NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO:II
(Video Conference)

CORAM: HON'BLE MADAN BHALCHANDRA GOSAVI – MEMBER JUDICIAL
HON'BLE DR.BINOD KUMAR SINHA-MEMBER TECHNICAL

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL, HYDERABAD BENCH, HELD ON 19.02.2021 AT 10:30 AM THROUGH VIDEO CONFERENCE

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	CP(IB) No.232/7/HDB/2020
NAME OF THE COMPANY	Devesh Engineering Enterprises Pvt Ltd
NAME OF THE PETITIONER(S)	Tejaswini Engineering Pvt Ltd
NAME OF THE RESPONDENT(S)	Devesh Engineering Enterprises Pvt Ltd
UNDER SECTION	7 of IB

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

This case is fixed for pronouncement of order.

CP(IB)No.232/7/HDB/2020 is admitted vide separate sheets.

MEMBER TECHNICAL

MEMBER JUDICIAL

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, HYDERABAD

CP (IB) No.232/7/HDB/2020
Under Section 7 of the IB Code, 2016,
Read with Rule 4 of the Insolvency and Bankruptcy
(Application to Adjudicating Authority) Rules, 2016

In the matter of:-
M/s. DEVESH ENGINEERING ENTERPRISES (P) LTD

Tejaswini Engineering Private Limited
Plot No.34, Nagarjuna Hills, Punjagutta,
Hyderabad - 500082, Telangana State

...Financial Creditor

Versus

M/s. Devesh Engineering Enterprises (P) Limited
Plot No.48, Nagarjuna Hills, Punjagutta,
Hyderabad, Telangana State.

...Corporate Debtor

Date of Order: 19.02.2021

Coram: Madan B. Gosavi, Member Judicial.
Dr. Binod Kumar Sinha, Member Technical

Parties/Counsel(s) Presents:

For the Financial Creditor : Mr. G. Bhupesh, counsel

For the Corporate Debtor : Ms. M.V.Padmaja Kalyani, counsel

[Per Bench]

ORDER

1. The present Application is filed under section 7 of IBC by M/s. Tejaswini Engineering Private Limited (The Financial Creditor) against M/s. Devesh Engineering Private Limited (The Corporate Debtor) to initiate Corporate Insolvency Resolution Process of the Corporate Debtor on the ground that on 01.01.2018, the Corporate Debtor committed default on Financial Debt of Rs.11,31,65,339/-.

2. The Financial Creditor states that vide Loan Agreement dated 01.01.2018, an amount of Rs.8,84,10,421/- was granted and disbursed as the Unsecured Loan to the Corporate Debtor. The Corporate Debtor was supposed to repay the loan by 8(eight) installments of Rs.1,10,51,303/- after every three months.
3. It is stated that the Corporate Debtor did not pay single installment and thereby committed default in paying the debt. Hence this Application is filed to initiate CIRP of the Corporate Debtor.
4. The Corporate Debtor was served with the notice of this Application.
5. It appeared that one of its Directors, Mr. Lakshman Mukka had filed affidavit in reply.
6. We have gone through the reply affidavit of the Corporate Debtor.
7. In para 8 of the reply, the Corporate Debtor admitted the debt in following words:-

   "I respectfully submit that in spite of aforesaid act of preparing a Loan agreement by the Financial Creditor without the consent of the Board and management of Corporate Debtor, the Corporate Debtor had admitted the agreement and agreed to pay the outstanding amount as a good gesture and requested for some time to clear the dues."

8. We heard learned counsel for the Financial Creditor and Learned counsel for the Corporate Debtor.
   i. It appears that Corporate Debtor admitted the fact that the Financial Debt of more than Rs. 1,00,000/- (as per Sec.4 of IBC) is due and payable by it to the Financial Creditor and it has committed default in paying the same.
9. This is the only fact involved for consideration of this Application which is proved in record.
10. The Financial Creditor suggested the name of Mr. Bhaskar B, having Registration No. IBBI/IPA-002/IP-N00644/2018-19/12024 for

appointment as IRP against whom no departmental enquiry appears to be pending.

11. Since the Corporate Debtor committed default of financial debt, we admit the Corporate Debtor in CIRP U/s.7 by following order:-

a) The instant petition is hereby admitted and this Adjudicating Authority Orders the commencement of the Corporate Insolvency Resolution Process which shall ordinarily get completed as per the time line stipulated in section 12 of the IB Code, 2016, reckoning from the day this order is passed.

b) This Adjudicating Authority hereby appoint Mr. Mr. Bhaskar B having Regn. No. IBBI/IPA-002/IP-N00644/2018-19/12024 (IRP) as his name is proposed by the Financial Creditor and is also reflected in IBBI website. He has also filed his written consent in Form - 2. The IRP is also directed to furnish Authorization for Assignment issued by competent institute in the Registry within 3 days of receipt of copy of this order. 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 of receipt of this order and call for submission of claims in the manner as prescribed.

c) This Adjudicating Authority hereby 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:

i. *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;*

ii. *Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*

iii. *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);*

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

v. *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) The supply of essential goods or services of the Corporate Debtor shall not be terminated or suspended or interrupted during moratorium period. Further, if the IRP considers supply of any goods or services critical to protect and preserve the value of the corporate debtor and manage the operations of such corporate debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such corporate debtor has not paid dues arising from such supply during the moratorium period. Furthermore, the provisions of Sub-section (1) of Section 14 shall not apply to such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority.

e) 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.

f) The Petitioner/Financial Creditor 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.

g) The Registry is directed to communicate this Order to the Financial Creditor and the Corporate Debtor.

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

i) The address details of the IRP are as follows:-

Mr. Mr. Bhaskar B
Reg.No: IBBI/IPA-002/IP-N00644/2018-19/12024
4/447A, 7th Street, Aruna Nagar,
K.Vadamadurai PO, Coimbatore – 641017.

12. The present Company Application bearing CP (IB) No.232/7/HDB/2020 is hereby admitted.

Dr. Binod Kumar Sinha
Member Technical

Madan B. Gosavi
Member Judicial

Alekhya