

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

**CP(IB)No.22/7/HDB/2018
Under Section 7 of the IBC Code 2016**

In the matter of

State Bank of India
State Bank Bhavan,
Madhme Cama Road,
Mumbai,
Maharastra

: Petitioner / Financial Creditor

Vs

East Coast Energy Private Limited,
H.No. 7-1-50, Flt No.203,
Myneni Apartments,
Dharam Karam Road,
Ameerpet,
Hyderabad – 500 016.
India.

: Respondent / Corporate Debtor

Counsels/Parties present:

Counsel for the Petitioner/
Financial Creditor

**: Mr. Yash Vardhan
Mr. V.K. Sajith**

Counsel for Respondent/
Corporate Debtor

: Mr. G. Bhupesh

**CP(IB)No.23/7/HDB/2018
Under Section 7 of the IBC Code 2016**

In the matter of:

Power Finance Corporation Limited
Urjanidhi, 1 Barakhmba Lane,
Connaught Place,
New Delhi– 110 001
India.

: Petitioner / Financial Creditor



Versus

East Coast Energy Private Limited,
H.No. 7-1-50, Flt No.203,
Myneni Apartments,
Dharam Karam Road,
Ameerpet,
Hyderabad – 500 016,
India.

: **Respondent / Corporate Debtor**

Date of Order: 03 .04.2018

C O R A M:

Hon'ble Shri Bikki Raveendra Babu, Member Judicial

Counsels/Parties present:

Counsel for the Petitioner/ : Mr. Amar Gupta
Financial Creditor : Mr. Mayank Mishra
Mr. Rajesh Kumar

Counsel for the Respondent/
Corporate Debtor : Mr. G. Bhupesh

Per: Shri Bikki Raveendra Babu, Member Judicial

COMMON ORDER

1. State Bank of India (SBI) and Power Finance Corporation Limited (PFC) filed CP (IB) No.22/7/HDB/2018 and CP (IB) No.23/7/HDB/2018 respectively styling themselves as Financial Creditors Under Section 7 of the IB Code r/w Rule 4 of the IBC Application for Adjudicating Authority Rules) 2016 with a request to trigger Corporate Insolvency Resolution Process, in respect of East Coast Energy Private Limited.
2. SBI filed Petition through AGM and authorised Officer Mr. A. Srinivas. It is stated that Mr. A. Srinivas, AGM, SBI Stressed Assessment, Branch-II, Hyderabad is authorised to



file this petition on the basis of Letter of Authority dated 01.01.2018 given by the Dy. Manager of SBI.

3. Respondent/Corporate Debtor pleaded that the petition is not maintainable for want of proper authority to institute and file the petition. It is contended by the learned counsel appearing for the Respondent/Corporate Debtor that the letter of authority does not disclose the source of power and under what authority Dy. General Manager authorised Mr. A. Srinivas, AGM to file this petition.
4. During the course of arguments, learned counsel appearing for the SBI brought to the notice of the Tribunal that pursuant to regulations 76(1) of SBI general Regulations 1955 framed U/s 50 of the SBI Act, the Executive Committee of Central Board authorised all officers in the grades of SMDS-IV and above to sign all documents in respect of in charge of functions of the post held for the time being to file the plaint, petitions etc.
5. He further contended that the AGM is above SMDS Grade and therefore Mr. A. Srinivas, AGM is authorised to file this petition. However, in the authorisation letter given by the Dy. General Manager, there is no reference to Regulate 76(1) of SBI general regulations.
6. In view of Regulation 76(1) SBI general regulations AGM, who is above the grade of SMDS IV is authorised to file this petition even in the absence of authorisation letter. Therefore on the ground that the authorisation letter is not proper, it cannot be said that this petition filed by AGM on behalf of SBI is not properly instituted.
7. Power Finance Corporation Limited filed CP (IB) 23/7/HDB/2018 through Mr. Praveen Verma, DGM PFC.



PFC filed copy of Board Resolution dated 9th November, 2016 wherein it is stated that the Chairman & Managing Director of PFC is authorised on behalf of PFC to institute suits etc. In the same resolution it is also resolved Member of the Board holding the charge of legal unit is also authorised to approve and sign Vakalaths, complaints etc., in connection with all cases or proceedings by or against PFC before any statutory authorities. In the same resolution the Chairman & MD is authorised to sub-delegate powers to any other whole-time Director(s) or Officer(s) of the company and execute special of General Power of Attorney under the common seal of Company as and when necessary.



8. Referring to the Board Resolution dated 09.11.2016 Chairman & MD delegated the power to Sri Praveen Verma, DGM and Sri T.V. Gopala Krishna, Manager to file application before the Resolution Professional in the matter of East Coast Energy Private Limited.
9. In the counter it is pleaded that the Company Petition is not maintainable for want of proper authority to institute and file the petition. It is stated that the in the Authority letter whereby powers were delegated to Mr. Praveen Verma by the Chairman & MD did not disclose about the institution of legal proceedings before the Tribunal and on the other hand authorisation letter only authorised to file Application before Resolution Professional by Mr. Praveen Varma.
10. In the Rejoinder filed by the Petitioner it is stated that in 364th meeting of the Board of Directors of Power Finance Corporation Limited held on 10.08.2017 the Board proposed the invocation of the provisions of the IBC by approaching the NCLT. It is further stated in the rejoinder that in the

Delegation of power dated 15.02.2018 the Chairman & MD of PFC specifically approved and informed that Praveen Verma, DGM and Mr. V. Gopala Krishna, Manager of PFC are severally authorised to sign and filed the company petition in the matter of East Coast Energy Private Limited under IBC Code before the Tribunal at Hyderabad.

11. Delegation of Power letter dated 15.02.2018 issued by the Chairman & M.D. of PFC approved all acts and deeds done by Mr. Praveen Verma including the institution of company petition CP (IB) 23/7/HDB/2018 on behalf of PFC before this Tribunal.



12. The learned counsel appearing for the Petitioner relying on the judgement of the NCLAT, New Dehi in Company Appeal (AT) (Insol.) No.30 of 2017 in Palogix Infrastructure Private Limited Vs. ICICI Bank Limited contended that the Power of Attorney holder is not competent to file application on behalf of Financial Creditor or Operational Creditor or Corporate Applicant. He contended that authorised person is distinguished from Power of Authority holder. On the other hand the learned counsel appearing for the PFC relying upon the same judgement contended that if there is a general authorisation made by the Financial Creditor in favour of its officers to do the needful in legal proceedings by or against Financial Creditor, it is sufficient. The mere use of word Power of Attorney while delegating power will not take away the authority of such officer and for all purposes it is to be treated as an authorisation by the Financial Creditor. The learned counsel appearing for the PFC contended that if there is any defect in the authorisation letter it is curable defect under proviso to sub-section 5 of section 7. On this aspect also

the learned counsel appearing for the Financial Creditor relied upon the aforesaid judgement.

13. From a perusal of the judgement of the Hon'ble NCLAT, New Delhi in Palogix Infrastructure Private Limited, it is clear that if there is a general authorisation given by the Financial Creditor or Operational Creditor or Corporate Applicant in favour of its officers it is sufficient even though it is named as or labelled as 'Power of Attorney'.

14. Coming to the instant case the Board of Directors of PFC in its 354th meeting held on 09.11.2016 authorised the Chairman & MD to delegate the power to sign and file plaints etc., before Statutory authority, quasi-judicial authorities in courts of law on behalf of PFC. Pursuant to such resolution the Chairman & MD authorised Mr. Praveen Varma DGM of PFC to file application before the Resolution Professional in the matter of East Coast Energy Pvt. Ltd (Respondent). What is pointed out by the learned counsel for the Respondent is that Mr. Praveen Verma is authorised only to file application before the Resolution Professional but not before this authority.



15. In view of the judgement of the NCLAT in **Palogix Infrastructure Private Limited Vs. ICICI Bank Limited** the said defect is a rectifiable defect even in the absence of the direction from the authority. Petitioner voluntarily rectified that mistake by producing another delegation of power letter dated 15.02.2018 wherein there is clear authorisation to Mr. Praveen Verma to file this petition in the matter of East Coast Energy Pvt Ltd. In the said delegation of power letter it is also mentioned that the acts and deeds of Mr. Praveen Verma in filing the CP (IB) 23/7/HDB/2018 on behalf of PFC has been approved and confirmed.

16. Therefore, the defect in delegation of power letter dated 14.12.2017 is duly rectified by the PFC. In view of the resolution of the Board dated 09.11.2016 Chairman & MD is entitled to delegate his powers to the offices of the PFC. The Board of PFC by its resolution dated. 09.11.2016 authorised the Chairman & MD to institute suits etc. Therefore there is a general authorisation by way of Board Resolution to the Chairman & MD of PFC. The said Chairman & MD delegated his power to Mr. Prveen Verma by delegation of power letter dated 15.02.2018., wherein past actions of Mr. Praveen Verma including the filing of this petition against East Coast Energy Pvt Ltd has been approved and confirmed. Therefore, the authority Mr. Praveen Verma to file this petition is a proper authority and the petition is properly instituted.



17. The Respondent in the Counter referred to the following decisions on the aspect authority to institute and file the petition.

18. Nibro Limited Vs National Insurance Company Limited reported in AIR 1991 wherein it is held:

“I therefore, hold that although the Complaint has been signed and verified by a person duly authorised to do so on behalf of the Plaintiff Company, it has not been proved that the Suit has been instituted by any such person. The Issue is consequently decided against the Plaintiff”

19. The above said decision of the Hon’ble Delhi High Court was approved by the Hon’ble Supreme Court reported in (2011) 11 SSC 524) where it is stated that:

“In our view, the judgement under challenge is liable to be set aside because the respondent had not produced any evidence to prove that Shri Ashok K. Shukla was

appointed as a Director of the company and a resolution was passed by the Board of Directors of the company to file suit against the appellant and authorised Shri Ashok K. Shukla to do so. The letter of authority issued by Shri Raj K. Shukla, who described himself as the Chief Executive Officer of the company, was nothing but a scrap of paper because no resolution was passed by the Board of Directors delegating its powers to Shri Raj K. Shukla to authorise another person to file suit on behalf of the company:.

20. In that case there was no resolution passed by the Board of Directors of the Company authorising the CEO of the Company to delegate powers to another Director Mr. Ashok K. Shukla. The Hon'ble Supreme Court held in the absence of a resolution by the Board of Directors authorising the CEO to delegate powers to others, the suit filed by the Directors of the Company based on the authorisation given by the CEO is not valid. But in the case on hand there is a resolution by the Board of Directors of the PFC authorising the Chairman & MD to delegate his powers to the offices of the PFC and pursuant to such of power only Chairman & MD of PFC authorised Mr. Praveen Verma . Therefore, the above said decision is not applicable to the facts of the case.

21. In the counter the learned counsel for the Respondent also referred to the decision in M/s Venus Home Appliances Vs. Arvind Goyal & another wherein it is held that the authority to institute a suit on behalf of a company is not technical matter. In another decision reported in the matter M/s Rajgari Paper Mills Ltd Vs. General Manager, Indian Security Press and another, Reported in AIR 2000 Delhi 239, it is held that power to institute suit must specifically be



confirmed. But in the case on hand the Chairman & MD is specifically authorised to file the suit etc., by the Board of Directors. Further, Chairman & MD of PFC is further authorised by the Board to delegate his powers. In fact Chairman & MD approved and confirmed the filing of this petition by Mr. Praveen Verma. Therefore, the above said decisions are not applicable to the facts of the case. Respondent referred to the decision in another case namely “**University of Kashmir Vs Gulam Nabi Mir Reported in AIR 1978 (NOC) 114 (J&K), wherein it was held that signing and verification of the plaint is different from the filing of the suit by a competent person.** There is no dispute about the said proposition of law. However, in the instant case the person who signed the petition has got the authority to file the petition and competent to file petition.



In the judgement Innoventive Industries Limited Vs ICICI Bank and other reported in (2018) 1 Supreme Court cases 407, the Hon'ble Supreme Court held that the Adjudicating Authority has to satisfy itself that a default has occurred and as soon as such satisfaction is recorded the application must be admitted unless it is incomplete.

23. In Paragraph 30 of the above sub judgement it is held as follows: “**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” ie., 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”.

24. In the above judgement of the Hon'ble Supreme Court held that the Adjudicating Authority while dealing with the petition U/s 7 of IB Code need to satisfy that a default has occurred for payment of financial debts and the petition is complete in all aspects.
25. SBI claimed 952.19 crores as the amount outstanding and default has been committed by the Corporate Debtor in respect of the same. The basis of the claim of SBI is on the following documents:

The latest and complete copy of the Financial Contract reflecting all amendments and waivers to date



- Copy of Sanction Letter dated 04.11.2009 issued by the erstwhile State Bank of Bikaner and Jaipur to the Corporate Debtor for granting financial assistance to the tune of Rs.150 Crores. (Annexure No.3)
- Copy of sanction letter dated 26.03.2010 issued by the erstwhile State Bank of Indore to the Corporate Debtor for granting financial assistance to the tune of Rs.150.00 Crores (Annexure No.4)
- Copy of Sanction Letter dated 02.06.2010 issued by the erstwhile State Bank of Patiala to the Corporate Debtor for granting financial assistance to the tune of Rs.150.00 Crores (Annexure No.5)
- Copy of Sanction Letter dated 16.06.2010 issued by the Financial Creditor to the Corporate Debtor for granting financial assistance. (Annexure No.6)
- Copy resolution passed by the Board of Directors of the Corporate Debtor dated 16.08.2010 for availing Financial Assistance from the Consortium Lenders / Banks. (Annexure No.7)
- Copy of the Common Rupee Term Loan Agreement dated 08.09.2010 executed by and between Consortium Financial Creditors and Corporate Debtor. (Annexure 8)

- Copy of the Foreign Currency Loan Agreement dated 08.09.2010 executed by Corporate Debtor in favour Power Finance Corporation Ltd. (Annexure 9)
- Copy of letter dated 25.09.2014 issued by the Financial Creditor to the Corporate Debtor for restricting the term loan. (Annexure.10)
- Copy of letter dated 29.09.2014 issued by the erstwhile State Bank of Bikaner and Jaipur to the Corporate Debtor for restructuring the term loan of Rs.143 Crores (Annexure. No.11)
- Copy of Supplementary Term Loan Agreement dated 29.09.2014 executed by land between erstwhile State Bank of Bikaner and Jaipur and Corporate Debtor (Annexure.12)
- Copy of Supplementary Term Loan Agreement dated 29.09.2014 executed by and between erstwhile State Bank of Patiala and Corporate Debtor (Annexure 13)
- Copy of Amendment to the Common Rupee Term Loan Agreement dated 31.03.2015 executed by and between Financial Creditor and Corporate Debtor(Annexure. 14)



26. SBI in its petition did not provide any record of default available with credit information. However, SBI filed copies of entries in a Bankers Books in accordance with Bankers Book Evidence Act 1981. SBI also filed the following documents to substantiate their claim ie.,

- Copy of Agreement for undertaking of equity subscription dted 07.09.2010 executed by M/s Athena Energy Ventures Pvt Ltd (Annexure No.16)
- Copy of Agreement for Share Subscription and Retention undertaking Agreement dated 08.09.2010 executed by Corporate Debtor in favour of Power Finance Corporation Ltd (Annexure No.17)
- Copy of undertaking of Cost overrun dated 08.09.2010 . (Annexure No.18)

- Copy of Lenders Agent Agreement dated 08.09.2010 executed by Corporate Debtor and other Financial Creditors appointing Power Finance Corporation Ltd., as Lenders Agent (Annexure.19)
- Copy of Security Agent Agreement dated 08.09.2010 executed by Corporate Debtor and other Financial Creditors appointing Power Finance Corporation Ltd to act as Security Agent (Annexure No.20)
- Copy of Inter Creditor Agreement dted 08.09.2010 (Annexure No.21)
- Copy of Trust and Retention Account Agreement dated 08.09.2010 executed by Corporate Debtor and other Financial Creditors (Annexure No.22)
- Copy of Hypothecation Agreement dated 20.09.2010 executed by Corporate Debtor in favour of Power Finance Corporation Ltd (Annexure No.23).
- Copy of Agreement of Pledge dated 21.09.2010 executed by Asian Genco PTE Ltd., AIP Power Ltd., ABIR Hydro Power Pvt Ltd, Abir Infra Structure Infra Pvt, Cobalt Power Pvt Ltd and Athena Energy Ventures Pvt Ltd in favour Power Finance Corporation Ltd (Annexure.24)
- Copy of declaration and undertaking dated 21.09.2010 (Annexure No.25)
- Copy of Pledge master report issued by the DP:ICICI Bank Ltd dated 05.01.2016 (Annexure No.26)
- Copy of the Corporate guarantee Agreement dated 09.02.2016 executed by M/s Athena Energy Ventures Pvt Ltd Guaranteeing the repayment of Financial Assistance Availed by the Corporate Debtor (Annexure o.27)
- Copy of Letter issued by Financial Creditor dated 30.09.2016 approving contribution for corpus fund (Annexure No.28)



27. PFC in its petition claimed Rs.1371.5 Crores as the amount in default. In order to establish the claim of the petitioner the following documents have been filed.

Anexure I (E) (“Colly”)

Security Documents:

- i. Mortgage of Land admeasuring 176 Sq.mtrs:
 - a. Deed of Mortgage dated September 17, 2010, executed by the Corporate Debtor in favour of the Financial Creditor (as Security Agent
- ii. Mortgage of Project Land admeasuring 2050 acres:
 - a. Memorandum of Entry dated September 22, 2010, executed by the Corporate Debtor in favour of the Financial Creditor (as Security Agent); and
 - b. Declaration and Undertaking dated September 21, 2010, executed by the Corporate Debtor in favour of the Financial Creditor (as Security Agent).
- iii. Mortgage of Lands admeasuring 10.75 acres (of APIICL land) and 36.1925 acres (of private land):
 - a) Memorandum of Entry dated October 16, 2015, executed by the Corporate Debtor in favour of the Financial Creditor (as Security Agent):
 - b. Declaration dated October 15, 2015 executed by the Corporate Debtor in favour of the Financial Creditor (as Security Agent); and
 - c. Memorandum of Deposit of Title Deeds dted October 28, 2015 executed by the Corporate Debtor, in favour of the Financial Creditor (as Security Agent)



Annexure I (H) (“Colly”)

Loan Documents:

- i. Sanction of Letter dated August 7, 2009 issued by the Financial Creditor to the Corporate Debtor.
- ii. Common Rupee Term Loan Agreement dated September 8, 2010 executed between the Corporate Debtor and the Consortium (Contd.)

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- ii. Common Rupee Term Loan Agreement dated September 8,

2010, executed between the Corporate Debtor and the Consortium (Contd.)

- iii. Foreign Currency Loan Agreement dated September 8, 2010, executed between the Corporate Debtor and the Financial Creditor (as Foreign Currency Lender, Security Agent and Lender's Agent);
- iv. Inter-Creditor Agreement dated September 8, 2010 executed between the Financial Creditor and the other lenders of the Consortium;
- v. Lenders' Agent Agreement dated September 8, 2010 between the corporate Debtor, financial Creditor and another Consortium lenders;
- vi. Security Agent Agreement dated September 8, 2010 executed between the Corporate Debtor, the Financial Creditor and the other Consortium lenders;
- vii. Trust and Retention Account Agreement dted September 8, 2010 executed between the Corporate Debtor, the Financial Creditor other Consortium lenders, and the State Bank of India; (contd.)

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- vii. Trust and Retention Account Agreement dated September 8, 2010 executed between the Corporate Debtor, the Financial Creditor other Consortium lenders, and the State Bank of India; (contd.)
- viii. Undertaking for Equity Contribution dated September 7, 2010 executed by PTC India Financial Services Limited; And
- ix. Revised Sanction letter dated July 9, 2014 issued to the Corporate Debtor for restructuring the loan facility under the CLA and FCA, and section of additional term loan of INR 802.82 Crores by the Financial Creditor.

Annexure I (I)

Copy of the Ledger Account maintained by the Financial Creditor in respect of the loan facility extended to the Corporate Debtor.

Annexure I (J) ("Colly")



- x. Demand Notice dated July 31, 2017 issued by the Financial Creditor to the Corporate Debtor in relation to outstanding interest amount of INR 85.64 Crores
- xii. Notice of Default cum Recall Notice dated November 20, 2017 issued by the Financial Creditor to the Corporate Debtor, amongst others, pursuant to which the entire loan amount has been recalled, and the Corporate Debtor is called upon to pay outstanding dues under the CLA and FCA.

28. PFC also filed the documents relating to securities credited by the Corporate Debtor. PFC also filed the copy of workings for computation of amount due to it from the Corporate Debtor.
29. PFC is also filed demand notice dated **31.07.2017** issued by it to the Corporate Debtor in relation to the interest amount of Rs.85.64 crores. Petitioner also filed notice of default dated 20.11.2017 issued by the PFC to the Corporate Debtor.
30. In the counter filed by the Corporate Debtor in the petitions filed by the SBI and PFC the main plea of the Corporate Debtor is that the default alleged by the petitioner cannot be called as “virtual default” for the purpose of Section 7 of IB code. In order to project the concept of virtual default respondent narrated several facts relating to constitution of JLF, and the discussions that took place in JLF. It is the case of Respondent/Corporate Debtor, it is the Financial Creditors, i.e., the SBI and other Bankers that made the Corporate Debtor to commit default and as such the default alleged by the petitioner SBI cannot be called as “virtual default” for the purpose of Section 7 of the IB Code.

Default is defined in Section 3(12) of the code which reads as follows:-



“Default” means 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”

31. A reading of the definition of default neither expressly nor impliedly give rise to a meaning or it enjoins upon the Adjudicating Authority to find out what are the reasons for occurrence of default. Section 7 of the Code enjoins upon the Adjudicating Authority only to find out occurrence of default but not the reasons for default. It is beyond the scope of this authority to examine and consider the facts and circumstances that lead to the occurrence of default.



32. In the judgement in Innoventive Industries Ltd Vs ICICI Bank (2018) 1 Supreme Court Cases, it is clearly held that Adjudicating Authority has to satisfy itself that a default has occurred by seeing the records of information utility or other evidence produced by the Financial Creditor. In the case on hand Records of information utility are not available. However petitioner produced the documents, in order to show that a default occurred in repayment of financial debts due and payable to SBI ad PFC. Hence, it is held there is occurrence default in repayment of Financial debts due to SBI and PFC. Therefore in view of the above said judgement of the Honourable Supreme Court it is beyond scope of this authority to consider the reasons for default. More over the concept of virtual default is neither expressly nor impliedly prescribed in any of the provisions of the IBC.

33. In the counter filed by the Corporate Debtor in the petition filed by SBI it is stated that the proposed IRP Mr. K.V. Sreenivas is an incompetent person to act as IRP in respect of the Corporate Debtor considering the large volume of business

of the Corporate Debtor and for want of technical knowledge. It is also stated in the counter that Mr. K.V. Srinivas has already engaged as RP to M/s Agree seeds Pvt Ltd. Another reason stated is that the proposed IRP is a former employee of the SBI and there is likelihood of Bias.

34. In the counter filed by the Corporate Debtor in the petition filed by PFC in respect of proposed IRP Mr. Shantha Sinha, it is stated that he is also incompetent to conduct the business of the Corporate Debtor. PFC filed a memo before this authority dt.16.03.2018 proposing the name of Mr. Devendra Prasad as IRP in place of Mr. Sutanu Sinha on the ground that Mr. Sutanu Sinha has been appointed as RP in respect of IVRCL and he is currently occupied with that work. PFC also enclosed the written communication of Mr. Devendra Prasad in Form-2



35. This authority is disposing of both the applications, one filed by SBI and other filed by PFC by a common order, admitting both the petitions. Both the Financial Creditors proposed names of two different Insolvency Professionals as IRPS. The claim of the PFC is Rs.1371.5 Crores, whereas the claim of SBI is Rs.952.19 crores. Considering the fact that the amount claimed by the PFC is more than the amount claimed by the SBI, this Adjudicating Authority is of the view that it is just and appropriate to appoint Insolvency Professionals proposed by PFC. Hence Mr. Devendra Prasad, Insolvency Professional with IBBI No.IBBI/IPA-002/IP-N00436/2017-2018/11271 is appointed as IRP in respect of Corporate Insolvency Resolution Process of Corporate Debtor.

36. In view of the above discussion this Adjudicating Authority is hereby admit both the petitions under Section 7 (5) (a) of the Code. The Adjudicating Authority is also appointing Shri

Devendra Prasad, Insolvency Professional as “Interim Resolution Professional” in respect of Corporate Insolvency Resolution Process relating to Corporate Debtor.

37 Section 13 of the Code says that after admission of the application under Section 7, the Adjudicating Authority shall pass an Order declaring moratorium for the purposes referred to in Section 14.

38. Therefore, in view of the commencement of Corporate Insolvency Resolution Process with the admission of these Petitions and appointment of Interim Resolution Professional, this Adjudicating Authority hereby passes the order declaring moratorium under Section 13 (1) (a) prohibiting the following as laid down under section 14 of the Code;



- a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority.
- b) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
- c) any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002).
- d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

- e) The moratorium order in respect of (a), (b), (c) and (d) above shall not apply to the transactions notified by the Central Government.
- f) However, the order of Moratorium shall not apply in respect of supply of essential goods or services to Corporate Debtor.
- g) The Applicant shall also make public announcement about initiation of Corporate Insolvency Resolution Process as required by Section 13(1)(b) of the Code.



This order of moratorium shall be in force from the date of order till the completion of Corporate Insolvency Resolution Process subject to the Proviso under sub-section (4) of Section 14.

40. These Petitions i.e. CP(IB)No.22/7/HDB/2018 and CP(IB)No.23/7/HDB/2018 are disposed of accordingly.
41. Communicate a copy of this order to the Applicants Financial Creditors and to the Interim Insolvency Resolution Professional.

Sd/-
BIKKI RAVEENDRA BABU
ADJUDICATING AUTHORITY
MEMBER JUDICIAL

G. Anantha Kishore
For Dy. Regr./Asst. Regr./Court Officer/
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रतः
CERTIFIED TRUE COPY
केस संख्या
CASE NUMBER. CP(IB)No.22/7/HDB/2018
निर्णय का तारीख
DATE OF JUDGEMENT. 3.4.2018
प्रति तैयार किया गया तारीख
COPY MADE READY ON. 4.6.2018