

S.No.101

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH – 1**  
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON  
21-12-2021 AT 10:30 AM THROUGH VIDEO CONFERENCE.

**Company Petition IB/155/2021**  
U/s 9 of IBC, 2016

**IN THE MATTER OF:**

Jai Corp Ltd

**...Operational Creditor**

Vs

G.S. Oils Ltd

**...Corporate Debtor**

**CORAM:-**

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)**  
**SH. VEERA BRAHMA RAO AREKAPUDI, HON'BLE MEMBER (TECHNICAL)**

**ORDER**

**Company Petition IB/155/2021 is admitted. Orders passed vide separate sheets.**

  
**MEMBER (T)**

*Srinivas*

  
**MEMBER (J)**

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

**CP(IB) No. 155/9/HDB/2021  
U/s. 9 of Insolvency & Bankruptcy Code, 2016  
R/w Rule 6 of I & B (AAA) Rules, 2016**

**In the matter of:**

M/s. Jai Corp Ltd.  
11B & 12B, 1<sup>st</sup> Floor  
Mittal Tower, B-Wing  
Nariman Point, Mumbai – 400 021

.... Operational Creditor

**Vs.**

M/s. G.S.Oils Limited  
Regd. H.No.4-5-3, Station Road  
Adilabad – 504001, Telangana

... Corporate Debtor

**Date of Order: 21.12.2021**

**Coram:**

Hon'ble Dr. N.V.Rama Krishna Badarinath, Member (Judicial)  
Hon'ble Shri Veera Brahma Rao Arekapudi, Member (Technical)

**Parties / Counsels present:**

For the Petitioner : Mr.S.V.Vanshi Krishna, Advocate

For the Respondent: Mrs. Radhika Palla, Advocate

**Heard on: 06.10.2021, 10.11.2021**



Date of Order: 21.12.2021


[ Per: Bench ]

**ORDER**

1. The instant Petition is filed by **M/s. Jai Corp Ltd./Operational Creditor** alleging that **M/s. G.S.Oils Ltd./Corporate Debtor** had defaulted an amount of **Rs.1,85,47,108 (Rupees One Crore Eighty Five Lakhs Forty Seven Thousand One Hundred Eight)** which includes Principal amount of Rs.75,28,240/-, and interest of Rs.1,10,18,868.32 @ 18% p.a. as on 15.04.2021. A copy of the **Calculation Sheet is shown as Annexure-4 at page no.21 of the petition.**

Hence, this petition is filed under Section 9 of Insolvency and Bankruptcy Code, 2016, r/w Rule 6 of Insolvency & Bankruptcy (Application to the Adjudicating Authority) Rules, 2016, seeking admission of the Petition, initiation of Corporate Insolvency Resolution Process, granting moratorium and appointment of Interim Resolution Professional as prescribed under the Code and Rules thereon.

2. The averments of the petition filed by the Petitioner/Operational Creditor in brief are described hereunder:
  - i. The Operational Creditor/M/s. Jai Corp. Ltd. is engaged in manufacture of steel, plastic, processing and spinning yarn. The Corporate Debtor / M/s. G.S.Oils Ltd. is engaged in the production and trading of various kinds of oils.



Date of Order: 21.12.2021

- ii. The Operational Creditor supplied PP bags for packing of DE Oiled Cakes as per the Order of the Corporate Debtor between October, 2011 and February, 2013 through various invoices from time to time and the same were received by the Corporate Debtor.
- iii. It is averred that the Operational Creditor issued a letter dated 04.11.2020 requesting to release the total outstanding amount of Rs.1,70,13,822/- which includes principal amount of Rs.75,28,240/- and interest of Rs.94,85,582/-. In response, the Corporate Debtor vide their letter dated 10.11.2020 acknowledged the debt amount and requested to bear some more time to release the outstanding amount as they are passing through very tough time and requested remission in the interest amount of Rs.50,00,000/- from the total demanded amount of Rs.1,70,13,822. In turn, the Operational Creditor, vide their letter dated 19.11.2020, considered the remission in the interest amount of Rs.25,00,000/- as a one-time exception if Corporate Debtor pays the total outstanding amount of both principal of Rs.75,28,240/- and interest of Rs.69,85,582/-, total aggregating to Rs.1,45,13,822/- within 15 days from the date of letter dated 19.11.2020.
- iv. When the said amount was not paid by the Corporate Debtor after continuous follow up, the Operational Creditor got issued a Demand Notice dated 15.04.2021 in Form-3 by demanding to pay the total debt amount of Rs.1,85,47,108.32.



Date of Order: 21.12.2021

- v. It is averred that the outstanding amount due to the Operational Creditor have never been disputed by the Corporate Debtor in any manner whatsoever.
  - vi. It is averred that the Petitioner left with no further option, filed the instant petition.
3. The averments of the Counter dated 03.11.2021 filed by the Respondent/Corporate Debtor in brief are described hereunder:
- i. It is averred that the Corporate Debtor in its letter dated 10.11.2020 has admitted and acknowledged the total debt amount of Rs.1,70,13,822/- (Rs.75,28,248/- towards Principal amount and Rs.94,85,582/- towards interest @ 18% p.a.) and requested for remission in the interest portion to an extent of Rs.50,00,000/- due to the financial difficulties faced by the Corporate Debtor. Accordingly, the Operational Creditor, vide its letter dated 19.11.2020 had offered a remission only to an extent of Rs.25,00,000/- in the interest and demanded the payment of Rs.1,45,13,822/- within 15 days.
  - ii. It is averred that the promoters of the Corporate Debtor made every effort to raise funds to pay off the debt to the Operational Creditor but failed to do due to adverse market conditions and non-co-operation of State Bank of India (erstwhile State Bank of Hyderabad).



Date of Order: 21.12.2021

- iii. It is also averred that the Corporate Debtor tried to get released some of the mortgaged properties to be sold to pay off the dues to Creditors but could not succeed and there are no sources of income due to closure of the plant and the promoters made every effort to revive the operations in vain but efforts are going on.
2. We have heard the Learned Counsel for Operational creditor and Learned Counsel for Corporate Debtor and perused the documents placed before us. The Operational Creditor had issued Demand Notice dated 15.04.2021 in Form-3 by demanding to pay the total debt amount of Rs.1,85,47,108.32, which was received by the Corporate Debtor on 05.05.2021 and there was no reply to the Demand Notice. The Corporate Debtor, vide its letter dated 10.11.2020 has clearly admitted and acknowledged the debt amount of Rs.1,70,13,822/- and also admitted the debt amount, vide its counter dated 03.11.2021.
3. The case of the Operational Creditor is that the Corporate Debtor committed default of the operational debt to the tune of Rs.1,85,47,108.32 which includes Principal amount of Rs.75,28,240/-, and interest of Rs.1,10,18,868.32 @ 18% p.a. as on 15.04.2021.
4. In the light of the aforesaid contest, the point that emerges for consideration by this Adjudicating Authority is –

Whether the Operational Creditor had made out a case for ordering CIRP against the Corporate Debtor?



Date of Order: 21.12.2021

We have heard the Learned Counsel for Operational Creditor and perused the documents. Despite receipt of the Demand Notice dated 15.04.2021 issued by the Operational Creditor demanding the Corporate Debtor to pay the sum of Rs.1,85,47,108.32, the Corporate Debtor did not choose to send any reply. That apart, the Corporate Debtor vide letter dated 10.11.2020 has in categorical and unequivocal terms admitted and acknowledged the debt of Rs.1,70,13,822/- and sought for remission of the amount. Thus, the admission of debt, in this case is as clear as crystal. Therefore, when once the debt and default stand admitted, nothing more is required for the Operational Creditor to establish in a Petition filed under Section 9 of Insolvency & Bankruptcy Code, 2016 seeking for initiation of CIRP against the Corporate Debtor.

5. We have thoroughly perused the records and heard the submissions made by the Learned Counsel for Operational Creditor. The petition is in order. The petition deserves to be admitted. Accordingly, the petition is admitted.
6. Hence, the Adjudicating Authority admits this Petition under Section 9 of IBC, 2016, declaring moratorium for the purposes referred to in Section 14 of the Code, with the following directions: -
  - i. 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



Date of Order: 21.12.2021

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.

- ii. 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.
- iii. 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.
- iv. 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.



Date of Order: 21.12.2021

- v. 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.
- vi. The Operational Creditor vide Memo dated 12.11.2021 proposed the name of Mr. Gonugunta Murali as Interim Resolution Professional and he has given his consent in Form-2. As per the Insolvency and Bankruptcy Board of India (IBBI) Website, Mr. Gonugunta Murali's Authorisation for Assignment is valid upto 09.12.2022. Accordingly, this Tribunal appoints Mr. Gongugunta Murali as Interim Resolution Professional, having Registration No. IBBI/IPA-001/IP-P00654/2017-18/11139.
- vii. That the Public announcement of Corporate Insolvency Resolution Process shall be made immediately as specified under section 13 of the code.
- viii. Accordingly, this Petition is admitted.
- ix. Registry to send a copy of this order to the Registrar of Companies, Hyderabad for appropriately changing the status of Corporate Debtor herein on the MCA-21 site of Ministry of Corporate Affairs.

  
**VEERA BRAHMA RAO AREKAPUDI**  
**MEMBER (TECHNICAL)**

  
**Dr.N.V.RAMA KRISHNA BADARINATH**  
**MEMBER (JUDICIAL)**

Syamala