



NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COURT VI

Item No. P1.

C.P. (IB)/218(MB)2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **09.05.2025**

NAME OF THE PARTIES IN IA: **Central Bank of India Limited**
Vs
M/s SVP Textiles Ventures Private Limited

Section 7 of IBC

ORDER

1. The Case is fixed for pronounced of the order. The order is pronounced in the open court, *vide* separate order. Detailed order is being uploaded on the NCLT portal today.

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)
FARHAN

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH – VI**

CP(IB)/218/MB/2025

*(filed Under Section 7 of the Insolvency and Bankruptcy
Code, 2016 read with Rule 4 of the Insolvency and
Bankruptcy (Application to Adjudicating Authority
Rules, 2016)*

*In the matter of **Central Bank of India Limited.***

Central Bank of India Limited

Stressed Asset Management Branch,
346, Standard Building,
Third Floor, Dr. D.N. Road,
Fort, Mumbai- 400023

... Applicant/Financial Creditor

-Vs-

M/s. SVP Textiles Ventures Pvt Ltd

(Corporate Guarantor of M/s Shri Vallabh
Pittie South West Industries Ltd)
Registered Office:
Office No.7, G Wing,Vini Heights,
Opposite Manthan Hotel, Thane,
Nalasopara West - 401203

... Respondent/Corporate Debtor

Order pronounced on 09.05.2025

CORAM :

SH. NILESH SHARMA, HON'BLE MEMBER (JUDICIAL)

SH. SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)

APPEARANCE (IN V-C MODE)

For Financial Creditor : Adv. Narpat Singh i/b India Law LLP

For Corporate Debtor : None present



O R D E R

PER: SAMEER KAKAR, MEMBER (TECHNICAL)

1. This is an Application filed under Section 7 of Insolvency and Bankruptcy Code, 2016 by **Central Bank of India Limited** (hereinafter referred to as “**the Financial Creditor**”) against **M/s. SVP Textiles Ventures Pvt Ltd.** (hereinafter referred to as “**the Corporate Debtor**”) seeking commencement of CIRP, appointment of IRP and declaration of moratorium.
2. Perusal of the Part I of the Application reveals that the Applicant is one **Central Bank of India Limited** (hereinafter referred called as “**the Financial Creditor**”).
3. The Applicant was incorporated on 21.12.1911 and is having CIN: U99999MH1911PTC000337. The registered office of the Financial Creditor is located at **Central Bank of India**, Stressed Asset Management Branch, 346, Standard Building, Third Floor, Dr. D.N. Road, Fort, Mumbai- 400023.
4. The Application and the affidavit are affirmed by One Mr. Rajeev Kumar Jha, Chief Manager duly authorized by power of attorney dated 08.10.2014 which is annexed as **Annexure-A**.
5. From Part II of the application reveals that the Corporate Debtor is one **M/s. SVP Textiles Ventures Pvt Ltd.** who is Corporate Guarantor to **M/s. Shri Vallabh Pittie South West Industries Ltd.** The Corporate Debtor is registered under CIN:



U52322MH2012PTC226321 and was incorporated on 21.01.2012.

The registered office of the Corporate Debtor is located at Office No.7, G Wing, Vini Heights, Opposite Manthan Hotel, Thane, Nalasopara West – 401203. A copy of the master data of the Corporate Debtor is annexed at **Exhibit-B**.

6. Perusal of the Part III reveals that the Applicant has named **Mr. Rakesh Kumar Tulsyan** having **IP Registration No – IBBI/IPA-001/IP-P01144/2018-19/11970**. The proposed IRP has given his consent in in Form No. 2 which is dated 30.08.2024. The AFA of the proposed IRP is valid till 30.06.2025.
7. It is stated that in Part IV of the Application that the Applicant has sanctioned and granted the following loan facilities to the Principal Borrower (Shri Vallabh Pittie South West Industries Ltd).

PARTICULARS OF FINANCIAL DEBT				
1	TOTAL AMOUNT OF DEBT GRANTED DATE(S) OF DISBURSEMENT			
	<i>Total Amount of Debt Granted by the Applicant under the Three Loan Facilities is INR 53,94,00,000/- (Rupees Fifty-Three Crores, Ninety-Four Lakhs Only).</i>			
	Account no.	Facility	Amount sanctioned (INR)	Amount Disbursed (INR)
	3762006050	CC General - Corporate	27,00,00,000	26,03,73,721
	3454309000	Working Capital	18,00,00,000	17,99,99,995.01



		Demand Ln-MCLR		
	3895913033	Cent GECL 2.0 Corporate	8,94,00,000	4,43,00,000
		Total	53,94,00,000/-	48,46,73,716.01

8. It is stated that the total amount in default by the principal borrower is Rs. 70,35,32,464.32/- of which Rs.48,46,73,716.01/- is the principal amount and the remaining amount is towards interest and other penal charges.
9. The date of default is stated to be 01.06.2024 the date of NPA is on 01.05.2022. The Applicant has attached the NeSL record of default being Form-D with respect to the Principal Borrower which is attached as *Annexure no. E to G*.
10. The Financial Creditor as a security for the loans granted to the Principal Borrower has obtained Corporate Guarantee of the Corporate Debtor herein vide deed of Corporate Guarantee dated 29.04.2015. A copy of the such deed of guarantee is annexed at Page No. 69.
11. The loan facilities were renewed from time to time. The Principal Borrower and the Corporate Guarantor have executed various document including a consortium agreement which is dated 24.06.2015 annexed at from Page No. 80 onwards which was executed by the principal borrowers with the consortium of Banks includes the Applicant.



12. The Corporate Debtor has executed deed of guarantee in favor of the consortium of Banks for the loans granted to the Principal Borrower vide a Deed of Guarantee dated 28.06.2022 which is annexed from Page No. 245 of the Application. The said deed was executed pursuant to grant of fresh working capital term loan facility under the GECL-2 scheme sanctioned to the principal borrower by some of the consortium members.
13. The Financial Creditor has invoked the guarantee through its letter dated 15.05.2024. A copy of which is annexed at page no. 407 of the application.
14. It is averred that the Corporate Guarantor (Corporate Debtor herein) failed to honor the guarantee commitments and hence the present Application.
15. It is also stated that the Principal Borrower has vide letter dated 27.12.2023 given a proposal for OTS. The Copy of the such OTS proposal is annexed at Page No. 404 of the Application.
16. The Applicant has relied upon the following document:
 - i. Copy of Sanction Letter dated 12.03.2015 (Exhibit- "H")
 - ii. Copy of Board Resolution dated 18.03.2015 (Exhibit- "I")
 - iii. Copy of Board Resolution dated 29.04.2015 (Exhibit- "J")
 - iv. Copy of Deed of Corporate Guarantee dated 29.04.2015 (Exhibit- "K")
 - v. Copy of Second Supplemental Working Capital Consortium Agreement dated 24.06.2015 (Exhibit- "L")



- vi. Copy of Sanction Letter dated 26.10.2020 (Exhibit- "M")
- vii. Copy of Sanction Letter dated 16.03.2021 (Exhibit- "N")
- viii. Copy of Board Resolution dated 24.03.2021 (Exhibit- "O")
- ix. Copy of Term Loan Agreement dated 26.03.2021 (Exhibit- "P")
- x. Copy of Working Capital Term Loan Agreement dated 26.03.2021 (Exhibit- "Q")
- xi. Copy of Undertaking by the Borrower dated 26.03.2021 (Exhibit- "R")
- xii. Copy of Hypothecation Agreement dated 26.03.2021 (Exhibit- "S")
- xiii. Copy of Letter of Continuity dated 26.03.2021 (Exhibit- "T")
- xiv. Copy of Demand Promisory Note dated 26.03.2021 (Exhibit- "U")
- xv. Copy of Board Resolution dated 29.01.2022 (Exhibit- "V")
- xvi. Copy of Renewal Letter dated 09.02.2022 (Exhibit- "W")
- xvii. Copy of fifth Supplemental Working Capital Consortium Agreement dated 30.03.2022 (Exhibit- "X")
- xviii. Copy of Inter se Agreement dated 30.03.2022 (Exhibit- "Y")
- xix. Copy of Deed of Corporate Guarantee dated 28.06.2022 (Exhibit- "Z")
- xx. Copy of the Statement of Account (SOA) as on 31.07.2024 for Account bearing No. 3762006050 (Exhibit- "BB")



- xxi. Copy of the Statement of Account (SOA) as on 31.07.2024 for Account bearing No. 3454309000(Exhibit-"CC")
 - xxii. Copy of the Statement of Account (SOA) as on 31.07.2024 for Account bearing No. 3895913033 (Exhibit- "DD")
 - xxiii. Certificate under the Bankers Book of Evidence Act, 1981 (Exhibit "EE")
 - xxiv. Copy of OTS Letter dated 27.12.2023 (Exhibit- "FF")
 - xxv. Copy of Loan Recall cum Guarantee Invocation Notice dated 15.05.2024 along with the dispatch receipts and track reports downloaded from the Internet confirming the date of delivery (Exhibit- "GG")
17. The matter was first listed for this Tribunal on 26.02.2025 whereat notice was issued to the Corporate Debtor and the matter was fixed for hearing on 28.03.2025.
18. Due to change in the composition of the Bench the hearing was preponed to 07.03.2025, whereat none appeared on behalf of the Corporate Debtor.
19. The matter was thereafter, posted for hearing on 20.03.2025. Order dated 20.03.2025, records that AOS was filed by the Applicant evidencing delivery of the notice upon the Respondent on 17.03.2025. Last chance was given to the Respondent to appear and the file reply.
20. The matter was again taken up on 09.04.2025, whereat none appeared on behalf of the Respondent. Order dated 09.04.2025



records that right of the Respondent to file reply in the matter was closed and the matter was posted for final hearing on 29.04.2025.

21. On 29.04.2025, none appeared on behalf of the Respondent and the Respondent was the set ex-prate. During the hearing on 29.04.2025, Ld. Counsel for the Applicant has tendered across the bar order of this Tribunal in CP-(IB)380(MB)/2023 dated 10.10.2023.
22. Perusal of the said order reveals that the Principal Borrower i.e. Shri Vallabh Pittie South West Industries Ltd. was admitted to CIRP by the said order.
23. We have heard the counsel for the Applicant and has perused the document as are produced before us.

ANALYSIS AND FINDINGS: -

24. It is the case of the Applicant that the Applicant has sanctioned and disbursed the various loans to the Principal Borrower i.e. Shri Vallabh Pittie South West Industries Ltd. on various dates and that the account of the principal borrower was classified as NPA by the Financial Creditor on 01.05.2022.
25. It is also seen that the Financial Creditor has obtained the Corporate Guarantee of the Corporate Debtor herein by the deed of Corporate Guarantee dated 29.04.2015.



26. It is also seen that the Corporate Debtor herein has subsequently executed deed of guarantee in favour of the consortium of Banks which is dated 28.06.2022.
27. It is seen that the Principal Borrower could not maintain financial discipline due to which the Applicant herein has invoked the Corporate Guarantee vide notice dated 15.05.2024.
28. The Principal Borrower has given an OTS letter which is dated 27.12.2023 which was rejected by the Applicant herein.
29. It is also seen that the Principal Borrower viz. Shri Vallabh Pittie South West Industries Ltd. is already under CIRP vide order dated 10.10.2023 in **CP(IB)380(MB)/2023**.
30. We are of the considered view that the Applicant has proved beyond doubt that there exists a debt of more than Rs. 1 crore which is in default by the Corporate Debtor herein.
31. Further, the Hon'ble Supreme Court in the case of **Innoventive Industries Limited v. ICICI Bank Limited**, (Civil Appeal Nos. 8337-8338 of 2017) (2017) 8SCR 33 has discussed extensively the scope of the power of the Adjudicating Authority under section 7 of the IBC and has held that the same is limited to assessing the records provided by the financial creditor to satisfy itself that the default has occurred. The relevant portion of the said Judgment is reproduced below:

“28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the explanation to Section 7(1), a default is in respect of a financial debt owed



to any financial creditor of the corporate debtor – it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in part III, particulars of the financial debt in part IV and documents, records and evidence of default in part V. Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the “debt”, which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be.

.....

.....

30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise”.



32. In view of the facts as stated supra and also in view of the ‘financial debt’ which is proved by the Financial Creditor and the ‘default’ being committed on the part of the Corporate Debtor, this Tribunal is left with no other option than to proceed with the present case and initiate the Corporate Insolvency Resolution Process in relation to the Corporate Debtor.
33. As a consequence of the above discussion, the present Application being **CP(IB)/218/MB/2025** is being admitted in terms of Section 7 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor.
34. In view of the forgoing we are forced to order commencement of Corporate Insolvency Resolution Process against the Corporate Debtor herein.
- i. The Respondent/Corporate Debtor- **M/s. SVP Textiles Ventures Pvt Ltd**, is admitted in the Corporate Insolvency Resolution Process under Section 7 of the IBC, 2016.
 - ii. As a consequence, thereof, the moratorium under Section 14 of the IBC, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the IBC, 2016:
 - a. the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including



- execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- b. transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
 - c. any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
 - d. the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor;
 - e. The provisions of sub-section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to the Corporate Debtor.
- iii. The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate



Debtor under Section 33 of the IBC, 2016, as the case may be.

- iv. It is further directed that the supply of essential goods/services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period as per provisions of sub-sections (2) and (2A) of Section 14 of IBC, 2016.
- v. Since the Applicant has named an IRP, we hereby appoint **Mr. Rakesh Kumar Tulsyan** having registration no **IBBI/IPA-001/IP-P01144/2018-2019/11970** as the IRP of the Corporate Debtor.
- vi. The IRP shall perform all his functions as contemplated, inter-alia, under Sections 17, 18, 20 & 21 of the IBC, 2016. It is further made clear that all personnel connected with the Corporate Debtor, its Promoters or any other person associated with the management of the Corporate Debtor are under legal obligation under section 19 of the IBC, 2016 for extending assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.



- vii. This Adjudicating Authority directs the IRP to make a public announcement for the initiation of CIRP and call for the submission of claims under Section 15, as required by section 13(1)(b) of the IBC, 2016.
- viii. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever.
- ix. The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- x. The IRP shall be under duty to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern, to the extent possible, as a part of obligation imposed by Section 20 of the IBC, 2016.
- xi. **The Financial Creditor is directed to pay an advance of Rs. 3,00,000/- (Rupees Three Lakhs Only) to the IRP within a period of 7 days from the date of this order to meet the cost of CIRP** arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- xii. The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the IRP and the concerned Registrar of Companies, after completion



of necessary formalities, within seven working days and upload the same on the website immediately after the pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specifically mentioning regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

- xiii. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

35. **Accordingly, CP(IB)/218/MB/2025** stands admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)
FARHAN

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)