.

3. The present petition is supported with the following documents.

- (i) Board Resolution authorising Ajay Kumar Singh to sign and submit application to initiate CIRP.
- (ii) Resolution to appoint Pavan Kankani as proposed IRP.
- (iii) Financial Statements of the Corporate Debtor for the last two years.
- (iv) Provisional Balance Sheet for the current year.
- (v) Sanction letter dated 09.06.2010.
- (vi) Notice received from Financial Creditor.
- (vii) Notices received from OC.

4. In compliance with the directions issued by this Adjudicating Authority the applicant has filed the following documents.



- (i) Unaudited Financials for the years 2019-20, 2020-21.
- (ii) Provisional Balance Sheet for the period ended on 30.07.2021.

**5. COUNTER DATED 13/01/2021 FILED BY FINANCIAL CREDITOR.**

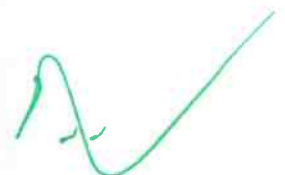
5.1 It is averred that the Financial Creditor has sanctioned an amount of Rs.1,50,00,000/-towards credit facility on 15.06.2017 with interest at the rate of 11.25% against equitable mortgage of immovable properties as described in Schedule-1 to this Counter, extended as security for Overdraft Account No.7337000600017901 by way of Letter of Authority dated 15.06.2017. The properties so mortgaged are personal properties of Shri Yalamanchili Sarath Babu and Mr. Y. Thanulatha and not company assets. Thus, the said persons stand as personal guarantors.

5.2 The duo have also executed another Mortgage Deed of immovable property mentioned in Schedule-2 to this Counter for repayment of money due or that may become due under the credit facility.

5.3 Thus, respondent/ Financial Creditor is secured creditor and assets mentioned in Schedules 1 and 2 are the security given to the Bank against the credit facility. Since the company failed to repay the amount due, the accounts was classified as Non-Performing Asset (NPA) on 12.12.2018 according to RBI Guidelines.

5.4 It is averred that as on 11.07.2019 the liability was Rs.1,72,02,107-26 plus interest calculated upto 30.06.2019 plus compounding interest calculated monthly from 01.07.2019 till date of payment plus penal interest.

5.5 The Financial Creditor issued Demand Notice dated 12.07.2019 followed by Public Notice dated 21.03.2020 for possession of properties under SARFAESI Act. The Financial Creditor called for e-auction on 16.12.2020. The Corporate Debtor approached Debt Recovery Tribunal (DRT) for stay of auction. However, DRT did not grant stay of auction, but ordered payment of Rs.75 lacs in two instalments. So far the Financial Creditor could recover Rs.60 lacs.



5.6 It is submitted that the Financial Creditor being secured creditor has first charge over the property.

6. We heard the learned counsel for the applicant Company and the learned counsel for the Financial Creditor. We have also perused the documents on record. We are of the considered view that the current petition is liable to be admitted.

7. Hence, the Adjudicating Authority admits this Petition under Section 10 of IBC, 2016, with the following directions:

(A) Corporate Debtor, M/s SSB Retail India Private Limited is admitted in Corporate Insolvency Resolution Process under section 10 of the Insolvency & Bankruptcy Code, 2016.

(B) Moratorium is declared for the purposes referred to in Section 14 of the Code, with following directions: -

- (a) The Bench hereby prohibits the institution of suits or continuation of pending suits or proceedings against the Corporate Applicant 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 Applicant 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 Applicant 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 Applicant;
- (b) That the supply of essential goods or services to the Corporate Applicant, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- (c) 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.

- (d) 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.
- (e) That the order of moratorium shall have effect from the date of the 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 Applicant under Section 33, whichever is earlier.
- (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) That this Bench hereby appoints Mr.Pavan Kankani, 3<sup>rd</sup> Floor, City Centre, 3-6-140/A, Himayat Nagar, Hyderabad, Telangana – 500029, having registration number IBBI/IPA-002/IP-N00368/2017-2018/11062, as Interim Resolution Professional to carry the functions as mentioned under the Insolvency & Bankruptcy Code. His Authorisation for Assignment is valid upto 24.11.2021.

8. Accordingly, this Petition is admitted.

9. Registry to send a copy of this order to the Registrar of Companies, Hyderabad for appropriately changing the status of Corporate Applicant herein on the MCA-21 site of Ministry of Corporate Affairs.

  
VEERA BRAHMA RAO AREKAPUDI  
MEMBER TECHNICAL

  
MADAN BHALCHANDRA GOSAVI  
MEMBER JUDICIAL

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