

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

CP (IB) No. 351/9/HDB/2019
U/s 9 of IBC, 2016
R/w Rule 6 of I & B (AAA) Rules, 2016

In the matter of Panel Boards and Laminates Limited

NAC and Associates LLP,
Chartered Accountants
R/o: Off. No. 104, Mittal Chambers,
Pan Bazar, M.G. Road,
Secunderabad- 500 003.

...Petitioner/ Operational Creditor

VERSUS

M/s. Panel Boards and Laminates Limited,
R/o: Surya Towers, 3rd Floor, 'C' Block,
104, S.P. Road, Secunderabad- 500 003.

...Corporate Debtor/ Respondent

Date of order: 20.08.2019

Coram:

Hon'ble Shri Ratakonda Murali, Member (Judicial)

Hon'ble Shri Narender Kumar Bhola, Member (Technical)

Parties / counsels present:

For the Petitioner : Shri. V. Ravi Kumar, Advocate.

For the Respondent: Shri. V. K. Sajith, Advocate.

Per: *Hon'ble Shri Narender Kumar Bhola, Member (Technical)*





Heard on: 03.06.2019, 24.06.2019, 09.07.2019, 18.07.2019,
24.07.2019, 31.07.2019, 01.08.2019 and
07.08.2019.

ORDER

1. The present Petition is filed by NAC and Associates LLP (Petitioner/ Operational Creditor herein) against Panel Boards and Laminates Limited (Respondent/ Corporate Debtor herein). The Corporate Debtor had defaulted in paying Rs. 7, 21,364/- (Seven Lakhs, Twenty-one thousand, Three hundred and Sixty-four Rupees only) towards Annual Audit fees from April 2008 to March 2019. Hence this petition is filed under Section 9 of Insolvency and Bankruptcy Code, 2016, R/w Rule 6 of Insolvency & Bankruptcy (Application to the Adjudicating Authority) Rules, 2016, seeking admission of the Petition, initiation of Corporate Insolvency Resolution Process, granting moratorium and appointment of Interim Resolution Professional as prescribed under the Code and Rules thereon.
2. The Corporate Debtor is having Identification Number U36999TG2007PLC056030 and having its registered office in Hyderabad. The issue arose as the Corporate Debtor/ Respondent failed to pay the amount towards Annual Audit Fees from April 2008 to March 2019 for the Corporate Debtor. Hence this Petition is filed for initiating of Corporate Insolvency Resolution Process.
3. The Corporate Debtor appointed the Operational Creditor as Auditor for their Company. Thus, the services of auditing were rendered by the Operational Creditor from April 2008 to March 2019.
4. The statutory demand notice in Form 3 dated 15.03.2019 as required under Section 8 of the Insolvency and Bankruptcy Code, 2016 for amount Rs. 6, 85,964/- (Six Lakhs, Eighty-



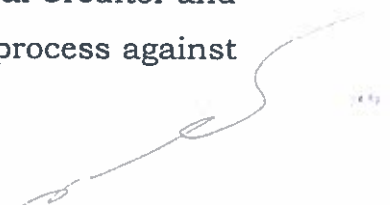
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Five Thousand, Nine- Hundred and Sixty-Four Rupees only) was issued by the Operational Creditor to the Corporate Debtor for Audit fees for the Years from March 2008 to March 2018. The said notice is attached in Petition at Page No. 5-6 as **Annexure II**.

5. The Corporate Debtor replied to the Demand Notice dated 1st June, 2018 of the Operational Creditor on 30th June, 2018 admitting the debt payable to the Operational Creditor (**Annexure- III (a) Pg. No. 10**). The Corporate Debtor also sent a letter dated 25.04.2018 (**Annexure- III (b) Page No.11**) requesting further time to clear the dues.
6. The Operational Creditor did not receive any amount till date even after the issue of Demand notice as required under Section 8 of the Insolvency & Bankruptcy Code, 2016. The Ledger statement of Operational Creditor is filed as **Annexure IV** showing that there are dues payable by the Corporate Debtor.
7. The Operational Creditor has enclosed the appointment letter issued by the Corporate Debtor Company appointing Operational Creditor as auditor at **Annexure IX**.

The Corporate Debtor did not file any counter. However, Memo dated 09.07.2019 has been filed on behalf of Corporate Debtor admitting that the Corporate Debtor failed to pay the outstanding amounts which are due and payable to Operational Creditor due to the heavy financial crisis and as it is unable to lead the business successfully. It is also stated in the memo that as the corporate debtor is suffering from financial crisis and losses in its business, it is unable to pay to its creditors. Thus, Corporate Debtor requests this Tribunal to allow the Petition of the Operational Creditor and initiate the Corporate Insolvency Resolution process against







the Corporate Debtor Company as it would help other creditors to get some amount out of outstanding debts.

9. We have heard the counsel for Operational Creditor. This Petition is filed by Operational Creditor under section 9 of Insolvency and Bankruptcy Code, 2016. Operational creditor filed Form-5 and furnished the information with regard to the operational debt which is committed default by corporate debtor.
10. The Operational Creditor is to establish that the application filed under sub-section (2) of Section 9 is complete and that there is no repayment and that the invoices or notices for payment to Corporate Debtor has been delivered by Operational Creditor and that no notice of dispute has been received by Operational Creditor. Further Operational Creditor is to establish that there are no disciplinary proceedings pending against proposed Resolution Professional.



11. The case of Operational Creditor is that the Corporate Debtor failed to pay an amount of Rs. 7,21,364/- (Seven Lakhs and Twenty One Thousand, Three and Sixty Four Rupees only) towards Annual Audit fees from April 2008 to March 2019 which is supported by Annexures attached to the main Petition, which contain demand notice in Form No.3 as prescribed by the Insolvency and Bankruptcy Code, 2016, board resolution, Ledger statement of Operational Creditor, letter issued by the Corporate Debtor, Appointment letter of Operational Creditor by the Corporate Debtor etc.
12. The notice was served on the corporate debtor and reply by the Corporate Debtor is also received. Learned counsel contended that Corporate Debtor has admitted the debt in reply of demand notice of operational creditor. The counsels have convinced us that the claim is submitted within period

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of time prescribed under Limitation-Act, 1963. Thus, the claim is within-limitation. The Corporate debtor has admitted the debt and raised no dispute against it.

13. The Operational Creditor proposes the name of Sri. Pavan Kanakani as Interim Resolution Professional. The proposed IRP has given written consent in Form-2. He has also certified there are no disciplinary proceedings pending against him either with the Board or ICSI. He has also attached the Certificate of Registration.

14. The Operational creditor is able to establish through documents that corporate debtor committed default of operational debt and there is acceptance of the debt by the Corporate Debtor. Thus, this Petition is complete and is liable to be admitted.

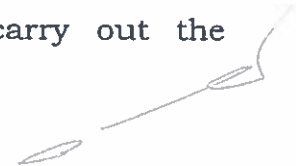
15. Hence, the Adjudicating Authority admits this Petition under Section 9 of IBC, 2016, declaring moratorium for the purposes referred to in Section 14 of the Code, with following directions:



- a. 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.

- b. 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.
- c. 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.
- d. That the order of moratorium shall have effect from 18th July, 2019 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.
- e. That the public announcement of the initiation of Corporate Insolvency Resolution Process shall be made immediately as prescribed under section 15 (1) and (2) of Insolvency and Bankruptcy Code, 2016 and on www.ibbi.gov.in (designated website of Insolvency and Bankruptcy Board of India, circulated vide IIBI/IP/PUBLIC ANN/221 dated 01.02.2017) and email to public.ann@ibbi.gov.in, in addition to other accepted modes of publication immediately and call for submission of claims as per Section 15 of the IBC read with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Company is also directed to publish the same in their Official website.
- f. That this Bench hereby appoints Sri Pavan Kankani, , having registration number IBBI/IPA- 002/IP-N00368/2017-2018/11062 having registered office at F-45, 5-9-1121, Agarwal Chambers, King Kothi, Abids, Telangana- 500 001, Email- ippavankankani@gmail.com, as Interim Resolution Professional to carry out the





functions as mentioned under the Insolvency & Bankruptcy Code.

Accordingly, this Petition is admitted.

NKH
20.8.19
(NARENDER KUMAR BHOLA)
(Member Technical)

[Signature]
20.8.19
(RATAKONDA MURALI)
(Member Judicial)



Niharika (LRA)

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

प्रमाणित प्रति
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER (IB) No. 351/9/HDB/2019 -
निर्णय का तारीख
DATE OF JUDGEMENT 20/8/19
प्रति तैयार किया गया तारीख
COPY MADE READY ON 20/8/19