

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1**

ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
22-03-2022 AT 10:30 A.M. THROUGH VIDEO CONFERENCE.

**IA No.1216/2020 in
CP(IB) No.663/9/HDB/2019
U/s 9 of IBC, 2016**

IN THE MATTER OF:

Swamy Traders

...Operatinoal Creditor

Vs

SNS Starch Ltd

...Corporate Debtor

CORAM:-

DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. VEERA BRAHMA RAO AREKAPUDI, HON'BLE MEMBER (TECHNICAL)

ORDER

Orders in CP (IB) No.663/9/HDB/2019 pronounced vide separate sheets.

In the result, this petition is admitted moratorium declared in terms of this order.
Accordingly, Petition is allowed.


MEMBER (T)

Karim


MEMBER (J)

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

CP (IB) No.663/9/ HDB/ 2019

Application under section 9 of IBC, 2016
read with Rule 6 of I&B (AAA) Rules, 2016

In the matter of

M/s Swamy Traders
New Gunj, Wanaparthi – 509103
Mahabubnagar District
Telangana.

.. **Petitioner/
Operational Creditor**

Versus

M/s SNS Starch Ltd
Regd Office: Block-II, 2nd Floor
311/A, Road No.12, MLA Colony
Banjara Hills
Hyderabad – 500034.

.. **Respondent
Corporate Debtor**

Date of order:22.03.2022

Coram:

Hon'ble Dr. N.V.Ramakrishna Badarinath, Hon'ble Member (Judicial)

Hon'ble Veera Brahma Rao Arekapudi, Hon'ble Member (Technical)

Parties / counsels present:

For the Petitioner: Shri G. Bhupesh, Advocate.

For the Respondent: Shri A. Prabhu Prasad, Advocate



[PER BENCH]

This petition is filed by M/s Swamy Traders, who is the Operational Creditor, stating that principal amount of Rs.3,83,23,524/- (inclusive of interest amount of Rs.1,44,25,229/- @ 18% p.a. calculated till 02.07.2019) is due and payable to the Operational Creditor by the corporate debtor. Hence this petition is filed under section 9 of Insolvency and Bankruptcy Code, 2016, read with 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 averments made in the petition are as follows:

The Operational Creditor had supplied maize to the Corporate Debtor and raised invoices. Details of amount due, amount paid and amount outstanding towards supply of said goods are as under:

- Part-payment made by the Corporate Debtor .. 1,02,92,000
- Amount outstanding post part-payment .. 2,38,98,295
- Interest calculated @ 18% p.a. upto .. 1,44,25,229
02.07.2019.
- Aggregate amount due and payable .. 3,83,23,524



3. The Operational Creditor has submitted the following documents in support of its claim:

- (i) Invoices/ Cash Credit bills produced at pages 86 to 109.
- (ii) Slips evidencing supply produced at pages 86 to 109.
- (iii) Statement of account of Operational Creditor maintained with HDFC Bank evidencing credit and debit entries including the part-payments received from the Corporate Debtor, produced at pages 11-230.
- (iv) Ledger maintained by the Corporate Debtor admitting the debt produced at page 231.

4. Counter to the petition by the respondent:

- (i) There is a dispute about quality and standard of the maize stock supplied by the Operational Creditor.
- (ii) The claim is barred by limitation
- (iii) The Operational Creditor had supplied maize to the Corporate Debtor only against Purchase Orders. The invoices/ cash credit bills produced by the Operational Creditor are false and manipulated. None of such invoices/ cash credit bills are acknowledged by the Corporate Debtor. Such invoices do not form part of any contract for sale. Thus, the same are not enforceable in law.
- (iv) Purchase Order, sent from buyer to supplier, is a vital document in business world. It plays pivotal role. Buyer places purchase order and vendor accepts the same. Then a legally binding contract is



formed. However, in the present case in absence of any such purchase order there is no concluded contract.

- (v) The case of the Operational Creditor is solely based on invoices, which are not acknowledged. Other relevant documents, such as, weighment slip, material receipt note, delivery challan, Quality Control Analysis Report, proof of service and acknowledgement given in receipt of invoices are not produced by the Operational Creditor. In absence of such documents the claim of the Operational Creditor becomes fictitious.
- (vi) In absence of purchase order there was no contract. In support the contention the Corporate Debtor relied on decision of the Hon'ble Supreme Court in *Chatturbhuj Vithaldas Jasani Vs. Moreshwar Parashuram*, AIR 1954 SC 236. Relevant part of the order is reproduced hereunder:

“ letters merely set out the terms on which the parties were ready to do business with each other if and when orders were placed and executed. As soon as an order was placed and accepted a contract arose. It is true this contract would be governed by the terms set out in the letters but until an order was placed and accepted there was no contract.”

The above view is approved by the Hon'ble Apex Court in its subsequent judgment in *Dresser Rand S.A. Vs. Bindal Agro Chem Ltd and K.G. Khosla Compressors Ltd.*, (2006) 1 SCC 751.



(vii) The Corporate Debtor disputed the following payments alleged to have been made by the Corporate Debtor, as mentioned in Column-IV, page 6 of the application:

Amount alleged to have been received by the Operational Creditor	Date of alleged payment
Rs.10,00,000	08.07.2016
Rs.10,00,000	08.07.2016
Rs.08,92,000	03.09.2016
Rs.14,00,000	31.03.2017

(viii) The Corporate Debtor also disputed the ledger for 01.04.2016 to 31.03.2017 inasmuch as it does not bear signature of authorised signatory of the respondent. Thus, it is a forgery of the books of accounts on the part of Operational Creditor.

(ix) The Corporate Debtor invokes limitation having regard to the date of last payment, viz.

- Date of last payment .. 10.05.2016
- Date on which the application is presented before the Adjudicating Authority. .. 17.07.2019

Thus, in not presenting the application within three years from the date of last payment, this application is hit by law of limitation. The Corporate Debtor relied on decision of the Hon'ble Supreme Court in B.K. Educational Services Private Limited Vs. Parag Gupta & Associates, (2019) 11 SCC 633.



- (x) In a summary jurisdiction vested with this Adjudicating Authority, complicated questions as involved in this application cannot be adjudicating upon and it is to be left for civil court to do so. The Corporate Debtor relied on decision of the Hon'ble Supreme Court in Mobilox Innovations Pvt Ltd. Vs. Kirusa Software Pvt Ltd., (2018) 1 SCC 353.
 - (xi) In support of its contention that the Operational Creditor cannot use I&B Code, 2016 either prematurely or for extraneous considerations or as a substitute for debt enforcement procedures. In this regard the Corporate Debtor relied on decision of the Hon'ble Supreme Court in K. Kishan Vs. M/s Vijay Nirman Company Pvt Ltd., 2018 SCC Online SC 1013.
5. The Operational Creditor has filed rejoinder dated 07.04.2021 contending that:
- (i) As regards quality of maize supplied by the Operational Creditor, the Operational Creditor contended that nowhere the Corporate Debtor disputed the same earlier. Such a dispute was never raised by the Corporate Debtor till Demand Notice was issued by the Operational Creditor. The Corporate Debtor owes an explanation as to why the Corporate Debtor made part-payment to the Operational Creditor, if quality of maize is disputed.
 - (ii) There is no pre-existing dispute and the Corporate Debtor has not filed any document to that effect.



- (iii) The ledger produced at page 231 of the application was duly stamped, signed and issued by the Corporate Debtor, admitting the debt.
- (iv) Part-payment was made by the Corporate Debtor on 31.03.2017 and this application was filed in 2019. Hence this application has been filed within limitation.
- (v) As regards Purchase Order, the Corporate Debtor was placing oral purchase orders for supply of maize and the Operational Creditor was raising invoices/ cash credit bills.
- (vi) As regards the allegation of Corporate Debtor that the Operational Creditor did not produce weighing slips, the Operational Creditor submitted that there is no such contract between the parties.
- (vii) As regard contract between the parties the Operational Creditor relied on decision of the Hon'ble Supreme Court in Chaturbhuj Vithaldas Jasani Vs. Moreshwar Parashuram, AIR 1954 SC 236.
- (viii) As regards the demand made by the Corporate Debtor in IA No.1216 of 2020 seeking directions against Operational Creditor to produce purchase orders and other documents mentioned in para 8 of the rejoinder and get them examined by Forensic Science Laboratory, the Operational Creditor submitted that after expiry of one year from filing of this application, the Corporate Debtor had come up with such a frivolous IA. It is only to delay the adjudication.
- (ix) There is no pre-existing dispute and that no evidence is produced by the Corporate Debtor to that effect. The judgments relied on by



the Corporate Debtor in the matter of Mobilox Innovations Pvt Ltd.
Vs. Kirusa Software Pvt Ltd., and K. Kishan Vs. M/s Vijay Nirman
Company Pvt Ltd., insofar as pre-existing dispute are not relevant.

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 the aforesaid operational debt is due and payable and has not yet been paid by the corporate debtor?
2. Whether there is existence of a dispute before the Commercial Courts at Hyderabad between the parties or the record of the pendency of a suit filed, before the receipt of demand notice of the unpaid operational debt in relation to such dispute?
3. Whether the operational debt claimed as due and payable by the corporate debtor is barred by limitation?

7. We have heard Shri. G.Bhupesh , Ld. Counsel for the Petitioner and Shri. A.Prabhu Prasad, Ld. Counsel for the respondent, perused the record, written submissions and the case law.

8. **Point. 1.**

Whether the documentary evidence furnished with application shows that the aforesaid operational debt is due and payable and has not yet been paid by the corporate debtor?

9. At the very outset, we may state herein that in order to arrive at a just and proper finding on the points involved in the subject lis, we feel it apt to rely on the following illuminating rulings of Hon'ble Supreme



Court of India, on the legal aspects of sections 7 and 9 of I&B Code 2016;

- (i). M/s Innoventive Industries Vs. ICICI Bank & another in Civil Appeal Nos.8337-8338 of 2017.
- (ii) Mobilox Innovations Private Limited Vs. Kirusa Software Private Limited,

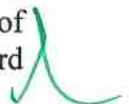
(1) In re, M/s Innoventive Industries, supra, *Hon'ble Supreme Court of India*, held that;

“The scheme of Section 7 stands in contrast with the scheme under Section 8 where an operational creditor is, on the occurrence of a default, to first deliver a demand notice of the unpaid debt to the operational debtor in the manner provided in Section 8(1) of the Code. Under Section 8(2), the corporate debtor can, within a period of 10 days of receipt of the demand notice or copy of the invoice mentioned in sub-section (1), bring to the notice of the operational creditor the existence of a dispute or the record of the pendency of a suit or arbitration proceedings, which is pre-existing – i.e., before such notice or invoice was received by the corporate debtor. The moment there is existence of such a dispute, the operational creditor gets out of the clutches of the Code.”

“On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.”

(2). *In re*, Mobilox Innovations Private Limited(supra), *Hon'ble Supreme Court of India*, *has held that*;

“It is, thus, clear that so far as an operational creditor is concerned, a demand notice of an unpaid operational debt or copy of an invoice demanding payment of the amount involved must be delivered in the prescribed form. The corporate debtor is then given a period of 10 days from the receipt of the demand notice or copy of the invoice to bring to the notice of the operational creditor the existence of a dispute, if any. We have also seen the notes on clauses annexed to the Insolvency and Bankruptcy Bill of 2015, in which “the existence of a dispute” alone is mentioned. Even otherwise, the word



“and” occurring in Section 8(2)(a) must be read as “or” keeping in mind the legislative intent and the fact that an anomalous situation would arise if it is not read as “or”. If read as “and”, disputes would only stave off the bankruptcy process if they are already pending in a suit or arbitration proceedings and not otherwise.”

“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”

(3). In the same ruling, it has been also 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 is ours).

10. In the light of the rulings above mentioned, we shall now proceed to discuss the above points.

11. According to the learned counsel for the operational creditor, the operational creditor supplied Maize to the corporate debtor under various invoices of a sum of Rs.3,41,90,295/-, and the corporate debtor

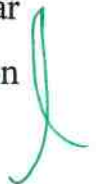


paid only a sum of Rs.1,02,92,000, hence on 15.07.2019 the operational creditor had issued demand in terms of section 8(1) of IB Code, claiming the balance sum of Rs. 3,83,23,524.00 due and payable by the corporate debtor. The corporate debtor in its reply dated 24.07.2019, while admitting receipt of supplies of Maize, from the operational creditor, contended that the quality of material supplied is not of the standard of quality and that a civil suit has been filed before the commercial court ay Hyderabad. The corporate debtor has not denied the part payments claimed to have been made and stated in the demand notice. Thus, the existence of an operational debt of a sum over Rs. One lack asserted by the operational creditor remain un rebutted. We therefore hold that operational debt of a sum over Rs.One lack is due and payable by the corporate debtor.

12. **Point.2.**

Whether there is existence of a dispute before the Commercial Court at Hyderabad between the parties or the record of the pendency of a suit purportedly filed before the receipt of demand notice of the unpaid operational debt in relation to such dispute?

13. At the outset it may be stated that in terms of sub-clause a of Rule (2) of Rule (8) of the IBC, the corporate debtor upon receipt of a demand notice or invoice copy should within period of 10 days bring to the notice of the operational creditor existence of dispute if any or record of the pendency of the suit or arbitration proceedings filed before the receipt of such notice or invoices in relation to such dispute. In so far as the case on hand is concerned the demand notice which was sent on



19.07.2019 has been replied by the corporate debtor on 24.07.2019 contending, *inter-alia*, that the quality of material supplied is not as per the standard of quality agreed between the purchaser and the corporate debtor, and on account of poor quality the material got rejected in the domestic and international markets, and the same resulted in loss to the corporate debtor. Nextly, it is claimed that no amount is due and the amount if any due is barred by limitation. Lastly it is contended that a recovery suit in Commercial Court, at Hyderabad has been filed prior to the issuance of notice under Form-3.


14. In the light of the defence put forth it is imperative for this Tribunal to find

- (i) Whether any dispute as regards the quality of the Maize supplied by the operational creditor, before the receipt of demand notice by the corporate debtor has in fact been raised by the corporate debtor?
- (ii) Whether the corporate debtor is put on notice of the record of the pendency of suit, claimed to have been filed before Commercial Court, Hyderabad, before issuance of the demand notice?

We shall first deal with the plea as to existence of dispute as to quality of the Maize supplied, prior to the receipt of the demand notice as claimed by the corporate debtor whether really exists or not. If so, whether such dispute is not spurious, hypothetical or illusory.



15. The demand notice (Form-3) in this case has been issued on 15.07.2019, by the operational creditor to the corporate debtor. As per column 7 of the said demand notice, invoices along with weigh receipts, sub ledger of the account of the corporate debtor, proof of part payments received from the corporate debtor and workings of computation of default by the corporate debtor, are enclosed to the said demand notice. The demand notice states that as against 14 invoices raised between 01.04.2016 and 11.05.2016, for a sum of Rs.3,41,90,295/- the corporate debtor had made part payment of Rs.1,02,92,000/-, between 02.04.2016 and 31.03.2017, leaving a balance of Rs. 3,83,23,524/- which is payable together with interest at 18% calculated till 02.07.201.
16. In its reply notice dated 27.07.2019, the corporate debtor while categorically admitting receipt of the material, pleaded that the material supplied was “not up to the standard of quality agreed between parties” and the same resulted in rejection in domestic and international markets, causing heavy loss to the corporate debtor. It may be stated herein that a “*pre-existing dispute*” means and implies a *dispute raised before receipt of the demand notice* but *not a dispute raised under a reply to the demand notice.*
17. In the case on hand though corporate debtor has claimed that on number of occasions it brought to the notice of the operational creditor several quality complaints but the same were not attended by the operational creditor, the said claim sans any record. So much when the very basis for the plea of existence of a dispute as to the quality of material supplied prior to the receipt of demand notice since absent, the said plea



shall invariably fail. That apart, admittedly the supplies accepted by the corporate debtor herein were based on the invoices raised and not in pursuance of any purchase order from the corporate debtor. In the invoices the commodities agreed to be supplied has been described as “maize” without any descriptive particulars as to its quality and the same were received and consumed . So much so when there when there was no written stipulation as to the quality of Maize to be supplied by the operational creditor, the plea that the quality of material supplied is not as per the standard of quality agreed between the purchaser and the corporate debtor, and on account of poor quality the material got rejected in the domestic and international markets, and the same resulted in loss to the corporate debtor.

18. We shall next deal with the plea that corporate debtor filed recovery suit in Commercial Court at Hyderabad, prior to the issuance of demand notice, as such the present application is not maintainable. As already stated, pendency of suit or arbitrary proceedings filed before the receipt of demand notice is a formidable ground for refusal of initiation of CIRP against corporate debtor. It is to be noted that neither the reply notice nor the counter filed by the corporate debtor, contain the suit number, the court where it was filed and the date when it is filed. It is not even the assertion of the Corporate debtor that it has enclosed/sent a copy of the plaint in the suit claimed to have been filed, to the reply notice. On direction by this Tribunal the learned counsel for the corporate debtor, for first time disclosed that the corporate debtor has filed a recovery suit before Commercial Court -cum-XXIV- Additional



Chief Judge, City Civil Courts at Hyderabad, under SR.No.3808/2019 dated 17.07.2019. However, a copy of the plaint has not been filed before this Tribunal. It is further admitted that the said suit has returned due to deficit court fee, and as on the date of filing synopsis (09.02.2022) the corporate debtor had paid the requisite court fee.

19. Thus, from the above submission that the “suit” which was purportedly filed on 17.07.2019 is not yet numbered. It is needless to say that until and unless a suit is numbered/registered by the concerned Court, the status of such suit remain as “un- numbered suit” and only upon complying all the legal requirements the suit gets numbered. In terms of subsection 2 of section 8 IBC, the corporate debtor shall put the operational creditor on notice of a suit pending before the receipt of the demand notice, by serving a copy of the plaint filed in the said suit. So much so, it is quite clear that even as per the version of corporate debtor no suit is pending till date before any Court of law much less by the date of receipt of demand notice by the corporate debtor. Hence, the plea that suit filed by the corporate debtor before the commercial court at Hyderabad, has been pending before receipt of demand notice by the corporate debtor, is devoid of any basis or merit and the same is therefore liable to be rejected. Accordingly, the above plea is liable to be rejected.
20. Therefore, in the light of our discussion, we find that the pleas as above, put forth by the corporate debtor as unsustainable and untenable. The operational debt over Rs. One lack since not discharged by the corporate debtor, we find sufficient force in the contention of the




operational creditor, that the petition for initiation of CIRP against the corporate debtor is liable to be admitted.

Point No.2 is answered accordingly.

21. **Point3.**

Whether the operational debt claimed as due and payable by the corporate debtor is barred by limitation?

22. In so far as the plea of limitation is concerned, the burden is always on suitor/ applicant to establish that the claim as made before Court/Tribunal, is well within limitation, whether or not such plea has been raised by the opposite party. In the case on hand the part payments claimed as made by the corporate debtor are not denied by the corporate debtor. As per the demand notice, besides the ledger account of the corporate debtor, the corporate debtor had made part payment of Rs.1,02,92,000/- on 31.03.2017, and there after no payment was made. A perusal of bank statement filed by operational creditor discloses that the sum of Rs. 1,02,92,000/- has been paid on 31.03.2017, by the corporate debtor. The said part payment undoubtedly constitutes acknowledgement of debt and the extend the period of limitation that the quality of material supplied is not as per the standard of quality agreed between the purchaser and the corporate debtor, and on account of poor quality the material got rejected in the domestic and international markets, and the same resulted in loss to the corporate debtor. by three years' time from the date of said payment the limitation period stands extended by three years from the date of the said



acknowledgement. The present application having been filed on 03.09.2019 is therefore well within period of time.

The point is answered accordingly.

23. Therefore, in view of our discussion above and on careful consideration of the material placed before us and upon hearing the learned counsel for both sides, we hold that there is existence of an operational debt of sum of over Rs. One lakh, payable by the corporate debtor herein to the operational creditor. Which the Corporate debtor has defaulted as such the applicant is entitled for relief of initiation of CIRP against corporate debtor.
24. Therefore, it is evident from our discussion above that documentary evidence placed clearly shows that the debt is due and payable by the Corporate Debtor. However, the same has not been paid. We therefore allow the petition and hereby ordering the petition to initiate CIRP.
25. 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) Corporate Debtor, M/s SNS Starch Ltd 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) The Operational Creditor failed to name any one as IRP and has requested the Tribunal to appoint one for the CIRP. The IBBI has recommended a panel of IRPs for appointment as IRP for the period 01.01.2022 to 30.06.2022. In compliance with section 16(3)(a) of the Code in order to avoid delay. Accordingly, this Tribunal appoints Shri Govada Venkata Subbarao, Having registration No. IBBI/IPA-003/IP-N00358/2021-2022/13753, with address Rajiv Swagraha Apartments, Flat No. 106, Block A - 05 Classic Diamond Towers, Anand Nagar, GSI Bandlaguda , Next to D-Mart , Hyderabad, Telangana- 500068 , having email : govada.subbarao1@gmail.com , as Interim Resolution Professional to carry the functions as mentioned under the Insolvency & Bankruptcy Code. Proposed IRP to file Form-2 within 2 days of receipt of this order. Authorisation for Assignment is valid to 13.08.2022. 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) The petitioner is directed to pay a sum of Rs.1,00,000/- (Rupees one lac only) to the Interim Resolution Professional to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of IBBI (Insolvency Resolution Process for Corporate Person) Regulations, 2016. This shall, however, be subject to adjustment by the Committee of Creditors as accounted for by Interim Resolution Professional and shall be paid back to the petitioner.
- (J) The operational creditor is directed to communicate this order to the IRP appointed in this case.
- (K) Accordingly, this Petition is admitted.
- (L) 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.

Judgment
22/03/2022

VEERA BRAHMA RAO AREKAPUDI
MEMBER TECHNICAL

DR. N.V.RAMAKRISHNA BADARINATH
MEMBER JUDICIAL

Pavani