

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

Special Bench (PHYSICAL HEARING)

**CORAM: DR.VENKATA RAMAKRISHNA BADARINATH NANDULA – HON’BLE MEMBER (J)
CORAM: SHRI SATYA RANJAN PRASAD- HON’BLE MEMBER (T)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,
HYDERABAD BENCH, HELD ON 18.04.2023 AT 04:00 PM**

TRANSFER PETITION NO.	
COMPANY PETITION/APPLICATION NO.	IA (CA)/428/2021 in CP (IB) No.376/7/HDB/2018
NAME OF THE COMPANY	Sagar Infra Rail International Ltd
NAME OF THE PETITIONER(S)	State Bank of India
NAME OF THE RESPONDENT(S)	Sagar Infra Rail International Ltd
UNDER SECTION	7 of IBC

ORDER

Orders in IA 428/2021 pronounced, recorded vide separate sheets. In the result, this application is dismissed.

Sd/-

MEMBER (T)

Syamala

Sd/-

MEMBER (J)

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

I.A. No.428/2021

in

CP(IB) No.376/7/HDB/2018

[U/s. 42 (5) of IB Code, 2016 r/w Rule 11 of the NCLT Rules, 2016]

**In the matter of State Bank of India vs. M/s. Sagar Infra Rail
International Limited**

Between:

Acurite Contractors & Engineers

Firm registration no: 710 of 1999

Represented by its GPA holder Sri K.N.V. Prasad Reddy

8-2-248/A/1/V, New No; 748/A (Ground Floor) Journalist Colony,

Near VST colony, road no: 3, Banjara Hills, Hyderabad

...Applicant/Financial Creditor

Vs

M/s. Sagar Infra Rail International Limited

(Presently under Liquidation and Represented by the Liquidator)

Mr. CA Kambhammettu Sri Vamsi,

Regd no. IBBI/IPA-001/IP-P00664/2017-18/11141

Sumedha Management Solutions Private Ltd,

309/1, 3rd Flood, Krishna Plaza, Khairatabad,

Hyderabad-500004; ip.sagarinfra@gmail.com

...Respondent/Corporate Debtor

Date of Order: 18.04.2023

Date of Order:18.04.2023

CORAM:

Hon'ble Dr. Venkata Ramakrishna Badarinath Nandula,Member(Judicial)
Hon'ble Sri Satya Ranjan Prasad, Member (Technical)

Counsels present:

For the Applicant : Mr. Ramesh Babu Palutla, Advocate

For the Respondent : Mr.V.V.S.N. Raju, Liquidator

[PER: BENCH]

ORDER

- I. The present application is filed by M/s.Acurite Contractors & Engineers, Applicant u/s 42 of the Insolvency and Bankruptcy Code, 2016 r/w rule 11 of the National Company Law Tribunal Rules, 2016 praying this Hon'ble Tribunal to consider the following:
 - i. Condone the delay of 60 days in preferring the present Interlocutory Application.
 - ii. Set aside the decision dated 27.05.2021 of the Liquidator in rejecting the applicant's claim on the grounds for the reasons mentioned in the table of para 14 of this Application.
 - iii. Direct the Liquidator to admit the applicant's claim dated 20.04.2021 for a total amount of Rs.3,59,51,864/- in its entirety after duly verifying the same.

Date of Order:18.04.2023

II. Briefly, the facts as mentioned in the application are as follows:

1. The Adjudicating Authority admitted the Petition under Section 7 of the Insolvency and Bankruptcy Code (IBC) 2016 filed by State Bank of India vide order dated 08.08.2019 against the Corporate Debtor (ACPL), by appointing Mr. CA Kambhammettu Sri Vamsi as the Interim Resolution Professional. Accordingly, in terms of Public Announcement (Form-A) dated 17.08.2019, the applicant filed its claim application dated 30.06.2020 for a Total Amount of Rs.4,14,29,962/- before the IRP.
2. On 11.07.2020, the Resolution Professional informed that the applicant's claim is rejected only on the grounds of expiry of time as per Regulation 12 (2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation, 2016.
3. Aggrieved by the RP's decision, the applicant filed IA 122/2021 with this Hon'ble NCLT and the Hon'ble NCLT vide its order dated 18.03.2021 observed that –

"We make it clear that, since we are passing the order of Liquidation, Applicant, i.e., Accurate Contractor & Engineers are at liberty to file their claim before the Liquidator".

Date of Order:18.04.2023

4. The applicant submits that the Hon'ble NCLT approved the liquidation of Corporate Debtor and appointed the RP as the Liquidator with effect from 04/03/2021 against the IA 132/2021 filed by RP for approval of Liquidation of the Corporate Debtor in terms of Section 33(1) of the Insolvency and Bankruptcy Code, 2016.

5. Accordingly, the Liquidator called for claims vide public announcement, and in response to the public announcement of Liquidator, the applicant filed his claims in Form D for the amount of Rs. 3,59,51,864/- before the Liquidator on 20-04-2021. The Liquidator communicated to the applicant vide email dated 27.05.2021 mentioning the rejection of total claims on the following grounds:
 - i. The claim submitted in Form D as Financial Creditor was in physical means.
 - ii. No document substantiating the claim amount due from the Corporate Debtor is attached to the claim.
 - iii. There is no proof of non-payment by the Corporate Debtor attached to the claim.
 - iv. There is no proof of acknowledgement of the claim amount by the Corporate Debtor attached to the claim. The claim is relating to the transactions for the periods between 2012 to 2014 and is time-barred.

Date of Order:18.04.2023

6. Aggrieved by the order of the Liquidator, the applicant approached the Hon'ble NCLT.
7. The applicant submits that the applicant, i.e., Acurite Contractors & Engineers (ACE), have entered with M/s Sagar Infra Rail International Ltd (SIRIL) a Joint Venture (JV) to execute all types of Works as M/S SIRIL & ACE (JV) on 1-6-2012 with a ratio of 51:49 respectively with SIRIL, as Lead Partner. The purpose of JV is to undertake works and execute the contract if it is awarded to the Joint Venture. The JV agreement also mentioned that the JV would execute all the Railway Projects quoted by JV or individual only unless on the parties' first refusal in writing. Therefore, the lead party (i.e., SIRIL) shall be liable for completing Work as per the contract terms without any additional cost to the principal contractor in case of dissolution. The JV also agreed that if mobilization advances are not paid for any project undertaken by JV, then an interest rate of 24% per annum shall be paid on the capital so contributed, and such interest shall form the part of the expenditure of JV. Thus, the JV terms clearly show a time value of money for capital contributed by partners.
8. The JV operated a joint account in the name of "Sagar Infra Rail International Ltd and Acurite Contractors and Engineers JV" in Union Bank Madha Branch Solapur with IFSC Code:

Date of Order:18.04.2023

UBIN0547093 and A/c No470901010000270; the Director of the CD Company is a joint signatory along with the representative of this Applicant.

9. The JV was executing a Sub-contract from ILFS & Kalindee (JV) of Rail Vikas Nigam (RVNL) Project of doubling Railway Lane at Bhigwan-Mohl Section in Solapur division of Central Railways in Maharashtra. The applicant alone submitted several Bank Guarantees (BGs) as part of the Work on behalf of the JV as the CD expressed its inability to contribute its committed share. But subsequently, the Work was terminated due to the slow progress of works. It is pertinent to mention here that as per the JV, the responsibility of the execution of the entire Work is with the CD and the failure of CD in implementing the Work led to the cancellation of the Work contract on 31.12.2014.
10. The applicant submits that the applicant provided to the CD Company from time to time all Statement of accounts which also has the details of liabilities undertaken by the Corporate Debtor (CD), and filed the Income Tax returns on behalf of the JV, who raised no objections at any point of the time, thus consenting to all actions of the applicant. It is further submitted that in every IT return of the JV, the applicant liability was duly reflected, including in the IT returns of FY 2019-20.

Date of Order:18.04.2023

11. The applicant submits that when CD has not paid the Applicant's dues arising out of subsequent works undertaken and liabilities due to contractual obligations undertaken by the JV-as the lead partner, the Applicant issued a Legal Notice on 11-2-2020 for Arbitration, and then CD issued a Reply notice on 01.06.2020 through then RP as the CD was under CIRP. Through the reply notice of CD issued by the RP then only, the applicant came to know about the case filed in the Hon'ble NCLT and that the CD was admitted into CIRP through the order of this Hon'ble Tribunal dated 08.08.2019. It is pertinent to mention that the CD as JV Partner is duty-bound to inform the partner about the admission of Insolvency. However, the CD did not inform about the commencement of CIRP, which only shows the CD's mala-fide intentions and breach of trust.
12. The applicant submits that after knowing that the CD was under CIRP, the applicant filed his claims with RP, which was rejected by then RP, against which, the applicant filed IA 122/2021 requesting the Hon'ble Adjudicating Authority to consider the claims. RP filed IA 132/2021 for approval of Liquidation of Corporate Debtor under Section 33(1) of the Insolvency and Bankruptcy Code, 2016. The Hon'ble NCLT approved the same and appointed the RP as the Liquidator. The Hon'ble NCLT directed the applicant to file their claims with Liquidator and disposed of IA 122/2021 on 18.03.2021.

Date of Order:18.04.2023

13. Pursuant to the Hon'ble NCLT order, the applicant filed his claims in Form D for Rs.3,59,51,864/- before the Liquidator on 20.04.2021 with all relevant documents. However, the claims were rejected by the Liquidator vide mail dated 27.05.2021 on the grounds of non-submission of claims in physical means, inadequate documents to substantiate the claims and time-barred claims. In addition to the above grounds, the Liquidator has only passed generic comments that the claims are time-barred. But he could not mention what the last date for the calculation of the limitation period is. It is settled law that the fresh limitation period starts from acknowledging debt in books as per ratio laid down by the Hon'ble Supreme Court in Asset Reconstruction Company (India) Limited Vs. Bishal Jaiswal [CA 323 OF 2021]. The CD JV IT returns for FY 2019 2020 filed on 07-08-2019 show liabilities to Applicant as Rs.1,22,74,107/-.
14. Thus, if any limitation application shall be computed from 07-08-2019 and the claims are within time. Also, the JV bank account has made a transaction on 04-05-2017 vide cheque bearing No 2008876 drawn on Madha branch Solapur of Union Bank of India to City Bank, Chennai for Rs 87,000/- for meeting JV expenses. This cheque was signed by the authorized representative of CD as the lead partner of JV. Thus, for calculation of limitation from JV bank account transaction point of view shall be calculated from 04-05-

Date of Order:18.04.2023

2017 and given the Hon'ble Supreme Court judgment, in re., COGNIZANCE FOR EXTENSION OF LIMITATION held that "the period from 15.03.2020 till 14.03.2021 shall stand excluded". Thus, applying the judgement, the claims are within the limitation period.

15. The applicant submits that the Liquidator has ignored the Regulation 18(2) (b) of the Insolvency and Bankruptcy Board Of India (Liquidation Process) Regulations, 2016, which is reproduced here.

18(2) "The existence of debt due to the financial creditor may be proved on the basis of-

(a).....

(b) other relevant documents which adequately establish the debt, including any or all of the following-

*(i) **a financial contract supported by financial statements as evidence of the debt;***

(ii) a record evidencing that the amounts committed by the financial creditor to the corporate debtor under a facility has been drawn by the corporate debtor,

(iii) financial statements showing that the debt has not been repaid; and

(iv) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, if any

16. The Income Tax Returns of the JV for the Financial Year 2019-2020 are filed as ANNEXURE A- 6 of the application. The Income Tax returns come under documents mentioned under Regulation 18(2)(b) of Insolvency and Bankruptcy

Date of Order:18.04.2023

Board of India (Liquidation Process) Regulations, 2016. The Income Tax returns are of JV, which is registered as the firm with the Government of Andhra Pradesh supported by a copy of the JV Agreement would evidence the debt.

17. The decision of the Liquidator that there is no proof of acknowledgement of the debt by CD is nothing but non-application of mind. The CD is the majority shareholder in the JV firm. When such JV firm IT returns show the liabilities, then the Liquidator conclusion of no proof of acknowledgement of the claim amount by the Corporate Debtor is beyond the applicant's comprehension. The Liquidator decision has put the applicant at an irreparable loss. If the CD books has no debt against the applicant, the Liquidator shall press for a transaction or separate audit to identify how the transactions of JV with attendant impact on the books of the Corporate Debtor Company have been missing shall be part of his immediate task to capture all liabilities promptly which are missing from the books of accounts. Unlike the Resolution Professional under CIRP, there is a greater responsibility thrust on the Liquidator to assess to arrive at the acceptability and, if so, what quantum or otherwise of the Claim under Liquidation. The Liquidator does not mere collate claims; he has a great responsibility in the verification of claims.

Date of Order:18.04.2023

18. The applicant requests the Hon'ble Tribunal to condone the delay in filing this petition challenging the liquidator decision within 14 days as mandatory u/s 42 of the IBC, 2016 i.e. on or before 10th June, 2021 against the date of decision of liquidator on 27/05/2021, for the reason that due to Covid-19, medical issues arose in the family members of the employees and promoters of the applicant as well as lock down imposed in Telangana, which effected the working of the offices.

III. The Respondent/Liquidator, in his Counter filed contended as under:

- i. That due to dearth of commercially viable Resolution Plans received for the Corporate Debtor, the CoC recommended for Liquidation of the Corporate Debtor and accordingly the then Resolution Professional filed an 1.A. before this Hon'ble Tribunal seeking liquidation of the Corporate Debtor. This Hon'ble Tribunal directed the liquidation of the Corporate Debtor vide order dated 04-03-2021 ("**Order of Liquidation**") in Company Petition (IB) No. 376/07/HDB/2018 and appointed the Respondent as the liquidator in the instant matter.
- ii. The Respondent submits that the Applicant had filed their Claim before this Respondent who was then the Resolution

Date of Order:18.04.2023

Professional of this Corporate Debtor, which was rejected by the Resolution Professional. The Applicant aggrieved by the Respondent's decision approached the Hon'ble NCLT by filing IA 122/2021, wherein the Tribunal directed them to file the claims before the Liquidator. It is submitted that the Respondent herein (erstwhile Resolution Professional) was appointed as liquidator vide NCLT order in I.A. 132/2021 dated 04.03.2021 which approved the Liquidation process of the Corporate Debtor.

- iii. Thereafter, the Respondent/liquidator invited claims through public announcement and the Applicant herein filed their claim vide Form D on 20.04.2021 for an unsecured claim amount of Rs.3,59,51,864/-, the said claim was rejected by this Respondent vide his letter dated 27.05.2021. The Respondent communicated to the Financial Creditor through email dated 27.05.2021 the reasons for the rejection of total claims on the following grounds: -

a) The claim submitted in Form D as Financial Creditor was in physical means.

b) No document substantiating the claim amount due from the Corporate Debtor is attached to the claim.

c) There is no proof of Non- payment by Corporate Debtor attached to the claim.

Date of Order:18.04.2023

d) There is no proof of acknowledgment of the claim amount by the Corporate Debtor attached to the claim. The claim is relating to the transactions for the periods between 2012 to 2014 and is time-barred.

- iv. The liability of the lead party would arise only in case of dissolution of the JV in unforeseen extraordinary situation. Further, interest is payable only on capital and not on margin monies for bank guarantees as the margin monies are kept in term deposit accounts earning interest.
- v. No document evidencing mutually accepted capital contributions by the JV partners has been provided by the applicant. Hence, CD is the lone contributor. Therefore, claiming the entire dues from CD by other JV partner is bad in law.
- vi. In all the audited financial statements of both the JV entity and the applicant as submitted by the applicant, no due and outstanding receivable from the CD. Hence, the liquidator has rightfully submitted that there is no document substantiating the claim amount due from the CD is attached to the claim.
- vii. It is averred that no proof of acknowledgment of the claim amount attached by the applicant to the claim and the purported acknowledgment of debt claimed by the applicant

Date of Order:18.04.2023

was dated 29/01/2015, which is beyond three years and hit by limitation and, hence, does not withstand in the eyes of law and requested to dismiss the instant application.

IV. The Applicant filed Rejoinder stating:

a. That none of the submissions contained in the counter filed by Liquidator is deemed to be admitted in any manner accepted by the applicant unless they have been specifically admitted in the extant rejoinder. The applicant craves leave of this Hon'ble Tribunal to refer to and rely upon the contents of the IA 428 documents filed therewith, as and when needed.

b. The points raised by the Liquidator, which are contested, and the reasons for contesting are shown in the tabular format below:

	Issues Contested in Reply filed by Liquidator	Our rejoinder and documents relied upon
1	Para 6: The JV is a separate and distinct legal entity	The JV is a dully registered partnership firm. It is settled law that a partnership firm is not an independent legal entity. The partnership firm is an association of partners, which, for business purposes, has GST and PAN identities.
2	Para 6: Both clauses 4 & 6 of the JV do not specify	Clause 4 of JV is clear that the lead partner, i.e. CD ,

	that the CD exclusively has to fund the projects	undertakes the responsibility to execute entire works. Failure of lead partner to mobilize capital for execution of works forced the applicant to contribute for capital to meet cash flow obligations.
3	Para 7: Liability of the lead party would arise only in case of dissolution of JV in unforeseen extraordinary situations.	The para 4-Joint liability of the JV Agreement is clear that the Lead party undertakes additional responsibility for the execution of works. Thus, Para 7 of the counter is misleading submission.
4	Para7: Interest is payable only on capital but not on margin monies for BG	Funds Contributed to the JV is capital infused by the partners for the furtherance of the business of the JV, Margin Money being the application or use of Funds. Funds injected to meet margin money requirement to obtain Bank Guarantees (BGs) by other JV partners is capital, as it is to run the business. BGs are essential for the business
5	Para9: The respondent Liquidator says the responsibility of execution of the entire work by Corporate Debtor is false.	Misleading submission; the para 4- Joint liability of the JV Agreement is clear that the Lead Party –the Corporate Debtor Company,

		unconditionally undertakes additional responsibility for execution.
6	Para 10: Liquidator does not mention what he is denying –the IT returns submitted by the JV or jointly signed cheques submitted by JV to banks?	<p>The Applicant submitted IT returns for the JV and the Corporate Debtor never questioned the submission or contents of the IT returns of the JV. This is an implicit acceptance on the part of the respondent CD and his acceptance doesn't require a separate proof.</p> <p>In the absence of any cooperation from JV Partner, the Applicant had taken care of statutory compliances.</p>
7	Para 11: Liquidator says 10 & 11 are not correct.	In para 11 of our application, the Applicant said that the CD should have informed about the commencement of CIRP at the beginning itself, the least expected of a Lead Partner; partnership is based on trust.
8	Para 12 – Capital Contribution – no document evidencing capital contribution submitted – The liability side reflects amounts payable by the JV to the Applicant; it is not capital brought – entire liability	<p>The Applicant has met the JV requirements, and these are audited figures. The total amount invested right from the date of JV Agreement has been Rs.3,59,51,864/- by the Applicant</p> <p>The funds infused by the Applicant are nothing but</p>

	cannot be on CD only – there are adequate assets of the JV	the capital contribution by the Applicant The realizable value of the assets has been negligible as the amount has continuing as works in progress; this investment is in contract works under execution at the time when the CD deserted order execution; upon completion of work, the amount was to be billed on ILFS, against a defunct unit. Now the amount needs to be written off.
9	Para 13 – No correspondence between CD and JV or any supporting documents to indicate any agreement about funds management	The cheques have been jointly signed and the amounts spent were never questioned for the reason. In a partnership firm, with joint cheque power, when one party has not raised any objections and signed all cheques submitted by JV, it is implicit acceptance of funds management.

V. The applicant has filed written submissions in support of its petition.

VI. In the light of the contest as aforementioned, the point that emerges for our consideration are –

Date of Order:18.04.2023

- 1. Whether the applicant was prevented by sufficient cause from filing this Appeal with the time allowed under IB Code? If so, can the delay be condoned?**
- 2. Whether the decision of the Liquidator rejecting the Applicant's claim on the grounds stated in the communication dated 27.05.2021 warrants interference by this Adjudicating Authority?**

VII. We have heard the learned counsel for the petitioner Mr.Ramesh Babu Palutla, and Ld. Counsel for the respondent/Resolution Professional Mr.V.V.S.N. Raju. Perused the record and submissions.

VIII. **Point1:**

Whether the applicant was prevented by sufficient cause from filing this Appeal with the time allowed under IB Code? If so, can the delay be condoned?

- i. Aggrieved by the Communication dated 27.05.2021 by the Liquidator wherein the Liquidator rejected the Applicant's claim, *inter alia*, on the grounds that (i) no document substantiating the amount claimed as due from the Corporate Debtor has been filed; (ii) No proof of acknowledgement of the claim. (iii). The debt claimed as due by CD is not within the prescribed period of limitation.

Date of Order:18.04.2023

- ii. According to the applicant the delay caused in filing the application was on account of Covid 2019 situation prevailing at that time. We therefore condone the delay in filing this Appeal.

Point is answered accordingly.

IX. Point 2:

Whether the decision of the Liquidator rejecting the Applicant's claim on the grounds stated in the communication dated 27.05.2021 warrants interference by this Adjudicating Authority?

- i. Admittedly, the claim of the applicant that a *financial debt* of a sum of Rs.3,59,51,864/- due and payable by the corporate debtor relates to the period between 2012 to 2014, and the Liquidator has rejected the same *inter alia*, on the ground that the said Claim, *namely*, the debt claimed as due and payable by the corporate debtor to the applicant is barred by limitation as there was no proof of acknowledgment of the said debt has been filed before him.
- ii. According to the Ld. Counsel for the Applicant, the IT return for the FY 2020-2021 submitted by the CD amounts, besides the entry relating the subject claim in the balance sheet of the Corporate Debtor as on

Date of Order:18.04.2023

31.03.2020, amounts to acknowledgement of debt by the corporate debtor therefore the period of limitation shall be calculated from 07.08.2019, as such, the claim since filed on 20.04.2021 is within time.

- iii. Since the debt claimed as due and payable by the corporate debtor to the applicant being of the year 2012-2014, and the claim having been made for the first time before the Resolution Professional on 30.06.2020 and later before the Liquidator on 20.04.2021, it is *imperative* for the applicant to establish that the said debt has been acknowledged by the corporate debtor as per section 18 of the limitation Act, lest the claim of debt having been made in the year 2020 will be barred by limitation.
- iv. Here, we refer to Section 18 of limitation Act, before proceeding further on our discussion on the point above, which is as below:
 - (1) Where, before the expiration of the prescribed period for a suit or application in respect of any property or right, an acknowledgment of liability in respect of such property or right has been made in writing signed by the party against whom such property or right is claimed, or by any person through whom he derives his title or liability, a fresh period of limitation shall be computed from the time when the acknowledgment was so signed.
 - (2) Where the writing containing the acknowledgment is undated, oral evidence may be given of the time when it was signed; but subject to the provisions of the Indian Evidence

Date of Order:18.04.2023

Act, 1872 (1 of 1872), oral evidence of its contents shall not be received.

Explanation. —For the purposes of this section, —

(a) an acknowledgment may be sufficient though it omits to specify the exact nature of the property or right, or avers that the time for payment, delivery, performance or enjoyment has not yet come or is accompanied by a refusal to pay, deliver, perform or permit to enjoy, or is coupled with a claim to set off, or is addressed to a person other than a person entitled to the property or right,

(b) the word "signed" means signed either personally or by an agent duly authorised in this behalf, and

(c) an application for the execution of a decree or order shall not be deemed to be an application in respect of any property or right.

- v. Thus, it is clear from the above provision that an acknowledgment of liability in respect of such property or right has been made in writing signed by the party against whom such property or right is claimed, or by any person through whom he derives his title or liability, before the expiration of the prescribed period for a suit or application in respect of any property or right, and when so made a fresh period of limitation shall be computed from the time when the acknowledgment was so signed.
- vi. Therefore, assuming that the financial debt as claimed by the applicant really exists between the applicant herein and the corporate debtor by 2014 as

Date of Order:18.04.2023

contended, the creditor in order to claim the said debt beyond 2017, the debtor shall acknowledge the said liability in writing signed by the corporate debtor or by any person through whom the corporate debtor derives liability, before the expiration of the prescribed period of three years for filing the present application so that a fresh period of limitation of three years shall be computed from the time when the acknowledgment was so signed.

- vii. In so far as the case on hand no such acknowledgement by the corporate debtor made before expiry of three years limitation from 2014 has been filed. The IT return which of the financial year 2020-21, the purported balance sheet as on 31.03.2020 even assuming to be construed as debt acknowledgements, the same will not save/extend limitation which has commenced in the year 2014. Therefore, the observation of the Liquidator that the claim is not within the prescribed period of limitation does not warrant any interference from our end.
- viii. The Point is answered accordingly.

X. That apart, we also examined the documents filed along with this application in support of the plea of resistance of debt between the applicant and the corporate debtor by 2014 and found that none of them establish funding the

Date of Order:18.04.2023

Corporate Debtor by the applicant. Therefore, the observation of the Liquidator that there is no record as so funding the Corporate Debtor has been filed is proper and does not call for our interference.

- XI. Therefore, the rejection of the claim of the applicant being on valid and tenable grounds by the Liquidator, the communication rejecting the claim does not warrant or call for our interference. Hence, the application deserves to be dismissed. Accordingly, the application IA 428/2021 is hereby dismissed. No costs.

Sd/-

**SATYA RANJAN PRASAD
MEMBER (TECHNICAL)**

Sd/-

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

Apoorva/Syamala