

IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH, BENGALURU
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)
(Through Physical Hearing/ VC Mode (Hybrid))



ITEM No.19
C.P. (IB)No.155/BB/2024
Application U/s. 9 of IBC, 2016
R/w Rule 6 of I&B (AAA) Rules, 2016

IN THE MATTER OF:

Arun Vet Pro Pvt. Ltd.

Ground Floor, No.105,
Chitramal Apartment, 4th Cross,
1st Block, Byrasandra, Jayanagar,
Bengaluru – 560 011.

- Petitioner/Operational Creditor

Versus

Sriya Farms & Feeds Pvt. Ltd.

No.208/B, 1st Stage, HBR Layout,
2nd Block, 80 Feet Main Road,
Bangalore – 560 043.

- Respondent/Corporate Debtor

Order delivered on: 22.10.2024

CORAM: 1. Hon'ble Shri K. Biswal, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Parties/Counsels Present:

For the Petitioner : Shri Akshay J. Simha
For the Respondent : Shri Nandish

ORDER

1. The present Petition has been filed on 31.05.2024 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (for brevity 'IBC/ Code), read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by **Arun Vet Pro Pvt. Ltd.** (for brevity 'Petitioner/Operational Creditor') *inter alia* seeking to initiate Corporate Insolvency Resolution Process (CIRP) against **Sriya Farms & Feeds Pvt. Ltd.** (for brevity 'Respondent/Corporate Debtor') on the ground that the Corporate Debtor has committed a default for a total




outstanding amount of Rs.2,59,11,756.02/- (Rupees Two Crore Fifty-Nine Lakh Eleven Thousand Seven Hundred Fifty-Six and Two Paise Only). In Part-IV of Form No.5 filed with the Petition, the following information is given:

<p>2.Amount claimed to be in default and the date on which default occurred (Attach the workings for computation of amount and days of default in tabular form)</p>	<p>Total Amount claimed: Rs. 2,59,11,756.02/- (Rupees Two Crore Fifty-Nine Lakh Eleven Thousand Seven Hundred Fifty-Six and Two Paise Only)</p> <p>Despite the Corporate Debtor being obligated to make payment to the Operational Creditor as per the Purchase Orders and Invoices, the Corporate Debtor has continued to be in default of the entire sum of Rs. 2,59,11,756.02/- (Rupees Two Crore Fifty-Nine Lakh Eleven Thousand Seven Hundred Fifty-Six and Two Paise Only) till date.</p> <p>Date of Default: There are several dates of default as per the terms and conditions of the Purchase Orders and Invoices ranging from 21.02.2023 to 18.03.2024. However, for the purpose of the Petition, the date of default is 18.03.2024.</p>
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2. Brief facts of the case, which are relevant to the issue in question, and as narrated by the Petitioner in the Company Petition as follows:

- i. **Arun Vet Pro Pvt. Ltd.** (for brevity 'Petitioner/Operational Creditor') is a Company bearing CIN:U51900KA2021PTC146899 having its registered office at Ground Floor, No.105, Chitramala Apartment, 4th Cross, 1st Block, Byrasandra, Jayanagar, Bengaluru-560011.
- ii. **Sriya Farms & Feeds Pvt. Ltd.** (for brevity 'Respondent/Corporate Debtor') is a Company incorporated under the provisions of the Companies Act, 2013, on 17.04.2015, bearing CIN:U05000KA2015PTC079879 having its registered office at No.208/B, 1st Stage, HBR Layout, 2nd Block, 80 Feet Main Road,



Bangalore-560043. Its Authorised Share Capital is Rs.4,75,00,000/- and Paid-up Share Capital of Rs.3,75,00,000/-.

- iii. It is stated that the Corporate Debtor has issued several Purchase Orders for procurement of various items such as DCP, Soya, and Choline Chloride from the Operational Creditor. Pursuant thereto, the Operational Creditor has accepted the said Purchase Order, delivered the said items to the Corporate Debtor, and issued several invoices/bills of supply in respect of the above. The said items and the invoices/bills of supply were accepted by the Corporate Debtor.
 - iv. The Petitioner issued a Demand Notice dated 19.04.2024 to the Corporate Debtor and the same is attached to the Petition as Annexure-J1. It is stated that no reply has been given by the Corporate Debtor.
3. The Corporate Debtor filed its reply vide Diary No.5615 on 27.09.2024 stating that the Corporate Debtor has accepted the aforementioned liability towards the Operational Creditor and are willing to negotiate a scheme for settlement. The Corporate Debtor has also made several communications to the Operational Creditor for extension of time to make the payment. However, much to the dismay of the Corporate Debtor, the Operational Creditor has neither agreed to negotiate nor has it granted additional time.
 4. Heard the learned Counsels for the Petitioner and the Respondent, and perused the pleadings.
 5. As stated supra, the Corporate Debtor did not dispute the debt and has requested for more time to clear the outstanding debt. It is clearly established that there is an outstanding debt in respect of the invoices and as per the Demand Notice issued U/s. 8 in Form-3 to the Corporate Debtor. It is noticed that the instant Petition was filed on 31.05.2024. From the invoices, it is abundantly clear that all the invoices fall within the limitation period. The total amount of the invoices from 21.01.2023 to 18.03.2024, which are within the period of limitation, is Rs.2,59,11,756.02/-, which meets the threshold requirement of Rs.1 crore as required U/s. 4 of the Code. After considering the submissions made by the



Respondent/Corporate Debtor as discussed above, there is no reason to deny the Petition filed U/s.9 of the IBC, 2016, as all the requirements of the Provisions of Section 9 are met.

6. In view of the foregoing, the existence of the debt and its default thereto is established. Therefore, the present petition bearing **C.P.(IB) No.155/BB/2024** is **admitted** in respect of the Corporate Debtor **Sriya Farms and Feeds Pvt. Ltd.** under section 9 of the I & B Code, 2016. Accordingly, moratorium is declared in terms of Section 14 of the Code. As necessary consequences of the moratorium in terms of Section 14, the following prohibitions are imposed, which must be followed by all and sundry:

- (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 Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 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) It is further directed that the supply of essential goods or services to the Corporate Debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period;*
- (f) The provisions of Sub- Section 14 (3) shall however, not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor;*

(g) The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench approves the Resolution Plan under sub-section (1) of Section 31 or passed an order for liquidation of Corporate Debtor under Section 33 as the case may be;

7. In Part-III of Form No.5, the Operational Creditor has proposed the name of Shri Madhugiri Venkatarayappa Sudarshan bearing Registration No. IBBI/IPA-002/IPN00561/2017-18/11707 as the Interim Resolution Professional (IRP) in respect of the Corporate Debtor. Form-2 Written Communication by the IRP has been filed along with the C.P. is found at Page 15 & 16 of the Petition.
8. In view of the above, we appoint **Shri Madhugiri Venkatarayappa Sudarshan** bearing Registration No. IBBI/IPA-002/IPN00561/2017-18/11707 having registered address at No.984/13, 8th Main, Geiringer II Phase, Bangalore-560085, Contact No.9620300691 e-mail: sudarshan.mv@outlook.com as the Interim Resolution Professional to carry the functions as mentioned under the IBC, the fee payable to IRP/RP shall comply with the IBBI Regulations/Circulars/Directions issued in this regard. The IRP is directed to take the steps as mandated under Section 15, 17, 18, 20 and 21 of the IBC 2016.
9. The Operational Creditor shall deposit a sum of **Rs.2,00,000/-** (Rupees Two Lakh only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors.
10. The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying constitution of the Committee to this Adjudicating Authority on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days for filing the report of Constitution of the Committee. The Interim Resolution Professional is further directed to send regular progress reports to this Adjudicating Authority every fortnight.



11. Registry is directed to communicate this order to both the parties and send the copy of this order to the Interim Resolution Professional at his e-mail address forthwith.
12. The learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith.

Sd/-
(MANOJ KUMAR DUBEY)
MEMBER (TECHNICAL)

Sd/-
(K. BISWAL)
MEMBER (JUDICIAL)