



S.No.1

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1**
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
24-03-2023 AT 10:30 AM

CP (IB) No. 574/7/HDB/2019
u/s. 7 of IBC, 2016

IN THE MATTER OF:

Stressed Assets Stablisation Fund

...Financial Creditor

VS

Priyaranjani Fibers Ltd

...Corporate Debtor

C O R A M:-

DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)

ORDER

Orders pronounced, recorded vide separate sheets. In the result, CIRP is ordered against the Corporate Debtor as per the terms mentioned in the order.

Mr. Raghu Babu Gunturu, Insolvency Professional having Registration No. IBBI/IPA-002/IP-N00025/2016-2017/10053 is appointed as Interim Resolution Professional and moratorium declared as per Section 14 of the Code.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1**

CP (IB) No. 574/7/HDB/2019

*Under Section 7(2) of the Insolvency & Bankruptcy Code, 2016 read with Rule
34 of NCLT Rules, 2016.*

In the matter of Priyaranjani Fibres Limited

Stressed Assets Stabilization Fund
3rd Floor, IDBI Tower, WTC Complex,
Cuffe Parade, Mumbai-400 005.

... Financial Creditor

Versus

M/s. Priyaranjani Fibres Limited
Registered office at Flat No.101, KOR Residency,
8-3-966/16, Nagarjuna Nagar, Ameerpet,
Hyderabad-500 073.
Presently at Raipole Village, Ibrahimpatnam Mandal,
Ranga Reddy District-501 508, Telangana State.

... Corporate Debtor

Date of Order: 24.03.2023

CORAM:-

Dr. Venkata Ramakrishna Badarinath Nandula, Hon'ble Member (Judicial)
Sh. Charan singh, Hon'ble Member (Technical)

PARTIES/COUNSELS APPEARANCE:-

For the Financial Creditor: Shri.P. Sri Raghuram Ld. Sr. Counsel for Shri.
B.Harinath Rao, Counsel on record.
For the Corporate Debtor: Shri M.Viswaraj, Counsel



PER: BENCH

1. This Petition is filed by M/s. Stressed Assets Stabilization Fund (hereinafter referred to as “Financial Creditor”) under Section 7(2) of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) read with Rule 34 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) against M/s. Priyaranjani Fibres limited (hereinafter referred to as “Corporate Debtor”), alleging non-payment of Rs. 729,19,41,714/- (*Rupees Seven Hundred and Twenty Nine Crores Nineteen Lakhs Forty One Thousand Seven Hundred and Fourteen Only*), including interest is said to be due and payable by Corporate Debtor to Financial Creditor as on 01.07.2019.
2. **The averments put forth by the Financial Creditor are :**
 - a. The Financial Creditor Stressed Assets Stabilization Fund (SASF) (A special purpose vehicle in the form of a Trust, recognized as a Financial Institution U/s.2(h)(ii) of the RDDBFI Act, 1993 by way of Gazette Notification, for acquiring by transfer, the stressed assets of IDBI with a view to recovering the amounts due there under).



- b. It is submitted by the Financial Creditor that, IDBI Bank has sanctioned a term loan of Rs.990 lakhs to the corporate debtor on 15.09.1994 which was secured by both movable and immovable properties of the corporate debtor.
- c. It is averred that the loan facilities availed by the corporate debtor is also secured by way of charge over the immovable properties of the corporate debtor of land admeasuring Ac.29-16 Gts and Ac 13-31 Gts situated at Raipole village, Ibrahimpatnam Mandal, RR district, Telangana. The said charge of the properties in favour of IDBI Bank limited was recorded with ROC, from time to time.
- d. It is averred that the promoter of corporate debtor has executed an Agreement for pledge of shares in favour of IDBI Bank and the corporate debtor has executed necessary loan documents in favour of the said bank and availed the loan facilities.
- e. It is averred that IDBI Bank has filed an O.A No.373/2007 before Hon'ble DRT-2 Chennai for recovery of the money (i.e Rs.49,77,88,997-79 ps) against corporate debtor as on 10.09.2009. Subsequently the Hon'ble DRT-2 Chennai issued Recovery Certificate in DRC No.116/2009 on 19.11.2009, under the provisions of Sec.19(22) of RDDBFI Act, 1993.



- f. Meanwhile, the Government of India, has constituted the financial creditor Trust which is a financial institution under Section 2(h)(ii) of the Recovery of Debts due to banks and financial institutions Act, 1993 and accordingly a Gazette Notification was also published on 20.09.2004 to that affect.
- g. It is averred that based on the said Gazette issued by the Governmen of India, the Applicant has acquired full rights in respect of amounts due besides executing Trust Deed dated 24.09.2004 and supplemental Trust Deed dated 28.01.2009 etc., in favour of the Applicant.
- h. Further the Recovery office, DRT-2 at Chennai has issued demand notice dated 19.11.2009 in DRC No.116/2009 in O.A.No.373 of 2007 according to which the corporate debtor is liable to pay a sum of Rs.49,77,88,997-79 ps as on 10.09.2009 with interest.
- i. It is averred that the Applicant has also issued notices/recall dated 22.12.1999, 30.12.1999, 07.09.2017, 29.08.2006 etc., to the Corporate debtor to clear the due amounts.
- j. It is further averred that the corporate debtor has submitted OTS proposals on various occasions and the last OTS proposal dated 06.04.2019 was also rejected by the Applicant. Thus the Applicant filed the present



Application to initiate the Insolvency Resolution Process under IBC, 2016 against the corporate debtor.

k. List of the Documents attached in order to prove the existence of the financial debt are mentioned below:

- Notice dated 22.12.1999 issued by IDBI Bank to the corporate debtor.
- Notice dated 30.12.1999 issued by IDBI Bank to the corporate debtor.
- Recall notice dated 07.09.2017 issued by SASF to the corporate debtor.
- Notice dated 29.08.2006 U/s. 13(2) of SARFEASI Act, 2002 issued by SASF of the corporate debtor.
- Notice/Letter dated 28.02.2018 issued by SASF to the Corporate debtor for payment under OTS.
- Corporate Debtor has submitted a Letter dated 06.04.2019 for OTS.

3. The contentions put forth by the Corporate Debtor in its Counter are:

a. Corporate Debtor denied the averments made by the financial creditor and submitted that the petition is liable to be dismissed.

b. It is averred that the present Application is liable to be rejected on the ground that it is barred by limitation. Further submitted that as per Section 238A of I&B Code, 2016 the provisions of the limitation Act, 1963 are



Applicable for the Applications filed under Section 7 of I&B Code, 2016.

Section 238A is reproduced below:

238A: The provisions of the Limitation Act, 1963 shall, as far as may be, apply to the proceedings or appeals before the Adjudicating Authority, the National Company Law Appellate Tribunal, the Debt Recovery Tribunal or the Debt Recovery Appellate Tribunal, as the case may be.

- c. It is further averred that the Application filed under Section 7 will be governed by the Article 137 of Schedule-1 of Limitation Act, 1963.

Article 137 of Schedule -1 of Limitation Act, 1963 is reproduced below:

“Any other application for which no period of limitation is provided elsewhere in the Division. Period of Limitation: Three Years’ Time from which period begins to run: When the right to apply accrues.”

- d. With regard to Article 137 of limitation Act, Corporate debtor has filed the case law in the matter of **B.K Educational Services Pvt Ltd vs Parag Gupta And Associates**, wherein it has held that *“It is thus clear that since the Limitation Act is applicable to applications filed under Sections 7 and 9 of the Code from the inception of the Code, Article 137 of the Limitation Act gets attracted. “The right to sue”, therefore, accrues when a default occurs. If the default has occurred over three years prior to the date of filing of the application, the application would be barred under Article 137 of the Limitation Act”.*



- e. It is further averred that corporate debtor account has become NPA on 01.02.2000 and the present Section 7 Application is filed in the year 2019, thus the present Application is filed after lapse of 19 years. As such the present Application is barred by limitation.
- f. It is averred that Section 18 of limitation Act states that the acknowledgement of debt is required to be done within three years and the other essential condition is that the acknowledgement should be in writing which must be signed by the corporate debtor.
- g. With regard to this corporate debtor has filed case laws pertaining to Section 18 of limitation Act.
- Hon'ble NCLAT in Company Appeal (AT) Insolvency No.1349 of 2019 vide Judgement dated 8th January, 2020.
 - Hon'ble NCLAT in Company Appeal (AT) No.1092/2019 and Company Appeal(AT) No.407/2019.
- h. It is further submitted that OTS submitted by the corporate debtor in the year 2019 does not give fresh limitation in view of the above referred judgments of Hon'ble NCLAT and Hon'ble Supreme Court of India.
- i. It is further submitted that Section 65 of I&B Code, 2016 provides that if any person initiates the Insolvency and resolution process other than for the resolution of insolvency or liquidation, the Adjudicating Authority



may impose upon such person a penalty not less than one Lakh Rupee, but may extend to One crore Rupees.

- j. Thus it is submitted that the present Application is completely devoid of merits and amounts thus the present Application is liable to be rejected.

4. Rejoinder filed by the financial creditor:

- a. It is averred that the contentions referred to in the counter are denied except the facts which are specifically admitted herein.
- b. It is averred that after issuance of notice dated 22.12.1999, 30.12.1999, 07.09.2017, 29.08.2006 etc., the corporate debtor in view of financial crisis had filed a reference with Board for Industrial and Financial Reconstruction(BIFR) in 2001 U/s. 15(1) of the Sick Industrial Companies(Special Provisions)Act, 1985. The said case was numbered as 366 of 2001 and in the said case the Hon'ble BIFR declared the corporate debtor as Sick Industry by order dated 27.12.2004 and appointed IDBI Bank as operating agency. Later on the Corporate debtor filed an appeal against the BIFR's order before Hon'ble AAIFR(Appellate Authority for Industrial and Financial Reconstruction).



- c. It is averred that the proceedings before BIFR and AAIFR were continued till 01.12.2016, till the SICA Act is repealed in the month of December, 2016 and new Act of I&B Code, 2016 was enacted and came into force.
- d. It is averred that the as per Hon'ble NCLAT, New Delhi, vide its Judgement dated November 08, 2019 in the matter of Gouri Prasad Goenka Vs Punjab National Bank & ors held that proceedings pending before BIFR by virtue of Section 22(5) of SICA Act, the said period should be excluded. Thus, the financial creditor would get a fresh period of 3 years commencing from 01.12.2016 to initiate CIRP against the corporate debtor. Thus the present Application is well within 137 of Limitation Act.
- e. It is further averred that the corporate debtor approached the financial creditor for settlement of its dues vide letters dated 02.04.2013, 08.08.2015, 03.07.2017, 13.10.2017, 27.10.2017, 28.04.2018, 17.02.2018, 07.04.2018, 06.04.2019.
- f. Thus it is stated that Hon'ble NCLAT in the matter of Hussan Kadri vs Edelweiss Asset Reconstruction Co. Ltd & Anr has held that

“Acknowledgment in writing before expiry of period of limitation by the 'Corporate Debtor' through a series of written communications in the form of letters, settlement, proposal, settlement agreement and payments made in pursuance thereof have extended the limitation as each of these has the effect of giving a fresh lease of life to the liability



with fresh period of limitation commencing from such acknowledgment in writing having been made within limitation period”.

- g. It is further averred that corporate debtor has approached the financial creditor for settlement of its dues vide letters dated 26.08.2019, 11.10.2019, 01.02.2020 and 20.02.2021 and also deposited upfront amount of Rs.40 lakhs on 23.08.2019 and five lakhs through NEFT on 11.10.2019 being 5% OTS amount.
- h. It is further averred that the proceedings pending before BIFR/AAIFR/DRT etc., right to sue in favour of the financial creditor. Since IBC came into force on 01.12.2016 and the petition is filed on 19.08.2019, it is well within the period of 3 years from the date of repeal of SICA and enactment of IBC, 2016.
- i. Thus there is no balance of convenience lies favour of the corporate debtor under the point of limitation as alleged by the corporate debtor and the present application is well within the limitation. Therefore, as per the facts and circumstances, petitioner prayed the Tribunal to admit the case under section 7 of IBC.
5. Clarification memo dated 10.01.2023 has been filed by the financial creditor stating the details of the cases before DRT/BIFR/AAIFR and the



OTS letters and thus submitted that the claim of financial creditor is well within the limitation.

6. Financial Creditor has filed the written submissions on 03.02.2023 by reiterating the same facts mentioned in the petition and the rejoinder. Further filed the cases laws and detailed explanation stating that the case laws filed by the corporate debtor are not relevant.
7. Corporate debtor has filed the written submissions on 23.02.2023 detailing the chronological events that took place between the parties and thus stated that the present application is barred by limitation which is supported by its Judgements.
8. In the light of the above contentions, the only point that emerges for our consideration is:-

Whether the debt under the present company petition is barred by limitation? If so, for what relief?

9. We have heard Shri P.Sri Raghu Ram Learned Senior Counsel for the Applicant and Shri Maharsh Viswaraj Learned Counsel for the Corporate Debtor, perused the record and the case law.

Point.



Whether the debt under the present company petition is barred by limitation? If so, for what relief?

10. It is trite to say that whether or not the opposite party raises the plea of limitation, it is incumbent on the part of the Applicant/ Suitor to establish that the claim as made is not barred by limitation and the burden lies on the Applicant to establish that the claim as made is not barred by limitation.

11. Before we proceed to examine the respective pleas put forth by both sides we usefully refer to the following dates, documents and the events, which are not in controversy.

- Date of default 01.04.1997
- Date of filing OA 222/2000 (Renumbered as OA 373/2007 – 01.02.2000.
- Date of issuance of Recovery Certificate by DRT, Chennai 19.11.2009.
- Date of filing this application 19.08.2019.

I. ONE TIME SETTLEMENT (OTS) REQUEST BY CORPORATE DEBTOR:

- 22.11.2008 – Letter from the Financial Creditor in response to the letter dated 04.11.2008 from the Corporate Debtor regarding One Time Settlement.
- 17.12.2008 – Letter from the Corporate Debtor informing Financial Creditor about the deposit of Rs.19,00,000/- through RTGC towards One Time Settlement.



- 25.12.2008 – Letter from Corporate Debtor informing the Financial Creditor about remittance of down payment Rs.20 lacs through RTGS.
- 26.12.2008 - Letter from Corporate Debtor requesting the Financial Creditor about remittance of Rs.76 lacs towards part payment of One Time Settlement.
- 27.12.2008 - Letter from Financial Creditor about OTS acceptance to Corporate Debtor.
- 16.02.2010 – Letter submitted by Corporate Debtor towards part payment of One Time Settlement through RTGS of Rs.37,50,000/- to Financial Creditor.
- 12.04.2010 – Request letter submitted by Corporate Debtor to Financial Creditor for modification of One Time Settlement Terms.
- 30.06.2010 – Demand letter issued by Financial Creditor for payment of One Time Settlement amount to Corporate Debtor.
- 04.01.2012 – Letter issued by Financial Creditor towards payment of One Time Settlement balance amount to Corporate Debtor.
- 21.09.2012 – Revocation of One Time Settlement letter by Financial Creditor to Corporate Debtor
- 15.11.2012 – Fresh One Time Settlement letter submitted by Corporate Debtor to Financial Creditor.
- 02.04.2013 – Request letter submitted by Corporate Debtor with down payment amount of Rs.15 lakhs by way of Demand Draft and assured to pay Rs.268 lakhs will be paid in 18 monthly installments i.e., from May, 2013.
- 20.04.2013 – Information about the deposited part payment amount of Rs.10 lakhs through demand draft from Corporate Debtor to financial Creditor.
- 13.08.2013 – Letter issued by Financial Creditor to Corporate Debtor to improve One Time Settlement amount.
- 10.01.2017 – Letter issued by Financial Creditor to Corporate Debtor to settle the due amount.
- 03.07.2017 – Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 08.09.2017 – Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 27.10.2017 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 10.11.2017 – Rejection of One Time Settlement letter issued by Financial Creditor to Corporate Debtor.



- 11.12.2017 – Request letter submitted by Corporate Debtor for grant of One Time Settlement to Financial Creditor.
- 17.02.2018 - Request letter submitted by Corporate Debtor for grant of One Time Settlement to Financial Creditor.
- 20.02.2018 – Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement along with payment of Rs.25 Lakhs upfront through RTGS.
- 28.02.2018 – Rejection letter issued by Financial Creditor to Corporate Debtor.
- 28.04.2018 – Request letter submitted by Corporate Debtor to Financial Creditor to allow it to pay the balance One Time Settlement amounts.
- 07.05.2018 – Rejection letter issued by Financial Creditor to Corporate Debtor.
- 06.04.2019 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 02.07.2019 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 16.08.2019 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 16.09.2019 - Rejection letter issued by Financial Creditor to Corporate Debtor.
- 26.08.2019 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 13.09.2019 - Letter issued by Financial Creditor to submit certain documents to enable for process of One Time Settlement proposal.
- 17.09.2019 - Letter submitted by CD submitting the required documents for considering the OTS proposal.
- 21-09-2019 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 11.10.2019 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 18.12.2019 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement along with notarized affidavit.
- 14.01.2020 – Request letter submitted by Corporate Debtor to Financial Creditor to direct FC counsel to take time for settlement of One Time Settlement terms.
- 20.02.2021 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.



- 23.02.2021 - Letter issued by Financial Creditor to Corporate Debtor to improve One Time Settlement offer amount.
- 07.08.2021 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 30.08.2021 - Rejection letter issued by Financial Creditor to Corporate Debtor.
- 02.10.2021 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 18.10.2021 - Rejection letter issued by Financial Creditor to Corporate Debtor.
- 23.04.2022 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 30.04.2022 - Rejection letter issued by Financial Creditor to Corporate Debtor.
- 15.06.2022 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 20.07.2022 - Rejection letter issued by Financial Creditor to Corporate Debtor.
- 27.08.2022 - Letter submitted by Corporate Debtor to Financial Creditor for grant of One Time Settlement.
- 26.09.2022 - Rejection letter issued by Financial Creditor to Corporate Debtor.

II. PROCEEDINGS BEFORE DRT, CHENNAI:

- a. On 01.02.2000 the Financial Creditor had instituted recovery proceedings for a sum of Rs.1778.78 lakhs against the Corporate Debtor and others, together with its interest of 18.80 % from 01.02.2000 before the Debts Recovery Tribunal, Chennai vide in OA.No.222/2000.
- b. The said OA was later transferred to DRT-II, Chennai and was renumbered as OA.No.373/2007 and was allowed vide the order dated 18.10.2009, however, with a direction that in the event of pendency of the proceedings before BIFR the applicant is directed to obtain leave of BIFR before executing the recovery certificate.
- c. On 19.11.2009 a recovery certificate has been issued vide the DRS.No.116/2009, in favour of the applicant.



III. PROCEEDINGS BEFORE BIFR & AIFR:

- a. On 01.03.2000 the Corporate Debtor represented by Mr.D.Srinivas Rao had approached the Board for Industrial and Financial Reconstruction (BIFR), under section 15(1) of Sick Industrial Companies (Special Provision) Act, 1985 to declare the Corporate Debtor as SICK Industry vide the reference in Case No.366/2001.
- b. On 17.09.2002 the BIFR appointed IDBI as the Operating agency under section 16 (20) of the act to conduct an SIA into the accounts of the Company.
- c. On 27.12.2004 BIFR declared the Corporate Debtor as SICK Industry under section 3(1)(0) of the Act and appointed IDBI as the Operating Agency under section 17(3) of the Act with a direction to examine the viability of the Corporate Debtor and to formulate Draft Rehabilitation Scheme (DRS).
- d. On 27.12.2004 BIFR has permitted the Secured Creditors to continue the recovery suit filed before DRT subject to the condition that the decree if any would not be executed without prior permission of the Board.
- e. On 22.11.2011 BIFR dismissed the application of the Corporate Debtor in case no.366/2001.
- f. An Appeal no.31/2012 has been filed before AIFR and the same was last listed on 04.04.2016.
- g. On 21.02.2012 the AIFR has granted stay of all further proceedings before BIFR till the main appeal is finally disposed of.
- h. On 01.12.2016 the SICA (Repeal) act has been repealed.



- i. The Corporate Debtor had not moved any application before the National Company Law Tribunal within 180 days for continuation of the proceedings before AIFR as such the AIFR proceedings stood abated by February, 2017.

12. Learned Senior Counsel for the Financial Creditor in support of the plea that the financial debt due under the present application is within the prescribed period of limitation, *firstly* contended that, the One Time Settlement request made by the Corporate Debtor under the letters referred above is nothing but 'acknowledgement of debt' within the meaning of section 18 of limitation Act, and all these 'acknowledgements' made in between 2008 and 2022 were while the debt payable by the Corporate Debtor under the Recovery Certificate dated 19.11.2009 is live and on every occasion where the said debt has been acknowledged, a fresh period of limitation of 3 years beyond the date of filing the present application has accrued in favour of the applicant, as such the subject debt is well within the period of limitation. Therefore, the contention of the Corporate Debtor that, the limitation period of 3 years from the date of issuance of Recovery Certificate by DRT has expired by the date of filing the present application is unsustainable. Nextly, the Learned Senior Counsel contended that the BIFR vide its order dated 27.12.2004 permitted the applicant to continue the recovery



proceedings before DRT, Chennai, however, ordered that decree if any in favour of the applicant shall not be executed without the prior permission of the board. Therefore, DRT, Chennai, while allowing OA.No.373/2007 vide its order dated 18.10.2009 specifically directed that in the event of pendency of proceedings before BIFR the applicant to obtain the leave of BIFR before executing the recovery certificate. Thus an express legal embargo has been created on exercising the right over the recovery certificate dated 19.11.2009 obtained by the Applicant. Learned Senior Counsel further contends that though the BIFR on 22.11.2011 has dismissed the application of the Corporate Debtor vide in case no.366/2001, an Appeal No.31/2012 before AIFR has been preferred by the Corporate Debtor against the order dated 22.11.2011 of BIFR and the AIFR vide its order dated 21.02.2012, granted stay of all further proceedings till the main Appeal is finally disposed of. Ld. Sr. Counsel states that the SICA (Repeal) Act has come into force effective from 01.12.2016, consequently the proceedings before AIFR stood abated after 180 days from 01.12.2016 since the Corporate Debtor did not choose to file an application before the NCLT for continuation of proceedings of AIFR, within 180 days from 01.12.2016.



13. Therefore, according to the Ld. Sr. Counsel, the right to enforce/enjoy the fruits of the Recovery Certificate dated 19.11.2009 has accrued to the applicant only in February, 2017, and in terms of Article 136 of Limitation Act, the 3 years period of the limitation in this case shall be reckoned from February 2017. So much so, the present application since filed on 19.08.2019 is well within the period of limitation.
14. However, the Learned Counsel for the Corporate Debtor would contend that the request for OTS made under the afore said letters will not constitute acknowledgement of debt in terms Section 18 of Limitation Act, as the said payments were not made before the expiration of the limitation period, as such no reliance can be placed on the so called OTS request and the company petition therefore is liable to be dismissed as barred by limitation,
15. In support this plea Ld. Counsel relied on the following Rulings.

Hon'ble NCLAT in Company Appeal (AT) Insolvency No.1349 of 2019 vide Judgement dated 8th January, 2020.

“In so far as Section 18 of Limitation Act 1963 pertaining to the effect of acknowledgement in writing under Limitation Act is concerned, it is to be taken note of that an acknowledgement of liability must be in writing and also to be signed by a party against whom the property or right is claimed and that too, the same must be within the Limitation period. It cannot be gain said that an acknowledgement given after the



expiry of the usual period is not sufficient to keep the 'debt' alive. If a claim is barred, the fact that there was an acknowledgement of liability will not resuscitate a barred claim because of the reason that in any law, there can only be an acknowledgement of an existing/subsisting liability”.

16. In so far as the contention of the Learned Senior Counsel that the right to execute the Recovery Certificate accrued only upon the abatement of the proceedings under SICA Act initiated by the Corporate Debtor is concerned. Learned Counsel would contend that since the present application is based on the Recovery Certificate dated 19.11.2019, the limitation for filing the application under Section 7 of IBC being 3 years from the date of issuance of Recovery Certificate, the proceedings under SICA Act cannot come to aid of the applicant as the period of limitation had already commenced, hence the application is liable to be dismissed as barred by time.

17. In support of this submission Learned Counsel relied on the following rulings.

(i) M/s. Invent Assets Securitisation & Reconstruction Pvt. Ltd Versus M/s. Girnar Fibres Ltd, Company Appeal (AT) (INSOLVENCY) No. 556 of 2020, wherein it was held that:-

“Section 22(5) of SICA, 1968 is not attracted to the present case since the period of limitation i.e. 3 years had already expired before the BIFR reference was made by the Corporate Debtor. Any reference before the BIFR is abated, if secured creditors have taken measures



under section 13(4) of the SARFAESI ACT, 2002.25.04.2006 When the Corporate Debtor was declared sick by BIFR under SICA and 04.05.2016 when the reference was dismissed cannot be excluded form computing the limitation period.”

(ii) and also in, Edelweiss Asset Reconstruction Co Ltd Versus M/s. Chemstar Organics (India Ltd), Company Appeal (AT) (INSOLVENCY) NO. 707/2021. Applicability of Section 22(5) of SICA, wherein it was held that:-

- i. “The Appellant has raised a ground that the exclusion of period under section 22(5) of the SICA Act would be available to the Appellant, and thus the time period spent in course of references and appeal before BIFR/AIFR would stand excluded.
- ii. Likewise, the above contention has been raised for the first time in written submissions before the Adjudicating Authority, and the same was never pleaded in its Form I/Rejoinder or made during oral arguments.”

18. Having given our thoughtful consideration to the rival submissions, the case law and the *factual matrix* of this case, we do not find any force whatsoever in the submission of the Counsel for Corporate Debtor that the ‘Financial Debt’ under the present application is barred by limitation. We state hereunder the reasons for our aforestated conclusion.

- i) Indisputably, the period of limitation in terms of Article 137 of limitation Act, for initiation of proceedings under section 7 of IB Code, on the basis of Recovery Certificate issued by DRT, is 3 years the same shall begin to run when the right to apply under the Recovery Certificate accrues or when an acknowledgement of debt in terms of section 18 of limitation Act or an entry in the balance sheet of the corporate debtor regarding the said debt as every such



act would give fresh cause of action for initiation of an action on the strength of the Recovery Certificate.

- ii) Admittedly the financial debt claimed in this application is based on the Recovery Certificate dated 19.11.2009. The Corporate Debtor prior as well as post issuance of Recovery Certificate by DRT, Chennai, has been requesting the Applicant/Financial Creditor, for One Time Settlement (OTS) of the outstanding dues payable by the corporate debtor to the applicant. This is evident from the letters of the corporate debtor dated 22.11.2008, 17.12.2008, 25.12.2008, 27.12.2008, 12.04.2010, 15.11.2012, 02.04.2013, 03.07.2017, 08.09.2017, 27.10.2017, 11.12.2017, 17.02.2018, 28.04.2018, 06.04.2019, 02.07.2019, 16.08.2019, 26.08.2019, 17.09.2019, 21.09.2019, 11.10.2019, 18.12.2019, 20.02.2021, 07.08.2021, 02.10.2021, 23.04.2022, 15.06.2022 and 22.08.2022.
- (iii) Hon'ble Supreme Court of India in Dena Bank Vs. Mr. Shivshankar Reddy, held that:
- “ To sum up, in our considered opinion an application under Section 7 of the IBC would not be barred by limitation, on the ground that it had been filed beyond a period of three years from the date of declaration of the loan account of the Corporate Debtor as NPA, **if there were an acknowledgement of the debt by the Corporate Debtor before expiry of the period of limitation of three years, in which case the period of limitation would get extended by a further period of three years**”.(Emphasis is ours).
- (iv) Hon'ble NCLAT in the matter of Hussain Kadri vs Edelweiss Asset Reconstruction Co. Ltd & Anr has held that
- “Acknowledgment in writing before expiry of period of limitation by the 'Corporate Debtor' through a series of written communications in the form of letters, settlement, proposal, settlement agreement and payments made



in pursuance thereof have extended the limitation as each of these has the effect of giving a fresh lease of life to the liability with fresh period of limitation commencing from such acknowledgment in writing having been made within limitation period”.

19. Therefore, the above acknowledgements having been made within in 3 years from the date of issuance of the recovery certificate dated 19.11.2009 has the effect of giving a fresh lease of life to the liability under the said recovery certificate by 3 years from the date of each of such acknowledgements and the last of such acknowledgements being dated 20.02.2018 and the present application having been filed on 19.08.2019, the debt under the present application is within limitation.

20. Moreover, in the case on hand, even though the recovery certificate has been issued on 19.11.2009, by virtue of the order dated 27.12.2004 passed by BIFR and subsequent order of AIFR dated 21.02.2012, the right to execute the decree stood stayed until the proceedings before AIFR stood abated in February, 2017, in terms of section 4 of SICA (Repeal) Act, which has come into force effective from 16.12.2016. So much so, the period of limitation envisaged under Article 137 of the Limitation Act, in the case on hand shall commence only on 15.02.2017. The present application since filed on 19.08.2019 is well within the period of limitation.



21. That apart, even in terms of Article 15 of limitation Act, which is as below, in computing the period of limitation of any suit or **application for the execution of a decree, the institution or execution of which has been stayed by injunction or order, the time of the continuance of the injunction or order, the day on which it was issued or made, and the day on which it was withdrawn, shall be excluded.**

15. Exclusion of time in certain other cases.—

(1) In computing the period of limitation of any suit or application for the execution of a decree, the institution or execution of which has been stayed by injunction or order, the time of the continuance of the injunction or order, the day on which it was issued or made, and the day on which it was withdrawn, shall be excluded.

(2) In computing the period of limitation for any suit of which notice has been given, or for which the previous consent or sanction of the Government or any other authority is required, in accordance with the requirements of any law for the time being in force, the period of such notice or, as the case may be, the time required for obtaining such consent or sanction shall be excluded.

Explanation.—In excluding the time required for obtaining the consent or sanction of the Government or any other authority, the date on which the application was made for obtaining the consent or sanction and the date of receipt of the order of the Government or other authority shall both be counted.

(3) In computing the period of limitation for any suit or application for execution of a decree by any receiver or interim receiver appointed in proceedings for the adjudication of a person as an insolvent or by any liquidator or provisional liquidator appointed in proceedings for the winding up of a company, the period beginning with the date of institution of such proceeding and ending with the expiry of three months from the date of appointment of such receiver or liquidator, as the case may be, shall be excluded.

(4) In computing the period of limitation for a suit for possession by a purchaser at a sale in execution of a decree, the time during which a proceeding to set aside the sale has been prosecuted shall be excluded.



(5) In computing the period of limitation for any suit the time during which the defendant has been absent from India and from the territories outside India under the administration of the Central Government, shall be excluded.

22. In so far as the case on hand is concerned the BIFR vide its order dated 27.12.2004 while permitting the applicant to continue the recovery proceedings before DRT, Chennai, ordered that decree if any in favour of the applicant shall not be executed without the prior permission of the board. Therefore, DRT, Chennai, while allowing OA.No.373/2007 vide its order dated 18.10.2009 ordered that the applicant shall not be execute the order without the prior permission of the Board. As already stated above, the in terms of section 4 of the said Act, the proceedings before AIFR stood abated in February, 2017. Therefore, the time spent period spent between 18.10.2009 and February, 2017 shall be excluded for the purpose of calculating limitation.
23. The corporate debtor, vide letter dated 20.02.2018 while confirming part payment of Rs25 lakhs, has stated as below.



To

Date: 20-02-2018

Smt Sneha Abhayankar
Dy.General Manager
Stressed Assets Stabilization Fund
Industrial Development Bank of India
IDBI Towers, 10th Floor, WTC Complex,
Cufee parade, Mumbai-400005

SASF TRUST
08 MAR 2018
INWARD NO. 1717

Respected Sir/Madam,

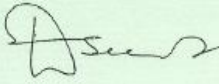
Sub: M/S.PRIYARANJANI FIBRES LTD – PAYMENT OF AMOUNT UNDER OTS SCHEME – Reg.
Ref: 1).SASF LETTER NO.SASF/PFL/2017-18-969, DT.10-11-2017
2). OUR LETTER DT.17-02-2018
3). YOUR EMAIL DT.20-02-2018, 4:06:18 PM


With reference to the above subject and references cited, as directed, we herewith sending the payment of Rs.25.00 lakhs, through RTGS to Stressed Asset Stabilization Fund, A/c.No.126102000000055, Branch IDBI Bank Ltd, BKC Mumbai, towards upfront fee for consideration of our One time settlement (OTS) proposal, in addition to already paid amount of Rs.25.00 lakhs.

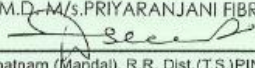
In this regard we request you to kindly see that aforesaid total amount paid, shall be kept in no lien account, until our offer is accepted.

We therefore humbly request your good selves to please consider our OTS offer (Ref.no.2 of above) favorably and kindly permit us to pay the balance OTS amount in equated monthly installments for which act of kindness we the shareholders shall be thankful to you.

Thanking you.,





Yours sincerely
(D. SRINIVASA RAO)
V.C & M.D.-M/s.PRIYARANJANI FIBRES LTD.,


Factory & Regd. Office : Rayapole (Village), Ibrahimpatnam (Mandal), R.R. Dist.(T.S.)PIN:501 508

Under the afore stated letter dated 20.02.2018, the Corporate Debtor apart from making part payment of Rs. 25.00,000, to the applicant, in addition to the following payments, also requested for One Time Settlement (OTS) of its dues payable to the Financial Creditor.



S.No.	Date of OTS letter	Amount paid in Rs.
1.	16.02.2010	37,50,000/-
2.	02.04.2013	15,00,000/-
3.	20.04.2013	10,00,000/-

24. Here we refer Section 19 of Limitation Act, 1963 which is as below;

Effect of payment on account of debt or of interest on legacy.

—Where payment on account of a debt or of interest on a legacy is made before the expiration of the prescribed period by the person liable to pay the debt or legacy or by his agent duly authorized in this behalf, a fresh period of limitation shall be computed from the time when the payment was made.

25. Therefore, the last of the part payments made being on 20.02.2018, the period of limitation gets extended by 3 years from 20.02.2018 and the present application having been filed on 19.08.2019 is within limitation.

26. Hon'ble Supreme Court of India, KSL Industries vs. M/s. Arihant Threads Ltd. & Ors, held that,

“Parliament intended the proceedings under SICA for reconstruction of a sick company to go on and for that purpose further intended that all other proceedings against the company and its properties should be stayed pending the process of reconstruction. Section 22 covers proceedings under the RDDB Act. Section 22 clearly covers and interdicts such an application for recovery made under the provisions of the RDDB Act.”

27. Therefore, the provisions of SICA, prevail over the provisions of RDDB Act. Thus, the recovery certificate issued by DRT, Chennai, is subject to Section 22 of SICA, which is as below.



(1) Where in respect of an industrial company, an inquiry under section 16 is pending or any scheme referred to under section 17 is under preparation or consideration or a sanctioned scheme is under implementation or where an appeal under section 25 relating to an industrial company is pending, then, notwithstanding anything contained in the Companies Act, 1956 (1 of 1956) or any other law or the memorandum and articles of association of the industrial company or any other instrument having effect under the said Act or other law, no proceedings for the winding up of the industrial company or for execution, distress or the like against any of the properties of the industrial company or for the appointment of a receiver in respect thereof 3 [and no suit for the recovery of money or for the enforcement of any security against the industrial company or of any guarantee in respect of any loans or advance granted to the industrial company] shall lie or be proceeded with further, except with the consent of the Board or, as the case may be, the Appellate Authority.

(2) Where the management of the sick industrial company is taken over or changed 3 [in pursuance of any scheme sanctioned under section 18], notwithstanding anything contained in the Companies Act, 1956 (1 of 1956) or any other law or in the memorandum and articles of association of such company or any instrument having effect under the said Act or other law— (a) it shall not be lawful for the shareholders of such company or any other person to nominate or appoint any person to be a director of the company; (b) no resolution passed at any meeting of the shareholders of such company shall be given effect to unless approved by the Board. (3) 1 [Where an inquiry under section 16 is pending or any scheme referred to in section 17 is under preparation or during the period] of consideration of any scheme under section 18 or where any such scheme is sanctioned thereunder, for due implementation of the scheme, the Board may by order declare with respect to the sick industrial company concerned that the operation of all or any of the contracts, assurances of property, agreements, settlements, awards, standing orders or other instruments in force, to which such sick industrial company is a party or which may be applicable to such sick industrial company immediately before the date of such order, shall remain suspended or that all or any of the rights, privileges, obligations and liabilities accruing or arising thereunder before the said date, shall remain suspended or shall be enforceable with such adaptations and in such manner as may be specified by the Board: Provided that such declaration shall not be made for a period exceeding two years which may be extended by one year at a time so, however, that the total period shall not exceed seven years in the aggregate.

(4) Any declaration made under sub-section (3) with respect to a sick industrial company shall have effect notwithstanding anything contained in the Companies Act, 1956 (1 of 1956) or any other law, the memorandum and articles of association of the



company or any instrument having effect under the said Act or other law or any agreement or any decree or order of a court, tribunal, officer or other authority or of any submission, settlement or standing order and accordingly,— (a) any remedy for the enforcement of any right, privilege, obligation and liability suspended or modified by such declaration, and all proceedings relating thereto pending before any court, tribunal, officer or other authority shall remain stayed or be continued subject to such declaration; and (b) on the declaration ceasing to have effect— (i) any right, privilege, obligation or liability so remaining suspended or modified, shall become revived and enforceable as if the declaration had never been made; and (ii) any proceeding so remaining stayed shall be proceeded with, subject to the provisions of any law which may then be in force, from the stage which had been reached when the proceedings became stayed.

(5) In computing the period of limitation for the enforcement of any right, privilege, obligation or liability, the period during which it or the remedy for the enforcement thereof remains suspended under this section shall be excluded.

28. Therefore, as the Financial Creditor's right to rely on the Recovery Certificate dated 19.11.2009 since stood suspended till February, 2017, by virtue of the orders of BIFR and AIFR, supra, in computing the 3 years period of limitation for the enforcement of right, privilege, obligation or liability under the Recovery Certificate dated 19.11.2019 the period during which the remedy for the enforcement thereof remained stayed, shall be excluded and the 3 years period shall be reckoned from February, 2017. Therefore, the present application having been filed on 19.08.2019, being within 3 years from February 2017, is well within the period of limitation.
29. Here the reliance placed by the Ld. Counsel for the Corporate debtor on the ruling in *M/s. Invent Assets Securitisation & Reconstruction Pvt. Ltd Versus M/s. Girnar Fibres Ltd, Company Appeal (AT) (INSOLVENCY) No. 556 of 2020*, wherein it was held that,



“Section 22(5) of SICA, 1968 is not attracted to the present case since the period of limitation i.e. 3 years had already expired before the BIFR reference was made by the Corporate Debtor. Any reference before the BIFR is abated, if secured creditors have taken measures under section 13(4) of the SARFAESI ACT, 2002.25.04.2006 When the Corporate Debtor was declared sick by BIFR under SICA and 04.05.2016 when the reference was dismissed cannot be excluded form computing the limitation period.”

And also, on the ruling in, Edelweiss Asset Reconstruction Co Ltd Versus M/s. Chemstar Organics (India Ltd), Company Appeal (AT) (INSOLVENCY) NO. 707/2021., wherein it was held that,

“ The Appellant has raised a ground that the exclusion of period under section 22(5) of the SICA Act would be available to the Appellant, and thus the time period spent in course of references and appeal before BIFR/AIFR would stand excluded.

“Likewise, the above contention has been raised for the first time in written submissions before the Adjudicating Authority, and the same was never pleaded in its Form I/Rejoinder or made during oral arguments.”

in our considered view is not applicable to the case on hand in as much as, unlike in the cases above, in the case on hand only after initiation of recovery proceedings against the Corporate Debtor before the DRT Chennai, the Corporate Debtor approached BIFR and it is nobody's case that the subject debt was barred by limitation even by the time lender has approached DRT Chennai. Hence on facts that ruling is not applicable.

30. We are also unconvinced by the submission of the Learned Counsel for the Corporate Debtor the right to initiate corporate insolvency resolution



process, against the Corporate Debtor herein was not even available to the Appellant, at the time when the reference before BIFR/AIFR was pending as such hence, the question of any exclusion of time for exercise of unfounded right would not even arise; under section 22(5) of SICA, for the simple reason that, the 3-year period of limitation prescribed under law for enforcing the right based on the Recovery Certificate issued by the Debt Recovery Tribunal Chennai, stood extended on account of acknowledgement of debt by the Corporate Debtor from time to time the as such the debt is alive, hence on facts for the above ruling is not applicable to this case. Therefore, viewed from any angle the application as filed is well within the period of limitation.

31. We shall now refer to the other case law relied on by the Corporate Debtor:

Bimlakumar Manubhai Savalia Versus Bank of India, Company Appeal (AT) (Insolvency) No.1166 of 2019, NCLAT wherein it has been held that,

“We are of the view that the SARFAESI and DRT proceedings will not extent the period of limitation since those proceedings are independent and as per section 238 of IBC, the Insolvency and Bankruptcy Code is a complete Code and will have overriding effect on other laws. Therefore, the proceedings initiated or pending in DRT, either initiated under SARFAESI or under debts and due to Banks and Financial Institutions cannot be taken into account for the purpose of limitation.”



32. We have carefully perused the above ruling. As per the facts of this case the extension of period of limitation is pleaded on the basis of “acknowledgments of debt” made by the Corporate Debtor, from time to time while the debt was alive and not on the basis of the proceedings before DRT. Hence on facts the above ruling is not applicable to this case.

(i) Kotak Mahindra Bank Limited Versus Kew Precision Parts Private Limited & Others, Civil Appeal No.2176 of 2020,

“The proceedings initiated by the Appellant Financial Creditor under the SARFAESI Act are not material to the issue in this appeal, of whether the application of the Appellant Financial Creditor before the NCLT was barred by limitation. Suffice it to mention that in computing the period of limitation for initiation of CIRP proceedings, the time spent in pursuing remedy under the SARFAESI Act or any other recovery law cannot be excluded. It is also well settled that initiation of proceedings under SARFEASI or any other recovery law does not affect the right of a Financial Creditor to initiate CIRP unless its debt is repaid. Therefore, the proceedings initiated or pending in DRT, either initiated under SARFAESI or under debts and due to Banks and Financial Institutions cannot be taken into account for the purpose of limitation.”

Since, in the case on hand the extension of limitation is pleaded basing on acknowledgments of debt made by the Corporate Debtor, on facts the above ruling is not applicable to this case.

(ii) Corporation Bank Versus M/s SJN Energy Infrastructure Pvt. Ltd, Company Appeal (AT) (Insolvency) No.1184 of 2019,



“We are the firm opinion that the proceedings before the DRT and other forums, will not get the benefit of extending the limitation period merely on the basis of pending.”

(iii) Jignesh Shah Versus Union of India & Anr, Writ Petition (CIVIL) No. 455 of 2019,

“The aforesaid judgments correctly hold that a suit for recovery based upon a cause of action that is within limitation cannot in any manner impact the separate and independent remedy of a winding up proceeding. In law, when time begins to run, it can only be extended in the manner provided in the Limitation Act. For example, an acknowledgment of liability under Section 18 of the Limitation Act would certainly extend the limitation period, but a suit for recovery, which is a separate and independent proceeding distinct from the remedy of winding up would, in no manner, impact the limitation within which the winding up proceeding is to be filed, by somehow keeping the debt alive for the purpose of the winding up proceeding.”

On facts the above ruling is not applicable in as much as extension of period of limitation, in this case is claimed on the basis of acknowledgment and not on the basis of pendency of proceedings before DRT.

33. Therefore, it is overwhelmingly clear that the financial debt of a sum over Rs. One crore due and payable by the respondent corporate debtor to the applicant existence of which is not in dispute, is not barred by limitation.

The Point is answered accordingly.



34. We, also find that the present application is in order. Hence, we unhesitatingly admit this Company Petition and order initiation of Corporate Insolvency Resolution Process against the Corporate Debtor, declare moratorium for the purposes referred to in Section 14 of the Code, with effect from the date of this order with the following directions: -
- (A) The Corporate Debtor, **Priyaranjani Fibres Limited** is admitted in Corporate Insolvency Resolution Process under section 7 of the Insolvency & Bankruptcy Code, 2016.
 - (B) 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 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;
 - (C) 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.
 - (D) 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.

- (E) 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.
- (F) 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.
- (G) 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.
- (H) Accordingly, this Tribunal appoints Mr. Raghu Babu Gunturu, #r/o 1st Floor, Golden Heights Plot no 9 , Opp. Raheja IT Mindspace HUDA , Techno Enclave, Madhapur,Hyderabad, Telangana ,500081, email: raghu@ezresolve.in having registration IBBI/IPA-002/IP-N00025/2016-2017/10053 as IRP. The aforesaid IRP has no disciplinary proceedings pending against him. Proposed IRP filed Form-B issued by the Institute of Insolvency Professional. This information is also available in IBBI Website. Thus, there is compliance of Regulation 7A of IBBI (Insolvency



Professionals) Regulations, 2016, as amended. Therefore, the proposed IRP is fit to be appointed as IRP since the relevant provision is complied with and further registry is directed to inform the order of admission of CIRP against the corporate debtor to the concerned parties.

- (I) The IRP shall perform all its functions as contemplated, inter-alia, by Sections 17,18, 20 & 21 of the IBC, 2016. It is further made clear that all personnel connected with Corporate Debtor, its Promoter or any other person associated with management of the Corporate Debtor are under legal obligation, under Section 19 of IBC, 2016 to extending every assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate the IRP is at liberty to make appropriate application to the Adjudicating Authority with a prayer for passing an appropriate order.
- (J) The IRP shall be under duty to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern as a part of obligation imposed by Section 20 of the IBC, 2016. The Financial Creditor is directed to pay an advance of Rs. 1,00,000/- (Rupees One Lakh Only) to the IRP within two weeks from the date of receipt of this order for the purpose of smooth conduct of CIRP and IRP to file proof of receipt of such amount to this Adjudicating Authority along with First progress Report. Subsequently, IRP may raise further demands for interim funds, which shall be provided as per rules.



- (K) Registry of this Tribunal is directed to send a copy of this order to RoC, Hyderabad for marking appropriate remarks against the Corporate Debtor on MCA site as being under CIRP.

Accordingly, this application is admitted.

SD/-

(Charan Singh)
Member (Technical)

SD/-

(Dr.Venkata Ramakrishna Badarinath Nandula)
Member (Judicial)

Pavani/Sridher