

**IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH-I, CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **15.04.2025** THROUGH VIDEO CONFERENCING

PRESENT: JUSTICE RAMALINGAM SUDHAKAR, HON' BLE PRESIDENT
SHRI. VENKATARAMAN SUBRAMANIAM, HON' BLE MEMBER (TECHNICAL)

APPLICATION NUMBER :
PETITION NUMBER : CP/IB/31/CHE/2025
NAME OF THE PETITIONER(S) : The Karur Vysya Bank Ltd
NAME OF THE RESPONDENT(S) : M/s G V Annai Hospital LLP
UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

File taken up today, since the cases listed for 14.04.2025 have been re-notified for 15.04.2025 vide order F.No.10/03/2025-NCLT dated 03.04.2025.

ORDER

Present: Shri. V. Bathrinarayan, Ld. Counsel for the Petitioner.
None for the Respondent.

This petition has been filed by KarurVysya Bank under Section 7 of IBC to initiate CIRP against the Corporate Debtor M/s. G V Annai Hospital LLP.

Vide order dated 26.02.2025, the Tribunal ordered the Petitioner to serve copy of the petition on the Respondent and file Affidavit of Service. The notice and the petition were delivered to the Corporate Debtor by Speed Post on 06.03.2025. Despite service, the Respondent did not appear when the matter was listed for hearing. The Respondent has taken notice prior to filing



of the case and again pursuant to our order dated 26.02.2025. Ample opportunity was given which Respondent failed to respond. In view of the timelines specified by the Code and the mandate for adhering to the timelines as observed by the Hon'ble Supreme Court of India in *Kridhan Infrastructure Pvt. Ltd. & Anr. Vs. Venkatesan Sankaranarayan & Anr. C.A. No. 202/2020, Committee of Creditors of Essar Steel India Limited v. Satish Kumar Gupta and Others, (2020) 8 SCC 531, Swiss Ribbons Private Limited & Anr. v. Union of India and Ors ((2019) 4 SCC 17) and Innoventive Industries Ltd. v. ICICI Bank and Another ((2018) 1 SCC 407*, the Respondent is set ex-parte.

3. The Respondent / Corporate Debtor incorporated on 11.09.2014 with CIN: AAC-6970, approached the Applicant for Secured Over Draft (SOD) and Term Loan Building (TLB) and Hypothecation of Machinery Loan (HPMA) facilities to the tune of Rs. 6.0 Crores for development of its business at Arcot, Vellore district. The same loan was sanctioned on 01.03.2016. Further, the

Corporate Debtor failed to discharge the liability in terms of the facility agreement. On 01.06.2016, agreement of guarantee was executed by Personal Guarantors. The deposit of title deed was also executed on 01.06.2016. However, on default, notice under Section 13(2) of the SARFAESI Act was

issued to the Corporate Debtor on 30.12.2017. The proceeding continued for



quite some time, because the Corporate Debtor challenged the various recovery action of the Bank under SARFAESI Act, 2002 vide three SARFAESI applications filed viz., TSA 77 of 2022, SA 416 of 2023 and SA 412 of 2023. All these applications were dismissed by DRT as a result of which, the present application was filed by the Bank claiming a sum of Rs. 14,37,50,194.81 as amount in default as on 31.10.2024. This amount is based on the Debt Recovery Certificate No. 627 of 2024 dated 29.06.2024 issued by DRT-2, Chennai.


4. It is also stated by the Counsel for the Applicant that there is no further proceedings initiated by the Respondent restraining the Applicant Bank from enforcing the above debt. It is further pleaded that based on the legal proceedings initiated on 30.12.2017 resulting in the Debt Recovery Certificate on 29.06.2024, the claim is well within limitation and default has been amply proved. To further buttress his argument, the Counsel has referred the NeSL Certificate vide Document No. 20906 reflected at page:132-133 of the petition.

5. Having considered the above, it is very clear that the essential ingredients of Section 7 of IBC, 2016 in the case of admitted debt and default is established in this case and therefore we are inclined to admit this Section 7 petition.



6. The Applicant Bank has proposed the name of Interim Resolution Professional, **Mr. P. Balasubramanian** in part III of the application.

7. The Applicant has also placed on record the default certificate/report procured from the NeSL, where the amount of debt and default are reported. However, it is observed that the default certificate produced by the Applicant pertains to some another entity viz., **SLVP Travels** and not related to the Corporate Debtor. The NeSL certificate produced by the Applicant is extracted hereunder for reference,


National E-Governance Services Ltd.

Credit Facility Report

Report ID : 20906 Report Generated as on : 26-12-2024 12:07:09

Disclaimer: This report is based on data as received and available in IU. NeSL cannot vouch for its completeness or correctness

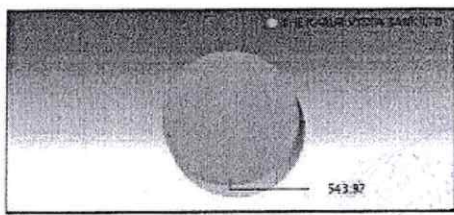
Details of: SVLP TRAVELS

IU registration	UIN/PAN	DOI/DOB
Not Registered	AANFG4810F	


Credit facility summary

Outstanding Liability			(Amount in lakh)	
	Financial Debt		Ops Debt	Total
Currency	Funded	Non-funded		
INR	543.97	0.00	0.00	543.97


INR Outstanding by Creditor (in Lakh)



543.97



COMPANY LAW TRIBUNAL
CHENNAI BENCH
CHENNAI





8. This Tribunal is of the view that Chief Manager of the Applicant Bank, P S Sundravaradhan, who has signed the Verifying Affidavit on behalf of the Applicant, has not exercised due care in ensuring that the documents filed before this Tribunal are related to the respective Corporate Debtor. We find that the official, has acted without application of mind thereby misleading this Tribunal. Hence, we deem it fit to impose a cost of Rs. 10,000 (Rupees Ten Thousand) to be paid to the PM National Relief Fund within 4 weeks from the date of this order. Let a memo of compliance be filed in this regard.

9. The Hon'ble Supreme Court in the case *Innoventive Industries Limited -Vs- ICICI Bank & Anr., (2018) 1 SCC 407* has held that Tribunal is required to see whether there is a 'debt' which is due and payable under the law and whether the default is more than Rupees One Lakh (now Rupees One Crore). The moment the default amount exceeds Rupees One Crore, this Tribunal is required to initiate Corporate Insolvency Resolution Process as against the Corporate Debtor.

10. Despite the fact that the Applicant Bank has not produced appropriate Record of Default from NeSL, this Tribunal, on a careful perusal of the application along with the supporting documents placed by the Applicant, is



of the view that there is a debt and default on the part of the Corporate Debtor.

11. 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 but to proceed with the present application and initiate the Corporate Insolvency Resolution Process in relation to the Corporate Debtor.

12. For the aforesaid reasons and Judgements cited *supra*, this Tribunal orders to initiate Corporate Insolvency Resolution Process in respect of the Corporate Debtor viz, *G V Annai Hospital LLP*.

13. The Financial Creditor has proposed the name **Mr. P. Balasubramanian, with Registration No:IBBI/IPA-001/IP-P-02867/2024-2025/14404** (AFA valid upto 31.12.2025) as the Interim Resolution

Professional (IRP) who has also filed her consent in Form- 2. Upon verification from the IBBI website, it is seen that the Authorization for Assignment is valid up to 31.12.2025. The proposed IRP is appointed. He shall take forward the process of Corporate Insolvency Resolution of the Corporate

Debtor. The IRP appointed shall take in this regard such other and further



steps as are required under the Statute, more specifically in terms of Section 15,17,18 of the Code and file his report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

14. As a consequence of the Application being **admitted** in terms of Section 7(5) of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor:

a. The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent 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 respondent.

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

15. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:

- (2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of



moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

- (3) The provisions of sub-section (1) shall not apply to
- (a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;
 - (b) a surety in a contract of guarantee to a corporate debtor.

16. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:

- (4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency

Resolution Process period, if the 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, the moratorium shall cease to have effect from the

date of such approval or Liquidation Order, as the case may be.

17. Based on the above terms, the Application stands **admitted** in terms of Section 7(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order shall be communicated to the Financial Creditor as



well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named who is figuring in the list of Resolution Professionals forwarded by IBBI be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

Accordingly, this CP/IB/31/CHE/2025 stands **admitted**.



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VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

JUSTICE RAMALINGAM SUDHAKAR
HON'BLE PRESIDENT

vs

Date: 15.04.2025

NATIONAL COMPANY LAW TRIBUNAL	
CHENNAI	
Order No. / Date :	CP (IB) / 31 / 2025 dt: 15/04/2025
Certified Copy made Available on :	29/04/2025
Applied for Certified Copy (Applicant / Respondent)	on: 29/04/2025
Copy issued on	29/04/2025

R. Jegannathan
29/04/2025
JOINT REGISTRAR
NATIONAL COMPANY LAW TRIBUNAL
CHENNAI BENCH
CORPORATE BHAVAN, 3rd FLOOR,
29, RAJAJI SALAI, CHENNAI-600 001.

C.A. applicant M. D. Pawithra. S.V. Bathri Narayanan
For Petitioner