

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

CP (IB) No.72/09/HDB/2019  
Under section 9 of the I & B Code, 2016  
Read with rule 6 of the Insolvency and Bankruptcy  
(Application to Adjudicating Authority) Rules, 2016.

In the matter of:- **Alekhya Drugs Private Limited.**

Between:

M/s. Trident Chemphar Limited,  
Having its Regd. Office at  
Sy. No.66 & 67, Miyapur,  
Hyderabad – 500 050.

...Petitioner/  
Operational Creditor

And

M/s. Alekhya Drugs Private Limited,  
Having its Regd. Office at  
Flat No.215, Bhanu Enclave,  
Sunder nagar, Erragdda, Hyd – 38.

...Respondent/  
Corporate Debtor

**Date of Order: 11.12.2019.**

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

Counsels/Parties present:

For the Petitioner/  
Operational Creditor:

Mr. Challa Gunaranjan,  
Mr. DVAS Ravi Prasad,  
Mr. N. V. Shravan Kumar,  
Mr. M. Sridhar,  
Counsels.

For the Respondent/  
Corporate Debtor:

Mr. V. Venkata Rami Reddy, Counsel.

Per: K. Anantha Padmanabha Swamy, Member Judicial

**ORDER**

1. Under consideration is a Company Petition filed by M/s. Trident Chemphar Limited (in short, '**Petitioner/Operational Creditor**') against M/s. Alekhya Drugs Private Limited (in short, '**Respondent/Corporate Debtor**') under

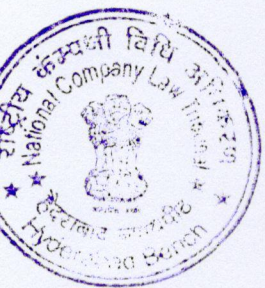
section 9 of the Insolvency and Bankruptcy Code 2016 (in short, **I & B Code 2016**) Read with Rule 6 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity, '**IB Rules 2016**').

2. Before proceeding with this matter, it would be appropriate to make a note of background facts for the purpose of determination of this petition.
3. The Petitioner Company a Company registered under the Companies Act, 1956 and having its office at Hyderabad and it is engaged in the business of distribution and sale of intermediaries, solvents and other similar products in domestic and overseas markets whereas, the Respondent/Corporate Debtor is also a Company registered under the Companies Act, 1956 having its registered office at Hyderabad, and it is engaged in the business of manufacturing and supply of Intermediaries and Active Pharmaceutical Ingredients (APIs),
4. It is stated by the Petitioner/Operational Creditor that the Respondent/Corporate Debtor had approached the Operational Creditor in the year 2014, as it required working capital financial support. Accordingly, the parties entered into a Memorandum of Understanding (MoU) dated 15.01.2014 wherein, it is stated as under:

*"2.1 From the Effective date i.e, 15.01.2014, TRIDENT would procure and sell to ALEKHYA all the raw materials, packing materials and other materials as may be required by ALEKHYA for the manufacture of products at its manufacturing facilities.*

*2.2 ALEKHYA shall sell the final product directly to the customers for and on behalf of TRIDENT, ALEKHYA should raise the commercial advice on TRIDENT AND Trident will simultaneously raise commercial invoice on the customer(s). This shall apply to all bi-products, scrap, spent, solvents etc., which may be derived from the operations of the manufacturing facilities."*

5. It is stated that Operational Creditor was assured 50% of the profit, or Rs.50 Lakh per month, whichever was higher to be paid by the Corporate Debtor. It was agreed that the parties would reconcile the accounts through the debit/credit notes raised by the parties. From the date of signing the MoU, the Operational Creditor supplied raw material needed for manufacturing and also supplied other materials as part of the obligation undertaken in the MoU



towards providing working capital support. Against the supplies made to Corporate Debtor, various invoices have been raised from time to time, copies of which are placed in the petition i.e., page nos. 55 to 250. The Corporate Debtor would supply the final product on the material supplied by the Operational Creditor. As working capital support was provided as agreed in the MoU and in view of the nature of the transactions, the Operational Creditor made a number of requests to the Corporate Debtor to reconcile the accounts, duly considering the supply of the final product made by the Corporate Debtor. The Operational Creditor addressed a number of emails to the Corporate Debtor for reconciliation of accounts.

6. It is stated that the Corporate Debtor reconciled the accounts at their end after repeated requests by the Operational Creditor and acknowledged the balance amount payable to the Operational Creditor. As reconciliation of accounts itself took a long time and due to other Operational inconveniences, the reconciled account is restricted to the Operational issues between the parties and excludes the entitlement to profit margin mentioned in the MoU. After the reconciliation of accounts the Corporate Debtor defaulted in making payments to the Operational Creditor to the tune of Rs.10,91,21,837/- (Rupees Ten Crores Ninety One Lakhs Twenty One Thousand Eight Hundred and Thirty Seven Only) and the same is pending till date. As stated above, due to the long delay in reconciliation of accounts, the Operational Creditor is restricting the claim to Rs.10,91,21,837/- and reserves the right to claim the profit amount due in terms of the MoU at a later date. The Corporate Debtor had accepted the outstanding amount as Rs.10,90,21,837/- in a confirmation letter dated 23.09.2017, placed at page no.290 of the instant petition.

7. It is stated that liability for an amount of Rs.10,90,21,837.49/- is due and for which the last date of payment was 15.05.2016, which is well within the period of limitation.

8. The list of copy of documents furnished by the petitioner with regard to default are as follows:-



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- i. Memorandum of Understanding dated 15.01.2014.
  - ii. Invoices from 23.09.201 to 07.03.2016.
  - iii. Ledger Statement of the Operational Creditor.
  - iv. Demand Notice issued under section 8 R/w Rule 5(b) of the Insolvency and Bankruptcy (Application to Adjudicating Authority Rules), 2016 and confirmation of delivery thereof.
  - v. Confirmation of outstanding balance vide letter dated 23.09.2017.
  - vi. Bank Statements of the Operational Creditor from 06.09.2018 to 30.09.2018.
9. Reiterating the above averments, the counsel for the Operational Creditor prayed to admit the petition.
10. Respondent/Corporate Debtor filed counter, denying averments and allegation contained in the petition and submitted that they are not liable to pay the amount of Rs.10,90,21,837.49/- to the Operational Creditor, as there was discrepancies in the challans/tax invoices and therefore, the claim is under dispute .
11. It is also stated that Corporate Debtor has approached the Operational Creditor to give a consideration to make payments in instalment basis at the rate of Rs.25,00,000/- per month into 24 month. It is further stated that inspite of crisis the Board of Directors are able to bring back the business and productivity has increased in the recent past. The Corporate Debtor also states that it is no way with any intention of evading the debts, but due to bad market conditions and due to decrease in raw material, the Corporate Debtor could not succeed as estimated earlier.
12. Reiterating the above contentions, the counsel for the Respondent prayed to dismiss the petition.
13. Heard both sides and perused the records.
14. It is the case of the Petitioner that it has provided working capital support in the form of supplies of raw material, packing material and other materials as required by the Corporate Debtor as per the terms of the Memorandum of



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Understanding (MoU) dated 15.01.2014 wherein, it was agreed that the Operational Creditor would provide working capital support for operating the Corporate Debtor's manufacturing facilities. Further, from the date of signing the MoU, the Operational Creditor supplied raw material needed for manufacturing and also supplied other materials as part of the obligation undertaken in the MoU. Against the supplies made to Corporate Debtor, various invoices have been raised from time to time for which the Corporate Debtor was liable to pay and has failed to pay. Respondent nowhere in its counter denied the debt. In fact, it has admitted the debt by virtue of the confirmation letter dated 23.09.2017. Further, the Corporate Debtor had also approached the Operational Creditor to consider payment of Rs.25 Lakh per month for 24 months, which also indicated admission of debt on the part of the Corporate Debtor. This Adjudicating Authority is therefore, satisfied that there is a default in payment of the operational debt on the part of the Corporate Debtor. Further the instant Application is also not barred by Limitation. In view of the same, this Adjudicating Authority is inclined to admit the instant petition

15. The instant petition is hereby admitted and this Adjudicating Authority order the commencement of the Corporate Insolvency Resolution Process which shall ordinarily get completed within the timelines stipulated in section 12 of IB Code, 2016, reckoning from the day this order is passed.

16. Since no name of IRP is proposed by the Operational Creditor, This Adjudicating Authority hereby appoint Mr. Ranga Rao Doradla (Regn. No. IBBI/IPA-001/IP-P00363/2017-18/10621) as IRP, from the list provided by IBBI, 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 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.



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17. We declare 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. I 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);*

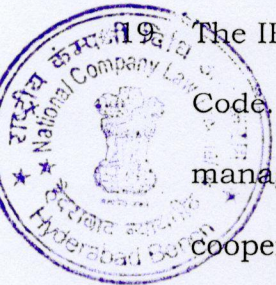
d) *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*

18. 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, as notified by the Central Government.

19. 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. Accordingly, the application is admitted.

20. IRP is directed to file its written consent in Form-AA, within three days from the date of the order.

21. The Petitioner 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.



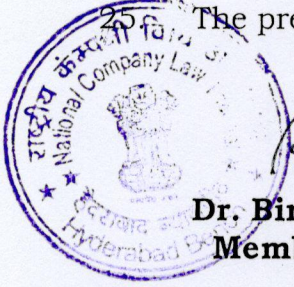
*Admitted*  
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22. The Registry is also directed to communicate this Order to the Operational Creditor and the Corporate Debtor.
23. The Registry shall also communicate this Order to the RoC, Hyderabad for updating the status of the Corporate Debtor in the MCA website.
24. The address details of the IRP are as follows:-

Mr. Ranga Rao Doradla  
IBBI/IPA-001/IP-P00363/2017-18/10621  
D.Siva Nageswara Rao & Co. Chartered Accountants,  
H.no:3-6-111/5, Opp Tata Motors, Liberty Road,  
Himayat Nagar, Hyderabad,  
Telangana, 500029,  
Email: ranga\_ca@rediffmail.com,  
Mob: 9848025125.

The present petition bearing CP (IB) No.72/9/HDB/2019 is hereby admitted.



*Dr. Binod Kumar Sinha*  
11.12.19  
**Dr. Binod Kumar Sinha**  
Member Technical

*K. Anantha Padmanabha Swamy*  
**K. Anantha Padmanabha Swamy**  
Member Judicial

Rk/Rathi

*[Signature]*  
**Dy. Regr./Asst. Regr./Court Officer/**  
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति  
**CERTIFIED TRUE COPY**

केस संख्या  
CASE NUMBER... (P/IB) No. 72/9/HDB/2019.  
निर्णय का तारीख  
DATE OF JUDGEMENT... 11/12/19.  
प्रति तैयार किया गया तारीख  
COPY MADE READY ON... 16/12/19