

SL. No.1

**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH
COURT HALL NO: II**

Hearing Through: VC and Physical (Hybrid) Mode

CORAM: SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (J)

CORAM: SHRI. SANJAY PURI, - HON'BLE MEMBER (T)

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 14.02.2024 AT 10:30 AM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	Company Petition IB/10/2023
NAME OF THE COMPANY	Ananda Bharathi Fertilize Limited
NAME OF THE PETITIONER(S)	Canara Bank
NAME OF THE RESPONDENT(S)	Ananda Bharathi Fertilize Limited
UNDER SECTION	7 of IBC

ORDER

Orders pronounced, recorded vide separate sheets. In the result, the Petition is admitted.

Sd/-
MEMBER (T)

Sd/-
MEMBER (J)

NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - II

CP NO.10/07/HDB/2023
u/s 7 of the IBC, 2016

Between:

Canara Bank,
Door No. 6-3-144, First Floor,
Jahanara Kareem Complex,
Main Road, Balanagar,
Hyderabad-500037,

...Financial Creditor

Vs.

M/s. Ananda Bharathi Fertilizers (India) Pvt. Ltd.,
H.No. 8-3-167/D/123&125,
Flat No. 601, Visista Apartment,
Phase-I, Kalayan Nagar Colony,
Hyderabad-500038.

... Corporate Debtor

Date of Order : 14.02.2024

Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Counsels on record:

For the Applicant : Mr. Dishit Bhattacharjee, Advocate.

For the Respondent : Mr. M. Naga Deepak, Advocate

Order reserved on : 02.01.2024

Per : Sanjay Puri, Member (Technical)

ORDER

1. This application is filed by Canara Bank, the Financial Creditor (**FC**), seeking to initiate the CIRP¹ against the Corporate Debtor (**CD**) M/s. Ananda Bharathi Fertilizers (India) Pvt. Ltd, for the alleged default in discharging the financial debt of Rs **17,85,85,579**. The date of default as per NeSL² Report is stated to be **30.03.2021**.

Brief facts of the application:

2. The CD was incorporated on 14.02.2011 for manufacturing of customized fertilizers and soil conditioners. On 24.03.2016, the FC sanctioned³ and disbursed a term loan of Rs 900 lakhs and working capital loan of Rs 110 lakhs in favour of the CD. These loans were restructured during the year 2019.
3. It is alleged that, the CD did not comply with the terms of the sanctioned letter and defaulted on the repayment of both principal debt and interest within the stipulated schedule. Consequently, the financial institution classified the loan account of the company as a Non-Performing Asset (NPA) on 03.06.2018.
4. The accounts of the CD were restructured by creating FITL-I of Rs.1,50,22,000/- and FITL-II of Rs.54,00,000/- by carving out the interest accrual and penal charges on the term loan. The total limits after renewal/restructuring/WCDL/Covid loans, stood at Rs.13,81,99,573/-. Thereafter, the implementation time for restructuring was until 31.03.2021, and subsequently, the CD's account slipped into NPA on 09.05.2021.

¹ Corporate Insolvency Resolution Process

² National E-Governance Services Ltd

³ Pg 67 to 88 of the Application (Annexure-4)

5. The status of the limits sanctioned and the amounts due as on 22.11.2022 was, as follows⁴:

S.No.	Account Facility	Account No.	Limit	Liability* as on 22.11.22
1.	OCC/ODBD	0625261005597	2,40,00,000	1,92,29,738
3.	TL	0625773002118	9,00,00,000	13,21,55,214
4.	WCTL	0625753000059	24,00,000	28,12,387
5.	FITL I	0625747000001	1,50,22,000	1,68,61,222
6.	FITL II	0625747000002	54,00,000	58,42,837
7.	COVID FITL	0625710000081	13,77,573	16,84,182
		TOTAL	13,81,99,573	17,85,85,580

*including interest

6. As the CD had not paid the outstanding amounts, the FC initiated proceedings under the SARFAESI Act and issued a Demand Notice⁵ dated 27.10.2021, a Possession Notice on 10.01.2022, and further issued a Redemption Notice on 18.01.2022. The CD requested for an OTS, but the FC rejected it, as the OTS offer was not financially feasible. Due to the failure in making payments by the CD, the present application is filed, praying to initiate the CIRP against the CD under the IBC 2016.

Counter:

7. In its counter the CD averred that, the Petitioner had provisionally sanctioned⁶ a term loan of Rs 1050 lakhs and a working capital of Rs. 300 lakhs. However, the final sanction was a term loan of Rs 900 lakhs and working capital of Rs 110 lakhs.

⁴ Pg 378 to 388 of the Application (Annexure-10)

⁵ Pg 389 to 408 of the Application.

⁶ Pg 30 to 55 of the Counter.

8. It is further asserted that, upon discussions on the working capital limit issue with the authorities of the Bank, the Representatives of the CD were assured that, the limits would be enhanced subsequently. However, the promised enhancements were never implemented and the working capital limits were not released on time as stipulated in the Sanction Letter dated 21.03.2016.
9. The CD commenced commercial production from 29.09.2017 onwards. It is claimed that as per the Sanction Letter, the working capital was to be disbursed from the date of commercial production. However, the working capital was released much later after an inordinate delay of 27 months. The promoters of the CD infused their own capital due to a lack of funds. The Petitioner is alleged to have breached the terms and conditions of the Sanction Letter dated 24.03.2016.
10. As per the terms and conditions of the restructuring, the existing term loan of Rs. 900 lakhs was to be repaid in 10 years with a repayment holiday of 12 months, and repayment was to commence from March 2020. Similarly, FITL⁷-I was carved out to the tune of 150.22 lakhs and the repayment of the same was to commence from March 2020, while FITL-II to the tune of Rs. 54 lakhs was carved out and the repayment for the same was to commence from September 2019. Additionally, a fresh working capital limit of Rs. 240 lakhs was permitted, and the limits were tenable till 31.05.2020. The repayment of the restructured loan fell within the Section 10A period of the IBC.

⁷ Funded Interest Term Loan

11. The contention of the CD is that the inordinate delay and an already existing liquidity crunch adversely affected the company, which was augmented by the Covid-19 Pandemic. Just when the CD was given additional capital, lockdown measures crippled the unit. Pertinently, the Petitioner recovered an amount to the tune of Rs. 33 lakhs against the restructuring towards interests and penalties till 05.09.2019. The CD asked for reasons for such deductions from the Respondent Bank vide letter⁸ dated 25.06.2020. No reply has been given till date.
12. The Petitioner issued a Demand Notice⁹ dated 25.05.2021 under Section 13(2) of the SARFAESI Act, 2002, demanding a payment of Rs 15,98,11,367 plus interest. The CD gave a reply to the Demand notice vide letter¹⁰ dated 09.07.2021. The CD had also asked for a detailed break-up on how the outstanding amount was arrived, as the said Demand Notice merely indicated a table aggregating outstanding figures of different loan accounts. No reply was ever given to the said letter dated 09.07.2021.
13. The Petitioner then issued another Demand Notice¹¹ dated 27.10.2021 under Section 13(2) of the Act, for the outstanding liability was stated to be Rs. 16,70,99,931.23 plus subsequent interest, for which, a detailed reply was given by the CD vide letter¹² dated 21-12-2021 and requested for a detailed breakup of the outstanding amount.

⁸ Pg 66 to 67 of the Counter.

⁹ Pg 68 to 77 of the Counter.

¹⁰ Pg 78 to 90 of the Counter.

¹¹ Pg 91 to 100 of the Counter.

¹² Pg 101 to 104 of the Counter.

14. The Petitioner thereafter issued a Possession Notice¹³ dated 10.01.2022 under Section 13(4) of the Act, as well as issued the Notice dated 18.01.2022 for exercising the right of Redemption¹⁴ under Section 13(8) of the SARFAESI Act, 2002. Thereafter, a Sale Notice¹⁵ dated 03.06.2022 was issued, and the auction was to be held on 11.07.2022.
15. Questioning the Demand Notice, Redemption Notice, and the subsequent Sale Notice, the Directors of the CD filed W.P. No. 5554 of 2022 before the Hon'ble High Court of Telangana. At that relevant time, the post of Presiding Officer was vacant in the Hon'ble DRT, leaving no effective alternative remedy. During the pendency of the Writ Petition, the Presiding Officer was appointed, and the Hon'ble High Court, vide order¹⁶ dated 07.07.2023, disposed of the Petition with the following observation:

“Since learned senior counsel fairly submits that the petitioners shall avail the remedy provided by Section 17 of the Act, sought limited protection by way of direction not to issue a sale certificate even if the auction is conducted successfully on 11.07.2022, in the peculiar facts of the case, we are inclined to grant protection for a period of seven (7) days from today. While granting liberty to the petitioners to avail the remedy of appeal under Section 17 of the Act, the respondent Bank is directed not to issue a sale certificate for a period of one week from today if the auction was successfully conducted on 11.07.2022.”

16. The Hon'ble DRT in L.A. No. 857 of 2022 in S.A. No. 176 of 2022, vide order¹⁷ dated 14.07.2022, was pleased to grant an Interim stay in favour of the CD, stating that:

¹³ Pg 105 to 108 of the Counter.

¹⁴ Pg 109 to 110 of the Counter.

¹⁵ Pg 111 of the Counter.

¹⁶ Pg 112 to 118 of the Counter.

¹⁷ Pg 119 to 120 of the Counter.

"I am of the opinion that there shall be an interim stay of all further proceedings, including taking physical possession of the schedule properties pursuant to the Auction Sale Notice dated 03-06-2022 and the Advocate Commissioner's Notice dated 06-07-2022, subject to the Petitioner's depositing a sum of Rs. 120 lakhs in two instalments... directly with the Respondent Bank."

17. It is contended that the FC stands accused of violating the terms outlined in the Loan Sanction Letter dated 24.03.2016. The untimely release of working capital, crucial for the CD's sustenance, forms a fundamental breach. Despite the provision for loan restructuring, the CD was unable to reap any benefits due to the adverse impact of the Covid-19 pandemic. It is noteworthy that the payment holiday allowed under the restructuring was to be applied retrospectively from March 2019, even though the restructuring sanction was granted in July 2019. The FC, in the course of the present Company Petition, initiated action under the SARFAESI Act, issuing another Section 13(2) Demand Notice¹⁸ dated 19.04.2023 to the CD.
18. Furthermore, it is asserted that the FC should recognize that this Hon'ble Tribunal is not merely a recovery forum. The underlying intention of the IBC is the resolution and revival of a company to the benefit of all stakeholders. The CD remains an operational entity, serving the vital needs of farmers. The actions of the FC are argued to be an instrumental use and abuse of the legal process. For these reasons, prayed to dismiss the present Petition.

¹⁸ Pg 121 to 126 of the Counter.

Rejoinder:

19. The FC submitted through its rejoinder that, the CD entered a Joint Venture Agreement on 19.04.2013 and a Supply Agreement on 19.12.2014 with M/s. Nagarjuna Fertilizers and Chemicals Ltd. According to the 'Per-Disbursement Conditions' in the Sanction Letter, the Working Capital Loan disbursement hinged on the submission of Detailed Operations Agreement, the CD entered into Detailed Operations Agreement on 27.06.2018.
20. It is alleged that, the CD had not complied with the terms of sanctioned letter and defaulted on the repayment of both principal debt and interest within the stipulated schedule. As a result, the FC classified the loan account of the CD as a Non-performing Asset (NPA) on 03.06.2018.
21. The FC on 16.07.2018 issued a Demand Notice to CD under Section 13(2) of the SARFAESI Act, 2002. In response, the CD on 12.09.2018 requested the release of the working capital loan, loan restructuring, withdrawal of SARFAESI proceedings, and waive off interest and penal interest. The request was approved on 28.06.2019, with the restructuring involving Funded Interest Term Loans (FITLs) and Cash Credit facility (OCC) for the CD.
22. The FITL I of Rs. 1,50,22,000/- was sanctioned on 31.08.2019, FITL II of Rs. 54,00,000/- on 03.09.2019, a fresh working capital facility of Rs. 2,40,00,000/- on 06.09.2019 and CFITL of Rs. 13,77,573 on 01.09.2020. Additionally, the CD received Rs. 24 lakhs under Canara Credit Scheme (CCS) for COVID affected customers on 07.07.2020. Despite these efforts, the CD defaulted on the restructured loan repayment on 30.09.2019.

23. The FC issued a demand notice on 25.05.2021 under Section 13(2) of the SARFAESI Act, 2002. Despite an evasive reply from the CD on 09.07.2021, no response was received under Section 13(3A). Subsequently, another demand notice was issued on 27.10.2021 to which the CD responded with an evasive reply on 21.12.2021.
24. It is averred that, during the ongoing SARFAESI proceedings, the CD proposed a One Time Settlement (OTS) twice, on 16.08.2021 and 30.10.2021, offering Rs. 8 Crores and acknowledging the outstanding debt to the FC. However, the FC declined the proposal, deeming it financially unviable.
25. It is submitted that, the proceedings under SARFAESI Act, 2002 were ongoing and notices were duly published in two newspapers, both in English and Vernacular language on 19.05.2023. The CD aggrieved by the proceedings approached the Hon'ble High Court of Telangana and filed WP No. 5554/2022 and an interim relief was granted restraining the issuance of a sale certificate for a period of 7 days and to avail appropriate remedy of appeal U/Sec. 17 of SARFAESI Act, 2002.
26. It is submitted that, the Hon'ble DRT vide order dated 14.07.2022 in IA No.857/2022 of SA No.176/2022 an interim stay favouring the CD was granted. In adherence to this order, the FC suspended all further proceedings, including the physical possession of the schedule properties as per the auction sale notice dated 06.07.2022. This suspension was contingent upon the CD depositing Rs. 120 lakhs in a no lien account. After compliance with the order, the FC sought permission to initiate fresh

proceedings under the SARFAESI Act, 2002. The Hon'ble Tribunal granted this request through an order dated 05.04.2023.

Decision:

27. The fact that as on 22.11.2022, the CD owed to FC a sum of Rs 17,85,85,579 is uncontroverted. This sum has remained unpaid, so the default is also not contested. In its counter and during the hearing, the arguments on behalf of the CD were three-fold. That, the date of default has not been mentioned in Part-IV of Form G, in column 2; that the FC has also been responsible for the circumstances leading to default; and that the FC is using these proceedings under IBC as recovery mechanism and not for insolvency resolution which, considering that the CD is a “running unit catering to the dire needs of the farmers”, is not permissible.
28. So far as the date of default is concerned, in Part-IV of Form G, in column 2 all that is mentioned is that the CD’s “liability as on 22.11.2022” was Rs 17,85,85,579. Ld. Counsel for the Applicant FC stated during the course of hearing that the said date i.e. 22.11.2022 was the date of default. He pointed out that the loans of Rs 9 crores (as term loan) and Rs 1.10 crores (as working capital loan) were initially sanctioned¹⁹ on 24.03.2016, and then restructured²⁰ on 28.06.2019. The liability in respect of the outstanding debts was acknowledged²¹ by the CD on 22.09.2021, and the last payment of Rs 120 lakhs²² in respect of outstanding

¹⁹ Page 67 of the Application

²⁰ Page 89 of the Application

²¹ Page 376 & 377 of the Application

²² Pursuant to the order dt. 14.07.2022 of Debt Recovery Tribunal in IA No. 857 of 2022 at Page 119 of the Counter Reply of the Respondent CD

debts was made on 21.09.2022. As no repayments as per the agreed terms were forthcoming thereafter, the date of default was indicated as 22.11.2022. Relying on Hon'ble Supreme Court's judgement in **Rajendra Narottamdas Sheth**²³ is argued that *"the Adjudicating Authority may admit an application under Section 7 only if [it] is satisfied that a default has occurred"*.

29. While the term "date of default" is not defined in IBC, the term "default" is defined under Section 3(12) of IBC to mean to be:

"non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor, as the case may be"

In the present case, as per the terms of the restructuring letter of 28.06.2019, the stipulated repayment schedules were as follows:

- For the Term Loan of Rs 900 lakhs and FITL-I of 150.22 lakhs the repayments were scheduled from March 2020.
 - The loans remained unpaid and the accumulated balances as on 22.11.2022 were Rs 13,21,55214 and Rs 1,68,61,221 respectively.
- For FITL-II of Rs 54 lakhs repayment was to start from September 2019.
 - This also remained unpaid and the outstanding balance as on 22.11.2022 was Rs 58,42,836
- For the Working Capital Limit of Rs 240 lakhs, which was drawn in full in December 2021, no repayment was made after 31.12.2021, except Rs 120 lakhs after the order of DRT on 21.09.2022.
 - The outstanding balance as on 22.11.2022 was Rs 1,92,29,737

²³ Rajendra narottamdas Sheth v. Chandra prakash Jain, 2021 SCC Online SC 843

30. That there is a default is also shown from the NESL²⁴ filings, placed on record²⁵ by the Applicant FC, in respect of different debt accounts of the CD. These are:

Debt Contract date	Facility Name	Sanctioned Amt (Rs)	Tenure (Months)	Date of default	Default Amt (Rs)*
06.09.2019	MSME-OD/OCC	1,23,74,317	21	30.03.2021	2,06,99,557
31.08.2019	FITL	1,50,22,000	30	31.10.2019	1,75,66,031
01.09.2020	COVID (FITL)	13,77,573	7	31.03.2021	17,71,466
03.09.2019	FITL	54,00,000	6	30.09.2019	60,84,289
07.07.2020	Working Capital	24,00,000	24	07.02.2021	29,20,407
04.04.2016	TERM LOAN	9,00,00,000	76	04.09.2019	13,92,72,584

* AUTHENTICATED as on 03.05.2023

31. The default across various loan facilities is clearly established. It is also noteworthy that none of the default date as identified in NESL filings falls within Section 10A period, contrary to the claims of the CD.

32. When dealing with multiple loan facilities, the default dates cannot be pinpointed to a single defined date. Therefore, the Applicant FC's indication of a particular date in Form G, which represented consolidated amount of default as of that date, is adequate to meet the requirement of the law, especially given that the default in the present case is ongoing. Here we draw support from Hon'ble NCLAT where in the case of **Manmohan Singh Jain**²⁶ it was held that “...non-mentioning of the date of default in Col. IV is not fatal to the application and on the sole ground, the application cannot be rejected...”.

33. Regarding the assertion of FC contributing to the default, it is contended that the originally sanctioned term loan of Rs 900

²⁴ National E-Governance Services Limited

²⁵ Applicant's Memo dated 23.08.2023

²⁶ Manmohan Singh Jain case V. State Bank of India Company Appeal (AT) (CH) (INS) No. 97 of 2021

lakhs and working capital limit of Rs 110 lakhs was inadequate. Moreover, there was a delay in the release of the working capital, which affected the CD adversely. The onset of the COVID-19 pandemic is also cited as a contributing factor to the CD's financial difficulties.

34. These are facetious contentions. Original loan sanctions were in March-April 2016, and when there was default the loans were restructured in 2019. Further, in 2020 COVID support was also extended to the CD. Still the CD was unable to meet the commitment of repayments as per the agreed schedule and defaulted on all debt accounts. Once the loan disbursement and subsequent default are established, the acceptance of the application under Section 7 is typically warranted, unless the application is determined to have been filed for a purpose other than insolvency resolution.
35. Coming to the contention that the Applicant FC is seeking to use this Tribunal as a recovery forum and that cannot be permitted under IBC, this contention is to be seen in the light of the continuous default by the CD. The default has been established in this case, and as mandated by Hon'ble Supreme Court in **Innoventive**²⁷ judgment that “*the moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete...*”. Present case is also similar to the one decided by Hon'ble NCLAT, where in **SBI vs N.S Engineering**²⁸ it was held that:

²⁷ Innoventive Industries Limited v. ICICI Bank - (2018) 1 SCC 407

²⁸ SBI v. N.S. Engineering Projects (P) Ltd., 2023 SCC OnLine NCLAT 1182

“Under the Scheme of IBC, when a Corporate Debtor is unable to pay its debt, which becomes payable, it is a warning signal for Corporate Debtor and when an Application is filed by a Financial Creditor to initiate CIRP under Section 7 and there are ample material that Corporate Debtor is unable to pay its debt and has committed default, **the Adjudicating Authority is not required to go into the reasons of default and ignore the real status of the Corporate Debtor and close its eyes to the fact that the Corporate Debtor needs insolvency resolution.** Red signal having been flagged by the Applicant, ignoring the precarious financial situation and status of the Corporate Debtor and not taking remedial action to bring back the Corporate Debtor on its track by adopting resolution process as per IBC and reject the Application on the reasons of default, is clearly contrary to the whole Scheme of the IBC. **There being sufficient material before the Adjudicating Authority that consistent defaults have been committed by the Corporate Debtor and it is unable to pay its debt, rejection of Section 7 Application on the ground that for default committed by the Corporate Debtor, the Financial Creditors have also to be blamed is closing the eyes to the Scheme of the insolvency resolution.**” (emphasis supplied)

36. For the present application therefore, we are not to go into the status of the CD or circumstances of the default. From the facts on record, it is clear that the financial facilities were sanctioned to the CD and were restructured on account of default, yet the CD has not been able to carry out its repayment obligation as per Restructuring Agreement. Considering the consistent default by the CD, we are of the firm view that the conditions for admitting this application under Section 7 of IBC are satisfied.

37. Hence, in view of the admitted debt and default, the application is allowed with the following directions:

ORDER

- a) The Application is admitted and this Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process, which shall ordinarily be completed within the timelines stipulated in the Code, 2016 (as amended), reckoning from the date on which this order is passed.
- b) The Applicant has proposed the name of **Mr. Kalvakolanu Murali Krishna Prasad**, whose AFA as per the IBBI Website is valid upto 22-11-2024, as the Interim Resolution Professional (hereinafter referred to as the "**IRP**"). The proposal to appoint **Mr. Kalvakolanu Murali Krishna Prasad**²⁹ as IRP is approved. The IRP is directed to file Authorization for Assignment within three days from the date of this order.
- c) The IRP is directed to take charge of the management of the Corporate Debtor, immediately. He is also directed to cause public announcement as prescribed under Section 15 of the Code, 2016, within three days from the date of receipt of this order, and call for submissions of claim in the manner as prescribed.
- d) Moratorium is, hereby, declared and shall have effect from the date of this order till the completion of the CIRP, for the purposes referred to in Section 14 of the Code, 2016. It is hereby ordered that all of the following are prohibited:

²⁹ Mr. Kalvakolanu Murali Krishna Prasad, Registration Number of IP : IBBI/IPA-001/IP-P00967/2017-2018/11588, R/o. 8-27, Jillelguda, Mythripuram Colony, Vyshalinagar, Hyderabad, West Marredpally, Telangana – 500079, E-mail ID: kmk123ip@gmail.com

- 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 or 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 rights 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 Securitization 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.

- e) The supply of essential goods or services to the Corporate Debtor shall not be terminated, suspended or interrupted during the 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.
- f) The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code, 2016. The Directors, Promoters or any other person associated with the management of Corporate Debtor are directed to extend all assistance and co-operation to the IRP as stipulated under Section 19 for discharging his functions under Section 20 of the Code, 2016.
- g) The Corporate Applicant as well as the Registry is directed to send the copy of this Order to the IRP, to enable him to take charge of the assets etc. of the Corporate Debtor, and comply with this order as per the provisions of the Code, 2016.

- h) The Registry is directed to communicate this Order to the Corporate Applicant.
- i) The Registry shall also communicate this Order to the Registrar of Companies, Hyderabad, for updating the status of the Corporate Debtor in the website of the Ministry of Corporate Affairs.

The Application No. CP(IB)/10/7/HDB/2023 is therefore admitted.

Sd/-

**(SANJAY PURI)
MEMBER (TECHNICAL)**

Sd/-

**(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)**

VL