

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

**Hearing Through: VC and Physical (Hybrid) Mode**

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

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

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,  
HYDERABAD BENCH, HELD ON 22.08.2024 AT 10:30 AM**

<b>TRANSFER PETITION NO.</b>	
<b>COMPANY PETITION/APPLICATION NO.</b>	<b>IA (IBC)/1999/2023 in Company Petition IB/296/7/2022</b>
<b>NAME OF THE COMPANY</b>	<b>Manjeera Retail Holdings Pvt Ltd</b>
<b>NAME OF THE PETITIONER(S)</b>	<b>Catalyst Trusteeship Limited</b>
<b>NAME OF THE RESPONDENT(S)</b>	<b>Manjeera Retail Holdings Pvt Ltd</b>
<b>UNDER SECTION</b>	<b>7 of IBC</b>

**ORDER**

**IA (IBC)/1999/2023**

Orders pronounced, recorded vide separate sheets. In the result, this application is allowed.

**Sd/-**

**MEMBER (T)**

**Sd/-**

**MEMBER (J)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**HYDERABAD BENCH - II**

**I.A.No.1999 of 2023 in**  
**CP (IB) No.296/07/HDB/2022**

**In the matter of:**

M/s Manjeera Retail Holdings Private Limited, Corporate Debtor

**Between:**

M/s Manjeera Retail Holdings Private Limited,  
Represented by its Resolution Professional  
Mr. Birendra Kumar Agrawal,  
#711, Manjeera Trinity Corporate,  
Beside Manjeera Mall,  
JNTU-Hitech City Road, Kukatpally,  
Hyderabad – 500 072.

....Applicant

And

1. Mr. G Yoganand,  
Suspended Director of  
M/s Manjeera Retail Holdings Private Limited,  
Plot No.18, Ashwin Heights,  
Road No.70, Jubilee Hills,  
Hyderabad – 500 033.
2. Mr. Lokamanya Subbaiah Sreshti Dodda,  
Suspended Director of  
M/s Manjeera Retail Holdings Private Limited,  
Plot No.30, Viman Nagar Colony,  
Rasoolpura,  
Hyderabad – 500 003.
3. Mr. Krishna Murty Kompella,  
Suspended Director of  
M/s Manjeera Retail Holdings Private Limited,  
6-3-252/1/5, Flat No.301,  
Siva Dhanush Residency,  
Opp : IIMP Institute,  
Erramanzil, Kairathabad,  
Hyderabad – 500 082.

....Respondents

**Date of order: 22.08.2024**

**CORAM:**

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

**Counsels present:**

For the Petitioner : Mr. VVSN Raju, Advocate  
Along with Mr. Srikanth Rathi &  
Ms. Aishwarya, Advocates

For the Respondents : Mr Y Suryanarayana, Advocate

Heard on : 20.08.2024

**Per : Sanjay Puri, Member (Technical)**

**ORDER**

1. This application has been filed by the Resolution Professional (**RP**) of M/s Manjeera Retail Holdings Private Limited, the Corporate Debtor (**CD**), against the Suspended Directors. The application alleges that after the CD was admitted into the Corporate Insolvency Resolution Process (**CIRP**) on 18.07.2023, Mr. G. Yoganand, one of the Directors and Respondent No.1, withdrew Rs 10.0 lakhs in cash from the CD's bank accounts on 19.07.2023. He is also accused of withdrawing cash of Rs 9.0 lakhs from the CD's bank accounts on 05.07.2023, just before the CD's admission into CIRP. It is further alleged that Respondents No.2 and No.3, the other Directors, failed in their fiduciary duties and colluded with Respondent No.1 to facilitate these transactions.

2. The RP has invoked the provisions of Section 14 of the Insolvency and Bankruptcy Code (IBC), arguing that the withdrawal of funds from the CD's bank accounts constitutes a gross violation of the order issued by this Authority, which admitted the CD into CIRP. The RP further submits that this violation is punishable under Section 74 of the IBC. The RP has expressed concerns that the Rs 19.0 lakhs withdrawn in cash by the Respondents may have been diverted for personal use. Accordingly, the RP prays that the Respondents be directed to remit the Rs 19.0 lakhs back into the CD's account to ensure the smooth conduct of the CIRP.
3. In response, Respondent No.1 claims that the cash withdrawn on 19.07.2023 was used to pay wages to workers for debris removal and other work at the CD's premises. He has provided copies of payment vouchers as evidence of these payments. The same explanation is offered for the Rs 9.0 lakhs withdrawn on 05.07.2023, with similar vouchers produced as evidence. Respondents No.2 and No.3 have adopted the counter reply filed by Respondent No.1.
4. After hearing the parties and reviewing the records, it is clear that the withdrawal of Rs 10.0 lakhs on 19.07.2023 by Respondent No.1 was in direct violation of the order admitting the CD into CIRP on 18.07.2023. Under Section 17 of the IBC, once the CIRP commences, the powers of the existing Board of Directors are suspended, and the management of the CD's affairs is vested in the RP. Respondent No.1, who was suspended by the CIRP order of 18.07.2023, had no authority to withdraw cash from the CD's bank account without the approval of the

RP. His actions were not only a contravention of the law but also a clear violation of the order issued by this Authority.

5. The explanation provided by Respondent No.1, stating that the funds were used for worker payments, is flimsy and unconvincing. The payment vouchers submitted in support of this claim appear questionable and their authenticity unverifiable. The explanation for the withdrawal of Rs 9.0 lakhs is equally flimsy & unconvincing, and the corresponding vouchers are similarly unreliable. Although this withdrawal occurred on 05.07.2023, just before the CD's admission into CIRP, the timing raises significant concerns, making the transaction fraudulent in nature and covered under section 66 of IBC.
6. The vouchers submitted by the Respondents, which purportedly show payments made to various individuals on different dates from 05.07.2023 to 19.07.2023, are also problematic. None of these vouchers is numbered, and they are not supported by any corroborating records such as attendance sheets or wage registers. Number of days of work and wage rate is also not specified on these vouchers, despite each individual receiving substantial sums ranging from Rs 11,000 to Rs 23,000 with Rs 18,800 average. Moreover, the failure to record these purported cash payments to workers in the CD's regular cash-book further confirms the suspicion that the cash withdrawn from CD's Bank was used for the purposes other than the business of the CD.
7. In light of the above findings, the Respondents are hereby directed to remit Rs 19.0 lakhs withdrawn from the CD's bank

accounts back into the CD's account to ensure the smooth conduct of the CIRP.

With the above directions, this application is allowed and disposed of accordingly.

**Sd/-**

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

**Sd/-**

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

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