

IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH, HYDERABAD

CP (IB)No.600/7/HDB/2019

Under Section 7 of the Insolvency and Bankruptcy Code, 2016,  
Read with Rule 4 of the Insolvency and Bankruptcy  
(Application to Adjudicating Authority) Rules, 2016.

In the matter of:-

SRI PANCHAJANYA POWER PRIVATE LIMITED

M/s. Acquaint Engineers & Infrastructure Private Limited,  
Registered Office at H No: 2-86/2/G-3, Koppula Towers,  
Road No.1, Budha Nagar, Peerzadiguda Village,  
Medipalli Mandal, Hyderabad, Rangareddi,  
Telangana State – 500 092.

...Petitioner/  
Financial Creditor

Vs

M/s. SRI PANCHAJANYA POWER PRIVATE LIMITED,  
Regd. Office: Plot No.53, Flat No.102, Ashwini Homes,  
Behind Andhra Jyothi Journalist Colony, Road No.70,  
Jubilee Hills, Hyderabad, Telangana State – 500 033.

...Respondent/  
Corporate Debtor

Order delivered on: 21.01.2020

Coram: Shri.K.ANANTHA PADMANABHA SWAMY, MEMBER JUDICIAL  
Dr.BINOD KUMAR SINHA, MEMBER TECHNICAL

Parties/Counsel Present:

For the Petitioner/Financial Creditor:

Mr.Raja Shekar Rao Salvaji, Counsel.

For the Respondent/Corporate Debtor:

Mr.CH.Srinivasulu, Counsel.

*21/01/2020*

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PER:Dr.BINOD KUMAR SINHA, MEMBER TECHNICAL

ORDER

1. The present Application is filed by 'M/s. Acquaint Engineers & Infrastructure Private Limited' (hereinafter referred to as 'Financial Creditor') under section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as IBC) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 against M/s. Sri Panchajanya Power Private Limited (hereinafter referred to as 'Corporate Debtor').

2. The Petitioner/Financial Creditor, is a company incorporated under the Companies Act, 1956 having its Registered Office at H No: 2-86/2/G-3, Peerzadiguda Village, Medipalli Mandal, Hyderabad, Rangareddi. The Respondent/Corporate Debtor is a Private Limited Company incorporated under the provisions of Companies Act, 1956 and having its registered office at Jubilee Hills, Hyderabad, Telangana State.

3. Brief facts of the present case are as hereunder:

a. That the Corporate Debtor is engaged in the business of power generation in the state of Maharashtra, and has approached the Financial Creditor to provide Finance for meeting the short term funding for implementation of 10 MW power project at C-9, MIDC Industrial Area, Limbala Village, Hingoli, Maharashtra State - 431514.

b. That the Respondent and the Financial Creditor entered into a Loan Agreement on 08.11.2012 in terms of which, Financial Creditor will lend an amount of Rs.30,00,000/- (Rupees Thirty Lakhs Only) in tranches as short term loan at an interest of 18% per annum. It was



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agreed between the parties that the amount would be released as per the requirement of the Corporate Debtor.

- c. That the Financial Creditor has disbursed an amount of Rs.20,22,953/- (Rupees Twenty Lakhs Twenty Two Thousand Nine Hundred Fifty Three Only) as on 10.04.2019.
- d. That the Respondent after availing the loan facility had failed to pay principal or interest to the Petitioner and that the Petitioner had twice issued reminders on 25.12.2014 and 10.04.2019 requesting the Corporate Debtor to pay the Debt. The Respondent/CD had acknowledged the debt on 07.01.2015 and 18.04.2019.
- e. That the total amount due and payable till date excluding interest is Rs.20,22,953/- (Rupees Twenty Lakhs Twenty Two Thousand Nine Hundred Fifty Three Only) and the interest is Rs.29,17,370/- (Rupees Twenty Nine Lakhs Seventeen Thousand Three Hundred Seventy Only) both totaling to an amount of Rs. 49,40,323/- (Rupees Forty Nine Lakhs Forty Thousand Three Hundred and Twenty Three Only) as on 18.04.2019.

4. The Financial Creditor has relied on the following documents as a measure of evidence to prove his claim. The copies of following documents were appended along with the instant Application and marked as Exhibits:

- a) Loan Agreement dated 08.11.2012-Annexure-I
- b) Reminder Letter dated 25.12.2014-Annexure-II
- c) Reminder Letter dated 10.04.2019-Annexure-III
- d) Reminder Letter dated 25.12.2014-Annexure-IV
- e) Letter of Acknowledgement by the Corporate Debtor dated 07.01.2015-Annexure-V.
- f) Letter of Acknowledgement of Debit & Security by the Financial Creditor dated 10.04.2019-Annexure-VI.
- g) Letter of Acknowledgement by the Corporate Debtor dated 18.04.2019-Annexure-VII.



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h) Statement of Account in the books of Financial Creditor from 28<sup>th</sup> December, 2012 to 10<sup>th</sup> April, 2019-Annexure-VIII.

5. The Corporate Debtor filed reply/counter stating as under:-

- i. That the Corporate Debtor do admit that the current financial position is very tight and has deteriorated continuously over past few years.
- ii. That the Corporate Debtor had approached the Financial Creditor to provide finance for meeting the short term funding. That the power sector as a whole is in distress due to prevailing market conditions and due to the stressed conditions the Corporate Debtor was not able to repay the debt taken from Petitioner/Financial Creditor on time.
- iii. That the Respondent/Corporate Debtor had tried to negotiate with some potential buyers who were willing to take over the assets of the company which could have helped finding resolution for the secured financial creditors also.
- iv. Reiterating above, the counsel for the Corporate Debtor prayed to reject the Application.

The present petition was filed on 01.08.2019 and after scrutiny by the registry, the same was first listed on 23.09.2019 and the counsel for the petitioner was directed to send notice to the Respondent for appearance and file proof of service on the next date of hearing i.e. on 04.10.2019. Between 23.09.2019 to 16.12.2019 hearings were conducted and adjourned several times at the request of counsels for both the parties for filing counter, and rejoinder as well as for settling the matter. The matter was finally heard and reserved for orders on 08.01.2020.



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7. Heard both sides and perused the record.
8. It is the case of the Financial Creditor that it has provided credit facility to the Corporate Debtor and entered into a Loan Agreement on 08.11.2012, and as on date an amount of Rs. 49,40,323/- (Rupees Forty Nine Lakhs Forty Thousand Three Hundred and Twenty Three Only) including interest is due and liable to be paid by the Corporate Debtor. The Corporate Debtor in its counter has nowhere denied the Debt and has in fact duly admitted and acknowledged its liability. Further, the Petitioner has proved its case by placing documentary evidence viz, Loan Agreement, Reminder Letter, Letter of Acknowledgement by the Corporate Debtor, Letter of Acknowledgement of Debit & Security by the Financial Creditor and Statement of Account in the books of Financial Creditor.
9. This Adjudicating Authority is satisfied that the Financial Creditor has fulfilled all the requirements of law for initiation of CIRP. The Petitioner/FC has also proposed the name of IRP after obtaining his written consent in Form-2.



10. In view of the above observations, this Adjudicating Authority is inclined to admit the Application filed Under Section 7 of the IB Code, 2016 by the petitioner.

11. Therefore, the instant Application is hereby admitted and this Adjudicating Authority order the commencement of the Corporate Insolvency Resolution Process which shall get completed within the timelines stipulated in the IB Code, 2016 (as amended), reckoning from the day this order is passed.

Admitted  
21/01/2020

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12. We hereby appoint Mr. Murali Krishna Prasad Kalvakolanu, Reg. No: IBBI/IPA-001/IP-P00967/2017-2018/11588 as the Interim Resolution Professional, as his name has been proposed by the Financial Creditor and his name is also reflected in IBBI website. He has also filed his written consent in Form-2. The IRP is directed to take charge of the Respondent/Corporate Debtor's management immediately. He is also directed to cause public announcement as prescribed under Section 15 of the I&B Code, 2016 within three days from the date the copy of this order is received, and call for submissions of claim in the manner as prescribed.

13. This Adjudicating Authority declares the moratorium which shall have effect from the date of this Order till the completion of corporate insolvency resolution process for the purposes referred to in Section 14 of the I&B Code, 2016. We order to prohibit all of the following, namely:

a) *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;*

b) *Transferring, encumbering, alienating or disposing of by the corporate debtor 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 corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);*

d) *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*

e) *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.*

14. However, the supply of essential goods or services of the Corporate Debtor shall not be terminated or suspended or interrupted during moratorium period. Further, the provisions of Sub-section (1) of Section 14 shall not apply to such transactions, arguments or arrangements as notified by the Central Government in consultation with a financial sector regulator or any other authority.

15. The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code. The directors, Promoters or any other person associated with the management of Corporate Debtor are directed to extend all assistance and cooperation to the IRP as stipulated under Section 19 and for discharging his functions under Section 20 of the I&B Code, 2016.

16. The Petitioner/FC as well as the Registry is directed to send the copy of this Order to IRP so that he could take charge of the Corporate Debtor's assets etc., and make compliance with this Order as per the provisions of I&B Code, 2016.

17. The Registry is also directed to communicate this Order to the Financial Creditor and the Corporate Debtor.



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18. The Registry shall also communicate this Order to the ROC, Hyderabad for updating the status of the Corporate Debtor in the MCA website.

19. The address details of the IRP are as follows: -

Mr. Kalvakolanu Murali Krishna Prasad  
Reg. No: IBBI/IPA-001/IP-P00967/2017-2018/11588.  
Address : 8-27, Jillelguda,  
Mythripuram Colony,  
Vyshalinagar, PO, Hyderabad,  
West Marredpally, Telangana ,500 079.  
Cell:9866512532  
Email: kmk123ip@gmail.com



The present Petition bearing CP (IB) No.600/07/HDB/2019 is hereby admitted.

*Dr. Binod Kumar Sinha*  
21.01.2020  
Dr. BINOD KUMAR SINHA  
MEMBER TECHNICAL

*K. Anantha Padmanabha Swamy*  
K. ANANTHA PADMANABHA SWAMY  
MEMBER JUDICIAL

*Sravan & Nitish*

*Dr. Ravi*  
Dr. Ravi, Asst. Regr. Court Officer/  
CP (IB) No. 600/7/HDB/2019, Hyderabad Bench

प्रामाणिक प्रति  
CERTIFIED TRUE COPY  
केस संख्या  
CASE NUMBER..... CP (IB) No. 600/7/HDB/2019  
निर्णय का तारीख  
DATE OF JUDGEMENT..... 21/1/2020  
प्रति तैयार किया गया तारीख  
COPY MADE READY ON..... 23/1/2020 .