



IN THE NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(Through Hybrid Mode)

Item No.10
CP (IB)/23/9/AMR/2025

IN THE MATTER OF:

Green Morning Horticulture Pvt. Ltd.

... Applicant / Operational Creditor

Versus

Lakshmi Infrastructure and Developers India Pvt. Ltd.

... Respondent / Corporate Debtor

Under Section: 9 of IBC, 2016

Order delivered on: 28.07.2025

CORAM:

SHRI UMESH KUMAR SHUKLA
HON'BLE MEMBER (TECHNICAL)

SHRI KISHORE VEMULAPALLI
HON'BLE MEMBER (JUDICIAL)

PRESENT:

For the Applicant / Operational Creditor : Ms. Aishwarya N., Adv.

For the Respondent / Corporate Debtor :

ORDER

The present Application has been e-filed on 19.12.2024 vide Transaction ID: 28012120685842024 and physically filed on 03.07.2025 vide Diary No.1266, under Section 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by Green Morning Horticulture Private Limited ('Operational Creditor') seeking initiation of Corporate Insolvency Resolution Process ('CIRP') against Lakshmi Infrastructure and Developers India Private Limited ('Corporate Debtor').

2. As per the Master Data annexed with the Application, the registered office of the Corporate Debtor is situated at D. No.54-16-12/28, G1, A-Block, Vasanth Apartments, Sri Nagar Colony, Srikakulam, Vijayawada, Andhra Pradesh-520010, therefore, Application is within the territorial jurisdiction of this Adjudicating Authority.

3. The Counsel of the Operational Creditor has stated that the Corporate Debtor has defaulted in paying a total sum of Rs.1,50,41,709.14/- arising from two work orders, namely, Work Order No. LIDIPL/GB-HYD/NH-44/007



dated 28.06.2022 ('1st Work Order') and Work Order No. LIDIPL/GB-HYD/NH-44/073 dated 06.01.2023 ('2nd Work Order') along with interest. The outstanding sum claimed comprises Rs.63,56,162.91/- under the 1st work order, Rs.56,58,545.27/- under the 2nd work order, and an additional Rs.30,27,000.96/- towards interest on delayed payments. The brief factual background of the case, as pleaded by the Counsel of the Operational Creditor, is summarised below:

- (i) The Corporate Debtor, being a Company engaged in infrastructure development, was awarded a contract by the National Highways Authority of India ('NHAI') for the six-laning of the existing four-lane stretch of NH-44 from Gundlapochampally to Bowenpally in the State of Telangana on EPC mode under the Bharatmala Pariyojana. In furtherance of this project, the Corporate Debtor sub-contracted certain works to the Operational Creditor on a back-to-back basis under two work orders.
- (ii) The scope of work assigned to the Operational Creditor included the translocation of trees, their transportation, and maintenance post-replantation. As per the '*Payment Terms*' of the work orders, the Corporate Debtor was required to make payment within 15 days after submission of bills with due certification. The Corporate Debtor had to make payment of the bills after deducting statutory deductions and 5% retention money. The executed works were to be jointly measured and paid as per the rates provided in the Bill of Quantity (BOQ).
- (iii) After executing the works, the Operational Creditor raised bills on the Corporate Debtor, however, despite repeated reminders and follow-ups, the Corporate Debtor failed to pay the full amounts due under the invoices. Part payments were made on earlier occasions, and a payment of Rs.20,00,000/- was made on 07.08.2024.
- (iv) As of 15.12.2024, an amount of Rs.1,20,14,708.18/- remained outstanding towards the principal amount. In addition, the interest on the said outstanding amount for the delay period shall be paid as per the provisions of the MSME Act, 2006 and damages,



compensation, etc., for the loss suffered by the Operational Creditor for the dues payable by the Corporate Debtor. The Corporate Debtor has received regular payments from the NHAI, but has deliberately defaulted in making payments to the Operational Creditor.

- (v) The Operational Creditor is MSME as per the UDYAM registration and has also initiated proceedings before the MSEFC, Rangareddy,.
- (vi) A statutory Demand Notice in Form-3 under Section 8 of the IBC was issued on 24.08.2024 by the Operational Creditor, which was received by the Corporate Debtor on 30.08.2024. However, the Corporate Debtor neither responded nor made any payment.
- (vii) The cause of action arose on 18.03.2023 and 12.04.2024, being 15 days from the respective invoice dates of 03.03.2023 and 28.03.2024, when the bills were payable. It further arose upon part payment on 07.08.2024 and issuance of the Form-3 notice on 24.08.2024. Since payments remain pending, the cause of action is continuing.

4. During the course of proceedings on 11.07.2025, the Operational Creditor sought two weeks' time to place on record the supporting documents demonstrating that the invoices were raised in accordance with the terms of the work order, which was granted and the matter was posted for today.

5. In compliance of this Adjudicating Authority Order dated 11.07.2025 the Operational Creditor filed a Memo dated 25.07.2025 enclosing an Experience Certificate issued by the Corporate Debtor.

6. During the course of hearing today, the Counsel for the Operational Creditor referred to the 'Payment Terms' of the Work Orders, from which it is noted that the executed works shall be paid as per the rates provided in the BOQ and the measurement quantities certified by the Corporate Debtor's representative and the payment shall be done within 15 days after submission of monthly bill with due certification from Corporate Debtor's representative. The relevant extract of the Work Order is reproduced below:



7) Payment Terms:

- The executed Works shall be jointly measured and paid as per the rates provided in the BOQ. The measurement for payment shall be the quantities certified by LIDIPL's Representative and the quantities are as per the approved drawings or site based as the case may be
 - a) Payment will be done 15 days after submission of the bill with duly certified from LIDIPL Certification.
 - b) Statutory deductions as applicable will be made from the bill
 - c) Deduction towards material issued to you but not accounted for you, will be recovered from your bills at a penal rate.
- Payment will be done after the approval of COS.
- No advance payment will be entertained without work done.

However, it was observed that the Operational Creditor has neither attached the any documents in the Application regarding the measurement quantities certified as per the terms of the work orders nor was able to furnish the same even after providing the opportunity vide this Adjudicating Authority Order dated 11.07.2025. Instead, the Counsel for the Operational Creditor referred to the Memo dated 25.07.2025 enclosing therewith the Experience Certificate issued by the Corporate Debtor to the Operational Creditor, which does not have measurement quantities and only refers to the gross value of completed work as Rs.1,24,12,982/. The relevant extract of the Experience Certificate is reproduced below:



LAKSHMI INFRASTRUCTURE & DEVELOPERS INDIA PVT LTD

Experience Certificate

1	Name of work/project & location	Translocation of trees under the project entitled "6-laning of existing 4-lane stretch of NH-44 from Gundlapochampally (Design chainage Km 471.300) to Bowenpally (Design chainage Km 481.331), total length of 10.031 Km, in the State of Telangana on EPC mode under Bharatmala Pariyojana"
2	Name of contractor	M/s. Green Morning Horticulture Pvt. Ltd.
3	Agreement number	LIDIPL/GB-HYD/NH-44/WO/007
4	Agreement Amount	INR 1,62,63,258.00/-
5	Gross value of completed work	INR 1,24,12,982.00/-
6	Stipulated date of start	05.07.2022
7	Date of completion	
	(a) Stipulated date of completion	04.12.2024
	(b) Actual date of completion	04.12.2024
	(c) Justified extended date of completion, if any	NA
8	Performance of Work	Satisfactory
9	Details of owner	
	(a) Name	M/s. Lakshmi Infrastructure and Developers India Pvt. Ltd. (LIDIPL)
	(b) Address	Plot No: 18, GF-1, Vasantha Apartment, Near Loyola College, Srinagar Colony, Vijayawada, AP-520008
	(c) Phone	7674888949
	(d) e-mail	planning.gbhydpackagenh44@gmail.com

For Lakshmi Infrastructure & Developers India Pvt. Ltd.,


 Authorized Signatory
 (K.Ragavendra)
 Sr. Project Manager





In view of the above, the invoices raised by the Operational Creditor to the Corporate Debtor cannot be considered to be as per the terms of the work orders.

7. During the course of hearing, it is also observed that the terms of the Work Orders does not contain any clause with regard to interest claimed in the Application. The Counsel for the Operational Creditor argued that the Operational Creditor is an MSME and is therefore entitled to claim interest under the MSME Act, 2006. However, we observe that the Hon'ble NCLAT in the matter of ***SNJ Synthetics Ltd. v. PepsiCo India Holdings Pvt. Ltd., (2025) ibclaw.in 342 NCLAT*** has held that Adjudicating Authority is not the appropriate forum for determination on the liability of the Corporate Debtor to pay interest under the MSME Act or Interest Act. The relevant para of the above Order is reproduced below:

“17. The preambular objective of the IBC being insolvency resolution has been oft emphasized by the Hon'ble Supreme Court in a catena of judgements. The provisions of IBC cannot be turned into a debt recovery proceeding. Hence, the Adjudicating Authority has not committed any infirmity in not allowing the CIRP of the Corporate Debtor to be initiated solely on the basis of the claim of the contested and unsubstantiated interest component. The provisions of IBC cannot be turned into a debt-recovery proceedings and to commend any such course of action would tantamount to pushing the Corporate Debtor to face the perils of corporate death instead of being rejuvenated and revived. We also notice that the Appellant has relied on the provisions of other laws like MSME Act or Interest Act to justify their claim of interest payment. Without making any observation on the merits of their contention, we would only like to add that neither the Adjudicating Authority nor this Appellate Tribunal is the appropriate forum for making any such determination on the liability of the Respondent- Corporate Debtor to pay interest under the MSME Act or Interest Act.”

8. During the course of hearing, the Counsel for the Operational Creditor submitted that after the Demand Notice dated 24.08.2024 and as well as the filing of the Petition, the Operational Creditor has received an amount of Rs.30 lakh from the Corporate Debtor towards the payment of outstanding operational debt.

9. We observe that after receipt of the above amount of Rs.30 lakh, the amount of the operational debt due would not only be different from that claimed in the statutory Demand Notice as well as Part-IV of the Application,



but also would be below the threshold limit of Rs.1 crore as mentioned in Section 4 of the IBC.

10. We also observe that it is settled law that the object of the IBC is not to recover money, but to resolve insolvency and therefore, the Application cannot be filed with the sole purpose of recovering the money.

11. As a sequel to the aforesaid discussions, we are of the considered view that the Section 9 Application filed by the Operational Creditor is not maintainable, and is therefore liable to be dismissed.

Accordingly, the instant Application bearing **CP (IB)/23/9/AMR/2025** **is hereby dismissed and disposed of.**

Sd/-
(UMESH KUMAR SHUKLA)
MEMBER (TECHNICAL)

Sd/-
(KISHORE VEMULAPALLI)
MEMBER (JUDICIAL)

Krishna