

S.No.04

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
18.08.2026 AT 10:30 A.M.**

**Intervention Petition (IBC)/01/2026 in
CP (IB) No.130/7/HDB/2020
U/S 7 of IBC**

**IN THE MATTER OF:
Andhra Bank**

...Petitioner/s

**Vs
Saraiwwalaa Agro Refineries Ltd**

...Respondent/s

**C O R A M:-
SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)**

O R D E R

Intervention Petition (IBC)/01/2026

Orders pronounced, recorded vide separate sheets.

In the result, this application is dismissed.

**Sd/-
MEMBER(T)**

**Sd/-
MEMBER(J)**

IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH, COURT-II

INTERVENTION PETITION (IBC) No. 1 of 2026

IN

C.P (IB) No. 130/7/HDB/2020

**[Under Section 60(5) of Insolvency and Bankruptcy Code, 2016 r/w
Rule 11 of NCLT Rules]**

**IN THE MATTER OF M/s. UNION BANK OF INDIA vs. M/s.
SARAIWWALAA AGRO REFINERIES**

Between:

M/s. State Bank of India (SBI)

Stressed Assets Management Branch,
Secunderabad.

.....Applicant

AND

M/s. Saraiwwalaa Agro Refineries,

Plot No. 11A 211 and 12
Sy No. 460/2, TSIICIDA Mankhal Village,
Maheshwaram Mandal,
Ranga Reddy District- 501359

.....Respondent

Date of Order: 18.08.2026

Coram:

Hon'ble Shri Rajeev Bhardwaj, Member (Judicial)

Hon'ble Shri Sanjay Puri, Member (Technical)

Counsels Present

For Petitioner : Barnali Paul, Advocate

For Respondent : Kailash Nath PSS, Advocate

Case Citation: (2026) ibclaw.in 3263 NCLT
IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH, COURT-II
INTERVENTION PETITION (IBC) No. 1 of 2026
IN
C.P (IB) No. 130/7/HDB/2020
Date of Order: 18.08.2026

1. The present Application is filed by State Bank of India seeking permission to intervene in C.P. (IB) No. 130/7/HDB/2020 pending before this Authority.

Application

2. It is submitted that C.P (IB) No. 130 of 2020 was filed by the erstwhile Andhra Bank, now Union Bank of India, under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC, 2016), seeking initiation of the Corporate Insolvency Resolution Process (**CIRP**) against the Corporate Debtor.
3. It is submitted that M/s. Saraiwwalaa Agro Refineries (**Corporate Debtor/CD**) had approached a consortium of lenders, led by the erstwhile Andhra Bank, for sanction of credit facilities amounting to Rs. 675.50 Crores. In pursuance thereof, SBI, vide sanction letters dated 28.12.2015 and 01.03.2016, sanctioned credit facilities to the CD as part of the consortium.
4. It is submitted that the CD, in its Board Meeting held on 16.03.2016, resolved to create security interest in favour of the consortium lenders as a condition for sanction of the aforesaid credit facilities. Thereafter, an Agreement for Working Capital Consortium, Joint Deed of Hypothecation, Guarantee and an Inter Se Agreement were executed between the CD and the consortium lenders on 06.04.2016. On the same date, SBI and the other consortium lenders issued a Letter of Authority authorising the erstwhile Andhra Bank to act as the Lead Bank of the consortium.
5. It is submitted that the CD failed to discharge its dues and liabilities towards the consortium lenders and, consequently, its account was classified as a Non-Performing Asset (**NPA**) on 10.09.2018. Thereafter, a demand notice under Section 13(2) of the Securitisation and

Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (**SARFAESI Act**) was issued to the CD on 13.12.2018 and to the guarantors on 09.05.2022, calling upon them to repay the outstanding dues.

6. It is submitted that, owing to the failure of the CD to discharge its outstanding liabilities, the erstwhile Andhra Bank, being the Lead Bank of the consortium, filed C.P. (IB) No. 130 of 2020 under Section 7 of the IBC, 2016 before this Authority, seeking initiation of CIRP against the CD. During the pendency of the said proceedings, the CD approached the Hon'ble High Court for the State of Telangana by filing W.P. No. 24123 of 2022. The Hon'ble High Court, vide order dated 02.06.2022, granted stay of the proceedings in the aforesaid Section 7 petition pending before this Authority.
7. It is submitted that the said Writ Petition before the Hon'ble High Court was listed for final hearing on 01.07.2024. It is further submitted that the CD is thereby frustrating and delaying the insolvency proceedings by continuing to avail the benefit of the stay granted by the Hon'ble High Court, thereby delaying the CIRP proceedings initiated for resolution and revival of the CD.
8. It is submitted that the primary objective of the IBC, 2016 is to facilitate the resolution and revival of a Corporate Debtor as a going concern while maximising the value of its assets. The Applicant is a Public Sector Bank dealing with public funds and has a legitimate interest in recovery and resolution of its outstanding dues. It is further submitted that the CD was afforded ample opportunities to settle and repay the outstanding dues; however, the same.
9. It is submitted that no prejudice would be caused to the Financial Creditor or the other consortium lenders if the present Application is

allowed, as the Applicant's principal objective is to secure resolution of the outstanding debt due to the creditors while facilitating the resolution of the CD in accordance with the provisions and objectives of the IBC, 2016.

Counter

10. It is submitted that the present Application is wholly misconceived and is not maintainable in law. The scheme and framework of the IBC, 2016 do not contemplate impleadment or intervention by a third party in a petition filed under Section 7 of the IBC, 2016 at the pre-admission stage. It is further submitted that the Applicant had earlier filed I.A. (IBC) No. 496 of 2026 seeking similar relief, which was dismissed by this Authority vide order dated 18.03.2026, holding that the Applicant had no locus standi to intervene in the proceedings.
11. It is submitted that the principal ground urged by the Applicant for seeking intervention in the Section 7 proceedings is the pendency of proceedings before the Hon'ble High Court for the State of Telangana and the stay order dated 02.06.2022 passed therein. It is submitted that the said order of the Hon'ble High Court neither creates any right in favour of the Applicant to intervene in the proceedings before this Authority nor confers any jurisdiction upon this Authority to implead SBI as a party to the Section 7 proceedings. The impleadment of SBI is neither necessary for the complete and effective adjudication of the issues arising in C.P. (IB) No. 130 of 2020 nor would such impleadment serve any purpose consistent with the scheme and objectives of the IBC, 2016. Accordingly, the present Application is liable to be dismissed.
12. We have heard the submissions made by the parties and perused the material available on record.

Findings

13. It is not in dispute that the State Bank of India, i.e., the Applicant herein, was one of the members of the consortium of lenders which sanctioned credit facilities to the CD. In this regard, the Applicant, along with the other consortium lenders, issued a Letter of Authority dated 06.04.2016 authorising the erstwhile Andhra Bank, now Union Bank of India, to act as the Lead Bank of the consortium and as its lawful attorney in relation to the consortium facilities (***Annexure 4 & 5 of the Application***).
14. It is further noted that, vide Revival Letter dated 28.03.2018 (***Annexure 6 of the Application***), the Applicant extended the Letter of Authority dated 06.04.2016 and the other security documents executed in its favour, thereby continuing the arrangement under which the erstwhile Andhra Bank acted as the Lead Bank of the consortium.
15. Thereafter, the CD failed to repay the dues leading to towards the Applicant leading to classification of CD as NPA on 10.09.2018. Also, the Applicant issued demand notices to the CD and its Guarantors vide letters dated 13.12.2018 and 09.05.2022 (***Annexure 7, pg. no. 148 to 193 of the Application***).
16. In the meanwhile, the erstwhile Andhra Bank, now Union Bank of India, filed C.P. (IB) No. 130/HDB/7/2020 under Section 7 of the IBC, 2016 against the CD in respect of the financial debt due and payable by the CD to Union Bank of India. Thus, the Company Petition is already pending before this Authority in relation to the underlying credit facilities extended to the CD pursuant to the consortium arrangement. The Applicant, being another member of the consortium, seeks to intervene in the said proceedings in respect of the financial debt allegedly due and payable to it.

17. It is noted that the CD approached the Hon'ble High Court for the State of Telangana by filing W.P. No. 24123 of 2022 against Union Bank of India (erstwhile Andhra Bank), Reserve Bank of India, State Bank of India, ICICI Bank, Punjab National Bank and Tamilnad Mercantile Bank. The Hon'ble High Court, vide order dated 02.06.2022 passed in I.A. No. 1 of 2022 in W.P. No. 24123 of 2022, granted stay of the proceedings initiated by the Banks, including the proceedings in C.P. (IB) No. 130/HDB/7/2020 pending before this Authority.
18. The question that arises for consideration in the present Application is whether the Applicant, being one of the consortium lenders, can be permitted to intervene in the Section 7 proceedings pending before this Authority.
19. The Applicant has primarily sought intervention on the ground that, in view of the interim stay granted by the Hon'ble High Court for the State of Telangana, the insolvency proceedings against the CD are being delayed and that its intervention would facilitate the fulfilment of the objectives of the IBC, 2016, including resolution and revival of the CD and maximisation of the value of its assets. Thus, the Applicant has not placed before this Authority any independent ground demonstrating that its presence is necessary for the adjudication of the Section 7 Petition filed by Union Bank of India.
20. The mere pendency of the proceedings before the Hon'ble High Court or the interim stay granted therein cannot, by itself, confer a right upon the Applicant to intervene in the proceedings before this Authority. The effect and operation of the interim order passed by the Hon'ble High Court are matters to be dealt with in accordance with the orders of the Hon'ble High Court. The Applicant cannot seek intervention merely on the premise that such intervention would enable the insolvency proceedings to progress notwithstanding the subsisting stay. Further, as per the

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status available on the official website of the Hon'ble High Court for the State of Telangana, W.P. No. 24123 of 2022 has since been dismissed as withdrawn. Consequently, the very ground relied upon by the Applicant for seeking intervention, namely, the pendency of the writ proceedings and the interim stay granted therein, no longer survives.

21. Likewise, the general objective of the IBC, 2016 to facilitate resolution of a CD, promote its revival as a going concern and maximise the value of its assets cannot, by itself, constitute a ground for permitting intervention. The exercise of jurisdiction by this Authority has to be within the framework of the provisions of the IBC, 2016, and the Applicant must establish its locus and the necessity of its presence for the effective adjudication of the proceedings. The Applicant has failed to establish either.
22. Thus, in view of the foregoing discussion, we are of the considered view that the Applicant has failed to establish any necessity for its intervention in the pending Company Petition. The C.P. (IB) No. 130/7/HDB /2020 has already been filed by Union Bank of India in respect of the financial debt due and payable to it by the CD, arising out of the underlying credit facilities and consortium arrangement. The Applicant's separate claim, if any, can be independently lodged and dealt with in accordance with the provisions of the IBC, 2016.

Accordingly, the present Application is **dismissed** and disposed of.

Sd/-

SANJAY PURI
MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)