IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH
(Through web-based video conferencing platform)

ITEM No.01
CP (IB) No.97/BB/2021

IN THE MATTER OF:

TVS Supply Chain Solutions ... Petitioner
Vs.
ARN IOT Solutions Private Limited ... Respondent

Order under Section 9 of Insolvency and Bankruptcy Code, 2016

Order delivered on 26.09.2022

CORAM:

SH. KISHORE VEMULAPALLI
HON'BLE MEMBER (JUDICIAL)

SH. MANOJ KUMAR DUBEY
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Petitioner : Mr. Arkaprava Guha Niyogi
For the Respondent : Shri Rudran Menon

ORDER

1. Heard Shri Arkaprava Guha Niyogi, Learned Counsel for the Petitioner and Shri Rudran Menon, Learned Counsel for the Respondent.

2. The present petition is filed, under Section 9 of the Insolvency and Bankruptcy Code (hereinafter referred to as 'IBC'/Code) 2016 r/w Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by TVS Supply Chain Solutions Limited (hereinafter referred to as 'Operational Creditor/Petitioner), with a prayer to initiate Corporate Insolvency Resolution Process (CIRP) against ARN IOT Solutions Private Limited (hereinafter referred to as Respondent/Corporate Debtor) in respect of the default amount of Rs. 2,04,46,734.32/- (Rupees Two Crores Four Lakhs Forty-Six Thousand Seven Hundred and Thirty Four and Thirty Two Paisa only).

3. The Respondent has filed the reply on 03.06.2022 vide diary No. 2398 stating that the Respondent was approached by the Company called a Indoshell Mould Limited for supply of Telecom Tower materials of certain quantity with a total value of Rs. 2,64, 60, 320/-. Since the said materials as sought by Indoshell

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Mould Limited were not available with the Respondent, therefore they approached the Petitioner. The Applicant placed the Purchase Order dated 23.08.2019, whereby it was agreed that the Applicant would supply the quantities of Telecom materials for a total consideration of Rs. 2, 72, 91, 040/-. The Respondent supplied the materials received by the Petitioner and raised invoices for a amount of Rs. 2,64, 60, 320/-.

4. It was further stated that the Corporate Debtor was making the payment to the Petitioner as and when they received the payments from the Indoshell Mould Limited. Subsequent to the initiation of the instant proceedings the Corporate Debtor has also made the payments to the Operational Creditor. The said payments were made to the Petitioner as and when the amounts were received by the Corporate Debtor from its customer i.e., Indoshell Mould Limited. It is further submitted that the Respondent Customer i.e., Indoshell Mould Limited has further agreed to make the payments as per the time schedule whereby, it has agreed to settle all the dues towards the Petitioner by end of the December 2022. Copy of the letter addressed by Indoshell Mould Limited acknowledging the pending payment is attached as *Annexure R6* to the reply. Further it is stated that the Respondent has in total paid an amount of Rs. 1,29, 44, 306/-. The Learned Counsel for the Corporate Debtor/Respondent during the hearing also submitted that out of Rs. 2, 04, 46, 734.32/- (Rupees Two Crores Four Lakhs Forty-Six Thousand Seven Hundred and Thirty Four and Thirty Two Paisa only), the Corporate Debtor paid some amount till August 2022 and he has agreed to pay the remaining amounts as per the time schedule.

5. On the otherhand, the Petitioner has not agreed for the undertaking given by the Corporate Debtor/Respondent and submitted that they want to pursue the matter for the admission of the Corporate Debtor to CIRP. The Operational Creditor/Petitioner has also filed the rejoinder stating that the liability for the said default in payment can only be attributed to the Corporate Debtor as the Purchase Order dated 23.08.2019 is strictly a bi-partite arrangement between the Petitioner and Respondent and any other arrangement of the Respondent that may exist with a third party does not affect or influence the present arrangement between the parties. Hence the arrangement between the Respondent and Indoshell Mould Limited is irrelevant to the facts and circumstances of this case.

6. In view of the above, therefore the Respondent has not given any proposal to the Petitioner and agreed to pay the remaining amounts as and when the Respondent

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receives the amounts from its Customer i.e., Indoshell Mould Limited which is a third party for the present case and there is also no settlement agreement executed between the Petitioner and Respondent. Therefore, we direct the Respondent to pay a sum of Rs. 20, 00,000/- (Rupees Twenty Lakhs only) towards the installment of September 2022 within one week to show its bonafide.

7. List the case on **28.10.2022.**

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(MANOJ KUMAR DUBEY)
MEMBER (TECHNICAL)

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(KISHORE VEMULAPALLI)
MEMBER (JUDICIAL)

Gayathri