



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

**CP (IB) No.419/9/HDB/2020**

Under section 9 of Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

In the matter of

**M/s Saiteja Constructions**  
8-3-977/4, 102, Plot No.5, Srinagar Colony  
Hyderabad – 500073  
Telangana.

**Operational Creditor**

VERSUS

**M/s Novus Green Energy Systems Limited**  
Plot No.100, “Siddhi”, P&T Colony  
Trimulgherry, Secunderabad – 500015  
Telangana.

**Corporate Debtor**

**Date of order: 13<sup>th</sup> May 2022**

**Coram:**

**HON’BLE DR. VENKATA RAMAKRISHNA  
BADARINATH NANDULA, MEMBER (JUDICIAL)**

**and**

**HON’BLE SHRI VEERA BRAHMA RAO AREKAPUDI  
MEMBER (TECHNICAL)**



Parties / Counsels present:

For the Applicant:

Shri Dammalapati Srinivas, Sr. Advocate, for Shri. P. Pratap, Advocate.

For the Corporate Debtor:

Shri B. Adinarayana Rao, Sr. Advocate, for Ms. Aishwarya Chevuturu,  
Advocate.

### **ORDER**

This Application is filed under section 9 of the Insolvency & Bankruptcy Code, 2016, by M/s Saiteja Constructions, herein after referred to as the Operational Creditor against M/s Novus Green Energy Systems Limited, herein after referred to as the Corporate Debtor, to initiate Corporate Insolvency Resolution Process, against the corporate debtor on the plea that the Corporate Debtor defaulted in payment of Rs.3,18,53,005/-, said to be due and payable by the corporate debtor to the operational creditor.

2. The averments made in the petition are as follows:

- (i) The petitioner/ Operational Creditor is a partnership firm registered with Registrar of Companies, Hyderabad and is engaged in the business of Civil Engineering, Construction of Civil Projects and other civil activities and constructions.



- (ii) The respondent/ Corporate Debtor is registered under the Companies Act, 1956 and is in the business of manufacture of Solar Energy Systems and Panels.
- (iii) The Corporate Debtor issued work order on 02.04.2019, offered Tender Document for construction of industrial buildings in question, declared the Operational Creditor as successful bidder and ultimately awarded contract worth Rs.8.40 crores to the Operational Creditor on the terms and conditions mentioned therein.
- (iv) The progress and quality of work being executed by the Operational Creditor were reviewed on day-to-day basis and minutes were drawn. The Corporate Debtor had defaulted in making payments within 30 days from the date of submission bills.
- (v) Repeated amendments to the scope of work made by the Corporate Debtor increased the cost by Rs.2 crores.
- (vi) The Operational Creditor discontinued its services on account of default committed by the Corporate Debtor effective from 01.11.2019.



- (vii) The Corporate Debtor vide its e-mail dated 14.10.2020 (page 70) admitted an amount of Rs.2,79,41,233/- as liability of the Corporate Debtor vide Reconciliation & Ledger attached to the e-mail (page 71).
- (viii) Ironically, the very next day, viz. 15.10.2020 the Corporate Debtor issued Legal Notice (Annexure 'E' to the Counter dated 24.03.2021), wherein the Corporate Debtor had admitted the liability of Rs.2,79,41,233 and expressed willingness to the same in a time scheduled to be fixed.
- (ix) The Operational Creditor was constrained to issue Demand Notice dated 20.10.2020 (Annexure 'F' to Counter dated 24.03.2021) in Form-4 of the I&B Code, 2016. The same was acknowledged by the Corporate Debtor on 22.10.2020.
- (x) The Corporate Debtor gave reply dated 23.10.2020 (Annexure 'G' of Counter dated 24.03.2021) contending that issuance of Form-4 Notice is premature in view of amendment of section 10A of the I&B Code, 2016 as it does not apply to defaults occurred after 25.03.2020.

3. Averments made by the Corporate Debtor in its Counter dated 24.03.2021 are briefly stated as under:



- (i) The Operational Creditor was awarded two contracts, namely Contract-I dated 02.04.2019 for compound wall and Contract-II dated 10.06.2019 for industrial shed. Said contracts are at Annexures 'B' and 'C' to the Counter. The Corporate Debtor has paid Rs.1.5 crore towards mobilisation advance.
- (ii) The Operational Creditor was had delayed in performance on one or other pretext and ultimately abandoned the project and left the project site with its men and machinery.
- (iii) The Corporate Debtor sent email dated 14.10.2020 (Annexure-D) to the Operational Creditor for liquidated damages. The Operational Creditor has replied disputing the liquidated damages and claiming payment of invoice amounts.
- (iv) The Corporate Debtor relied on Clause 23 of the Tender Document (Annexure 'H') and Clause-2 of the Work Order dated 10.06.2019 and lay emphasis on importance of completion of project by 30.08.2019, and contended that by that date the project ought to have been completed.
- (v) The Corporate Debtor had enumerated in detail the deficiencies in work rendered by the Operational Creditor and relied on Performance Review Report (Annexure 'K' of Counter dated



24.03.2021) conducted by the Corporate Debtor and notice dated 15.01.2021 (Annexure 'L' of the Counter dated 24.03.2021) by which the Corporate Debtor has demanded damages for the deficiencies and delays and also claimed termination penalty along with liquidated damages of Rs.4,05,36,938/-.

4. The averments, in brief, made by the Operational Creditor in Rejoinder dated 27.07.2021 and Written Submissions dated 07.04.2022:

- (i) It is incorrect to claim that the Project ought to have been completed by 30.08.2019 as contended by the Corporate Debtor.
- (ii) Since the Corporate Debtor defaulted in making payments to Project Consultant / N.R. Consultants, and failed to honour running account bills/ bills raised by the Operational Creditor on 11.02.2020, 20.02.2020 and 12.03.2020 the Operational Creditor was constrained to stop the works.
- (iii) The Operational Creditor has relied on the following judgments:
  - (a) Company appeal (AT) (Insolvency) No.1266 of 2019 by the Hon'ble NCLAT, on the issue of existence of dispute prior to receipt of Notice under Form-4;



(b) Mobilox Innovations Private Limited v Kirusa Software Private Limited, 2017 (1) SCC Online SC 353; and

(c) Innoventive Industries Limited Vs. ICICI Bank and another, 2018 (1) SCC 407 – to submit that the present petition meets all the parameters laid down therein.

5. The Corporate Debtor has filed Reply dated 11.11.2021 to Rejoinder and Written Submissions dated 19.04.2022 contending that:

- (i) Contract-I and Contract-II are not Fast Track Projects, but they are of Fast Track in nature.
- (ii) In spite of the Project Consultant, viz. NR Consultants requested the Operational Creditor on various occasions to complete the work as per agreed timelines, but to no avail. When the Operational Creditor failed to adhere to the timeline, the Corporate Debtor cannot be said to be in default of any alleged payments to the Operational Creditor. Copies of e-mail communications exchanged between the Operational Creditor and the Corporate Debtor are at ANNEXURE 'A' of the Reply dated 11.11.2021.
- (iii) The Corporate Debtor has cleared the bills/ invoice amounts to the Operational Creditor as per the procedure. Whereas the



Running Account Bills are to be paid on receipt of site certification by the Project Consultant. The Operational Creditor has performed the contracts neither to the satisfaction of the Project Consultant nor completed the same within the timeline.

- (iv) The Corporate Debtor contended that there is a *pre-existing* dispute inasmuch as the Corporate Debtor issued e-mail dated 14.10.2020 and Legal Notice dated 15.10.2020, notifying imposition of liquidated damages in view of inordinate delay committed by the Operational Creditor. Whereas, Demand Notice was issued on 20.10.2020. On this ground alone the petitioner deserves dismissal. The Corporate Debtor relied on order dated 23.12.2020 in M/s Sumilon Polyester Pvt Ltd Vs. M/s Parikh Packaging Pvt Ltd. rendered by the Hon'ble NCLAT, wherein it was held:

*“ .. .. it is clear that the existence of 'Dispute' must be 'pre-existing' i.e. it must exist before the receipt of the demand notice or invoice.”*

It is thus submitted that on this ground alone the petitioner deserves dismissal.

- (v) On the point that IB Code is not intended to be a substitute to a recovery forum, the Corporate Debtor relied on decision of



Transmission Corporation of Andhra Pradesh Limited Vs. Equipment Conductors and Cables Limited, (2019) 12 SCC 697 and order dated 13.05.2021 of NCLT, Bengaluru Bench in Chryso (India) Pvt Ltd. Vs. Sri Chowdeshwari Concrete Pvt. Ltd., in CP (IB) No.50/BB/2020.

(vi) The Hon'ble Supreme Court vide order dated 09.02.2021 in Ramesh Kymal Vs. Siemens Gamesa Renewable Power Pvt Ltd., Civil Appeal No. 4050 of 2020, held that section 10A of the Code bars filing of applications of default arising on or after 25.02.2020.

*“NCLAT has explained the difference between the initiation of the CIRP and its commencement succinctly, when it observed:*

*“ .. .. Adopting this interpretation would leave no scope for initiation of CIRP of a Corporate Debtor at the instance of eligible applicant in respect of Default arising on or after 25th March, 2020 as the provision engrafted in [Section 10A](#) clearly bars filing of such application by the eligible applicant for initiation of CIRP of Corporate Debtor in respect of such default.”*

6. In the light of the contest as mentioned above, the following points are framed for consideration by this Adjudicating Authority:

1. Whether the documentary evidence furnished with application shows that an operational debt as claimed by the Applicant is due and payable by the corporate debtor, and the same has been defaulted by the corporate debtor?



2. Whether there is existence of a dispute between the parties or the record of the pendency of a suit or arbitration proceeding filed before the receipt of demand notice of the unpaid operational debt in relation to such dispute?

7. We have heard Shri Dammalapati Srinivas Ld. Sr. Advocate for Shri P. Pratap, Ld. Advocate for the Applicant and Shri B. Adinarayana Rao. Ld. Sr. Counsel, for Ms. Aishwarya Chevuturu, Ld. Advocate, for corporate debtor, perused the pleadings, written submissions and the case law.

Point. 1.

Whether the documentary evidence furnished with application shows that an operational debt as claimed by the Applicant is due and payable by the corporate debtor, and the same has been defaulted by the corporate debtor?

8. Before we proceed to discuss the above Point, we prefer to refer to the ruling of the Hon'ble Supreme Court in the matter of *Mobilox Innovations Private Limited Vs. Kirusa Software Private Limited*, rendered by the Hon'ble Supreme Court in Civil Appeal No. 9405 OF 2017 dated 21.09.2017, relied on by both parties herein, wherein the Hon'ble Apex Court held that:



*“It is clear, therefore, that once the operational creditor has filed an application, which is otherwise complete, the adjudicating authority must reject the application under Section 9(5)(2)(d) if notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility. It is clear that such notice must bring to the notice of the operational creditor the “existence” of a dispute or the fact that a suit or arbitration proceeding relating to a dispute is pending between the parties. Therefore, all that the adjudicating authority is to see at this stage is whether there is a plausible contention which requires further investigation and that the “dispute” is not a patently feeble legal argument or an assertion of fact unsupported by evidence. It is important to separate the grain from the chaff and to reject a spurious defence which is mere bluster. However, in doing so, the Court does not need to be satisfied that the defence is likely to succeed. The Court does not at this stage examine the merits of the dispute except to the extent indicated above. So long as a dispute truly exists in fact and is not spurious, hypothetical or illusory, the adjudicating authority has to reject the application”*

In the same ruling, it has also been held that,

*“Therefore, the adjudicating authority, when examining an application under Section 9 of the Act will have to determine: (i) Whether there is an “operational debt” as defined exceeding Rs.1 lakh? (See Section 4 of the Act) (ii) Whether the documentary evidence furnished with the application shows that the aforesaid debt is due and payable and has not yet been paid? and (iii) Whether there is existence of a dispute between the parties or the record of the pendency of a suit or arbitration proceeding filed before the receipt of the demand notice of the unpaid operational debt in relation to such dispute?”*

***“If any one of the aforesaid conditions is lacking, the application would have to be rejected.”*** (Emphasis supplied).

9. Shri. Dammalapati Srinivas, Ld. Sr. Counsel for the Applicant, would contend that there is no dispute as to issuance of work order dated



02.04.2019 by the corporate debtor for construction of industrial buildings worth Rs.8.40 crores to the Operational Creditor herein, on the terms and conditions mentioned therein. However, according to the Ld. Sr. Counsel, the Corporate Debtor had defaulted in making payments within 30 days from the date of submission bills, though provided in the contract. It is further submitted that the repeated amendments to the scope of work made by the Corporate Debtor increased the cost by Rs.2 crores.

10. Ld. Sr. Counsel further submitted that the Operational Creditor discontinued its services on account of default committed by the Corporate Debtor effective from 01.11.2019. Ld. Sr counsel further submitted that, the Corporate Debtor vide its e-mail dated 14.10.2020 stated that,

*“My client has measured the works and ascertained the value as Rs. 3,66,72,732.00 and after deducting the liquidated damages as the contract (10% of the contract value) i, e, Rs.84,38,199.00 my client is liable for an amount of Rs.2,79,41,233.00 and if you are in agreement with the same, please inform my client so that a mutually agreed schedule of payment will discussed and resolved the matter amicably.”*

11. As such an amount of Rs.2,79,41,233/- as liability of the Corporate Debtor vide Reconciliation & Ledger attached to the e-mail stands admitted by the corporate debtor.



12. According to the Ld. Sr. Counsel the very next day, viz. 15.10.2020 the Corporate Debtor issued Legal Notice wherein once again the Corporate Debtor had categorically admitted the liability of Rs.2,79,41,233 and expressed willingness to pay the same in a time scheduled to be fixed. Ld. Sr. Counsel submitted that as the said sum was not acceptable, the Operational Creditor was constrained to issue Demand Notice dated 20.10.2020 in Form-4 of the I&B Cod, 2016, the receipt of which was acknowledged by the Corporate Debtor on 22.10.2020 and gave reply dated 23.10.2020 contending, *inter alia*, that issuance of Form-4 Notice is premature in view of amendment of section 10A of the I&B Code, 2016 as it does not apply to defaults occurred after 25.03.2020.

13. According to the L. Sr. Counsel, the though amount offered by the corporate debtor, as above being far below the amount payable hence was not acceptable to the operational creditor, however the said offer since amounts to a clear admission of debt by the corporate debtor, the present application can be allowed straight away basing on the admission.

14. *Per Contra*, Ld. Sr. Counsel, Shri B.Adinarayana Rao, for the corporate debtor, while vehemently, contending that, the offer of



payment of sum of Rs. 2,79,41,233.00 made under the reply notice dated 15/10/2020, by the corporate debtor does not amount to any admission of debt as sought to be contended by the Applicant, contended that the Operational Creditor was awarded two contracts, namely Contract-I dated 02.04.2019 for compound wall and Contract-II dated 10.06.2019 for industrial shed, and was paid Rs.1.5 crore towards mobilisation advance. The Operational Creditor was had delayed in performance on one or other pretext and ultimately abandoned the project and left the project site with its men and machinery. Hence, the Corporate Debtor sent email dated 14.10.2020 to the Operational Creditor for liquidated damages, however the Operational Creditor has replied disputing the liquidated damages and claiming payment of invoice amounts. Ld. Sr. Counsel relied on Clause 23 of the Tender Document and Clause-2 of the Work Order dated 10.06.2019 and emphasised on importance of completion of project by 30.08.2019, and contended that by that date the project ought to have been completed.

15. According to the Ld. Sr. Counsel, Performance Review Report conducted by the Corporate Debtor and notice dated 15.01.2021 by which the Corporate Debtor has demanded damages for the deficiencies and



delays, fully justifies the claim of termination penalty along with liquidated damages of Rs.4,05,36,938/-.

16. In the light of the contentions as afore stated, it is necessary to find whether the corporate debtor has admitted the debt under its letter dated 15/10/2020? In order to appreciate the above contention, we feel it necessary to quote the relevant portions of the letter of the corporate debtor dated 15/10/2020 and the reply dated 23/10/2020 namely, Paras 5&6, which are as below:

*“You are also aware that my client has made a payment of Rs. 6,62,36,211.00 through various invoices on various dates which you have duly acknowledged. On the other hand, you have raised a statement of claim for Rs.4,10,91,755.00 but you have not considered the liquidated damages and retention monies etc., further it is pertinent to mention that the work which you have partly completed is yet to be measured and certified”.*

*‘My client has measured the works and ascertained the value as Rs. 3,66,72,732.00 and after deducting the liquidated damages as the contract (10% of the contract value) i, e, Rs.84,38,199.00 my client is liable for an amount of Rs.2,79,41,233.00 and if you are in agreement with the same, please inform my client so that a mutually agreed schedule of payment will discussed and resolved the matter amicably.’*

17. In the reply dated 23/10/2020 (page 133, Volume-I) to the demand notice of the operational creditor dated 20/10/2020, the corporate debtor in paras 4 and 5 has stated as follows:

*“4. .. .. Without prejudice to my clients rights they have conveyed an amount of Rs.2,79,41,233 through my letter dated*



*15/10/2020, wherein they have categorically stated that if your clients are in agreement with my clients decision then they can arrive settlement subject to mutually agreed schedule of payments.*

.. ..

*5. Please advise you clients to arrive settlement for the above amount and draw a schedule after mutual discussion. .. ..”*

18. The above assertion that, ‘my client has measured the works and ascertained the value as Rs. 3,66,72,732.00 and after deducting the liquidated damages as the contract (10% of the contract value) i.e., Rs.84,38,199.00 my client is liable for an amount of Rs.2,79,41,233.00’ in our considered view amounts to admission of debt in clear and unambiguous terms by the corporate debtor, however to the extent indicated therein. Therefore, what remained for consideration by the operational creditor is its acceptance to the said amount besides schedule of repayment of the said amount if accepted.

19. Even the rider ‘*without prejudice*’ added subsequently in the reply notice dated 20/10/2020, *supra*, to the above statement, does not in any way bailout the corporate debtor from the admission of debt. In this regard reliance can be placed on the ruling of The Hon’ble Supreme Court in the matter of ITC Limited Vs. Blue Coasts Hotel” [Civil Appeal Nos. 2928-



2930 of 2018]–MANU/SC/0263/2018. Paragraph 35 of the said judgment reads as under:

*“Letter of undertaking ‘without prejudice’.*

*35. Much was sought to be made of the words "without prejudice" in the letter (Dated 25.11.2013) containing the undertaking that if the debt was not paid, the creditor could take over the secured assets. The submission on behalf of the debtor that the letter of undertaking was given in the course of negotiations and cannot be held to be an evidence of the acknowledgement of liability of the debtor, apart from being untenable in law, reiterates the attempt to evade liability and must be rejected. The submission that the letter was written without prejudice to the legal rights and remedies available under any law and therefore the acknowledgement or the undertaking has no legal effect must likewise be rejected. This letter is reminiscent of a letter that fell for consideration in Spencer's (Spencer v. Hemmerde [1922] 2 AC 507, HL at 526) case as pointed out by Mr. Harish Salve, "as a rule the debtor who writes such letters has no intention to bind himself further than is bound already, no intention of paying so long as he can avoid payment, and nothing before his mind but a desire, somehow or other, to gain time and avert pressure."*

*It was argued in a subsequent case (Bradford and Bingley v. Rashid [2006]) that an acknowledgment made "without prejudice" in the case of negotiations cannot be used as evidence of anything expressly or impliedly admitted. The House of Lords observed as follows:*

*"But when a statement is used as acknowledgement for the purpose of s. 29 (5), it is not being used as evidence of anything. The statement is not an evidence of an acknowledgement. It is the acknowledgement."*

*Therefore, the without prejudice rule could have no application. It said:*

*"Here, the respondent, Mr. Rashid was not offering any concession.*



*On the contrary, he was seeking one in respect of an undisputed debt. Neither an offer of payment nor actual payment."*

*We, thus, find that the mere introduction of the words "without prejudice" have no significance and the debtor clearly acknowledged the debt even after action was initiated under the Act and even after payment of a smaller sum, the debtor has consistently refused to pay up."*

21. POINT No.2:

Whether there is existence of a dispute between the parties or the record of the pendency of a suit or arbitration proceeding filed before the receipt of demand notice of the unpaid operational debt in relation to such dispute?

22. Ld. Sr. Counsel for the Corporate Debtor contended that there is a *pre-existing* dispute inasmuch as the Corporate Debtor issued e-mail dated 14.10.2020 and Legal Notice dated 15.10.2020, notifying imposition of liquidated damages in view of inordinate delay committed by the Operational Creditor. Whereas, Demand Notice was issued on 20.10.2020. On this ground alone the petitioner deserves dismissal.

23. Ld. Sr. Counsel also relied on the ruling in M/s Sumilon Polyester Pvt Ltd Vs. M/s Parikh Packaging Pvt Ltd. rendered by the Hon'ble NCLAT, wherein it was held:

*" .. .. it is clear that the existence of 'Dispute' must be 'pre-existing' i.e. it must exist before the receipt of the demand notice or invoice."*



24. We fail to understand how the e-mail dated 14.10.2020 and Legal Notice dated 15.10.2020, issued by the Corporate Debtor notifying imposition of liquidated damages in view of inordinate delay allegedly committed by the Operational Creditor amounts a *pre-existing dispute*. Here it is relevant to refer to para 5 of the letter of the Corporate Debtor dated 15/10/2020 wherein it has been stated that....

25. Thus, it is overwhelmingly clear that the so-called dispute that the corporate debtor has been trying to project, is the quantum of the amount payable to the operational creditor by the corporate debtor but not in respect of the very existence of operational debt due and payable by the corporate debtor to the operational creditor.

26. In terms of Section 5 (6) of the IB Code, “**dispute**” includes a suit or arbitration proceedings relating to—

- (a) **the existence of the amount of debt;**
- (b) the quality of goods or service; or
- (c) the breach of a representation or warranty;



Therefore, the plea of ‘*pre-existing dispute*’, in the case on hand shall fail  
It is trite law to say that this Tribunal, in an application under section 7 IB Code, does not adjudicate the quantum of the debt claimed as payable.

27. In so far as the applicability of the embargo under section 10A of the IB Code is concerned, it may be stated that section 10A of the Code, states as below

*“10A. Notwithstanding anything contained in sections 7, 9 and 10, no application for initiation of corporate insolvency resolution process of a corporate debtor shall be filed, for any default arising on or after 25th March, 2020 for a period of six months or such further period, not exceeding one year from such date, as may be notified<sup>2</sup> in this behalf:*

*Provided that no application shall ever be filed for initiation of corporate insolvency resolution process of a corporate debtor for the said default occurring during the said period.*

*Explanation. – For the removal of doubts, it is hereby clarified that the provisions of this section shall not apply to any default committed under the said sections before 25th March, 2020.”*

28. The explanation to the above provision makes it clear that the provisions of this section shall not apply to any default committed under the said sections before 25th March, 2020. In the case on hand the Operational Creditor discontinued its services alleging default committed by the Corporate Debtor, effective from 01.11.2019, thus the default has occurred prior to 25th March, 2020. Hence the protection under Section



10 A of the Code is not applicable to the corporate debtor in the case on hand.

29. Therefore, in the light of our discussion as afore sated, considering the submissions of the Ld. Sr Counsels and on perusal of the records, we are of the firm view that the operational creditor has established existence of an operational debt of a sum over rupees one crore, is due and payable by the corporate debtor and that the corporate debtor has defaulted in payment of the same.

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

(A) Corporate Debtor, M/s Novus Green Energy Systems Limited, is admitted in Corporate Insolvency Resolution Process under section 9 of the Insolvency & Bankruptcy Code, 2016,

(B) 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;

(C) 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.

(D) 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) 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.

(F) That the order of moratorium shall have effect from the date of this order 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.

(G) That the public announcement of the initiation of Corporate Insolvency Resolution Process shall be made immediately as prescribed under section 13 of Insolvency and Bankruptcy Code, 2016.

(H) That this Bench hereby appoints **Mr. Rachamalla Ramachandra Reddy**, having IBBI Registration No.IBBI/IPA-001/IP-P-01472/2018 - 2019/12270, having address at Flat No 508, Block No A1, TVS Lakeview Apartments, Road No 10, Panchavati Colony, Manikonda, R R District, Hyderabad, Telangana ,500089; email:

umarachamalla12081961@gmail.com as Interim Resolution Professional to carry the functions as mentioned under the Insolvency & Bankruptcy Code. His Authorisation for Assignment is valid till 28.10.2022. This



information is also available in IBBI Website. Thus, there is compliance of Regulation 7A of IBBI (Insolvency Professionals) Regulations, 2016, as amended. Therefore, the proposed IRP is fit to be appointed as IRP since the relevant provision is complied with.

- (I) Proposed has filed Form-2 at page 153 of the petition.
- (J) The petitioner is directed to communicate this order to the proposed IRP forthwith.

31. Accordingly, this Petition is admitted.

32. Registry to send a copy of this order to the Registrar of Companies, Hyderabad for appropriately changing the status of Corporate Debtor herein on the MCA-21 site of Ministry of Corporate Affairs.

**SD/-**

VEERA BRAHMA RAO AREKAPUDI  
MEMBER (TECHNICAL)

**SD/-**

DR. N.V. RAMAKRISHNA BADARINATH  
MEMBER (JUDICIAL)

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**SD/-**

**SD/-**