



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AMARAVATI BENCH**  
***(Through Hybrid Mode)***

**Item No.2**

**IA(IBC)/267/2024 in**  
**CP (IB)/20/7/AMR/2024**

**IN THE MATTER OF:**

**Mr. Chappidi Swaminadha Rao**

**...Financial Creditor**

**Versus**

**M/s.Averx Drugs Pvt. Ltd.**

**...Corporate Debtor**

**Under Section: 7, 65(1) of IBC, 2016**

**Order delivered on 03.04.2025**

**CORAM:**

**SHRI UMESH KUMAR SHUKLA**  
**HON'BLE MEMBER (TECHNICAL)**

**SHRI KISHORE VEMULAPALLI**  
**HON'BLE MEMBER (JUDICIAL)**

**PRESENT:**

**In CP**

For the Financial Creditor

: Mirza Moinullha Baig, Adv.

For the Corporate Debtor

: Proxy Counsel for Dr.S.V.Ramakrishna, Adv.

**In IA**

IA(IBC)/267/2024

For the Applicant

: Proxy Counsel for Dr.S.V.Ramakrishna, Adv.

For the Respondent

: Mirza Moinullha Baig, Adv.

**ORDER**

**CP (IB)/20/7/AMR/2024:**

Counsel for the Financial Creditor filed this Petition against the Corporate Debtor for executing the Award passed by the Lok Adalat in O.S. No.45 of 2021 dated 16.08.2021. On perusal of the records, it is noticed that Counsel for the FC has not filed necessary documents such as the Board Resolution of the Company for borrowing the money from the CD and failed to show the entries of Bank statements and also failed to establish his case showing that the CD borrowed money from the FC. He further submitted that based on the Award passed by the Lok Adalat settlement, he filed the instant CP.

Furthermore, he failed to file the Demand Notice along with the proof of serving the same on the CD. The Petitioner failed to establish that there is a proof of 'debt' and 'default', and hence the Petition u/s 7 of the IBC, 2016 is not maintainable. It is also not maintainable owing to the reason that he filed the CP



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on the ground that Lok Adalat passed the Award in its favour. The Lok Adalat Rules specifically provides once the settlement of the Lok Adalat fails, the Parties has to approach the same Court to conduct the proceedings further. However, he filed the CP in this Tribunal, which is not maintainable, as the same is not an Executing Court to execute the Lok Adalat settlements.

In view of the aforesaid reasons, the instant Company Petition bearing **CP (IB)/20/7/AMR/2024** is devoid of merits, and is accordingly **dismissed**.

**IA(IBC)/267/2024:**

This application has been filed by the Corporate Debtor u/s 65(1) of the IBC, 2016 seeking penalty for fraudulent initiation of proceedings u/s 7 of the Code by the Financial Creditor with mala fide intention. In view of the dismissal of the main CP, the instant IA becomes **infructuous**.

**Sd/-**  
**(UMESH KUMAR SHUKLA)**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**(KISHORE VEMULAPALLI)**  
**MEMBER (JUDICIAL))**