

**BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH, COURT-I, AHMEDABAD BENCH**

**ITEM No.101  
CP (IB) No.179/7/AHM/2025.**

*(An application 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:** Sitaram Prints Private Limited

**Canara Bank**

(Erstwhile Syndicate Bank)

Registered office at 112, J.C. Road,  
Bangalore-560002.

And its branch office, amongst other  
places at: Asset Recovery Management Branch,  
Ahmedabad, # 7th Floor, GIFT One Building,  
GIFT City, Gandhinagar-382355.

**...Applicant/Financial Creditor**

**VERSUS**

**Sitaram Prints Private Limited**

(CIN: U22211GJ1987PTC009299)

Registered office at 504, 5<sup>th</sup> Floor,  
Trividh Chambers, Opp. Fire Station,  
Ring Road, Surat, Gujarat-395002

**...Respondent/Corporate Guarantor**

**Order delivered On: 02.09.2025**

**C O R A M:**

**SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)**

**SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)**

## **A P P E A R A N C E:**

For the Applicant/FC : Sunil Kumar, Advocate.

For the Respondent/CG : **Ex-parte.**

## **O R D E R** **Per Bench**

1. This Petition is filed on 09.04.2025 by the Applicant- **Canara Bank** (hereinafter referred to as 'Financial Creditor') against the Respondent- **Sitaram Prints Private Limited** (hereinafter referred to as 'Corporate Guarantor') under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as "IB (AAA) Rules, 2016") for initiation of Corporate Insolvency Resolution Process (CIRP), to appoint Interim Resolution Professional (hereinafter referred to as "IRP") and declare the moratorium for default in payment of the outstanding financial debt amounting to **Rs. 15,99,67,298.36** as on 30.06.2020.
2. On Perusal of Part-I of the Form-1 reveals that the Financial Creditor - Canara Bank is a Bank/Financial

Institution. A Body Corporate constituted by and under the Banking Companies (Acquisition & Transfer of Undertaking) Act, 1970, Having its Head Office at: 112, J.C. Road, Bangalore- 560002 And its branch office amongst other places at: Asset Recovery Management Branch, Ahmedabad, # 7th Floor, GIFT One Building, GIFT City, Gandhinagar-382355. This Petition is filed through Mr. Vinod Kumar, Sr. Manager, who has been authorised by an Authority Letter dated 21.11.2024, which is annexed with the Petition as Annexure-W.

3. On perusal of Part-II of the Form-1 revealed that the Corporate Guarantor is one Sitaram Prints Private Limited, having CIN No. U22211GJ1987PTC009299 a private/public limited company incorporated on 08.01.1987 under the Companies Act, 1956. The Corporate Guarantor is having a registered office at 504, 5th Floor, Trividh Chambers, Opp. Fire Station, Ring Road, Surat, Gujarat- Pin 395002, India.
4. On perusal of Part-III of the Form-1 revealed that the Financial Creditor has named Mr. Satyendra Prasad

Khorania having Registration No. IBBI/IPA-002/IP-N00002/2016-17/10002, having address: 402, 4th Floor, O K Plus, D P Metro, Opp. Pillar No. 94, New Sanganer Road, Jaipur, Rajasthan, 302019 (e-mail: [skhorania@live.com](mailto:skhorania@live.com)) under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP). He has filed its written communication Form-2 dated 18.09.2024 as well as Certificate of registration dated 27.01.2017, which are annexed with the Petition as Annexure-X as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (AAA) Rules, 2016.

5. On perusal of Part-IV of the Amended Form-1 revealed that the total Financial Debt as initially claimed in Form-1 is Rs.15,99,67,298.36 (principal Rs.15,00,00,000 and interest Rs.99,67,298.36 up to 30.06.2020), updated to Rs.28,83,31,160 as on 01.11.2024 after interest accrual and adjustments from the Principal Borrower's Resolution Plan as per the A/c Statement attached with the petition as Annexure-V. The date of default is stated to be 24.01.2019.

6. On Perusal of Part-V of Form-1 revealed that the Financial Creditor has placed the facts through this Petition in the following manner:-

- (i) The Financial Creditor has granted a Non-Fund-Based Working Capital Facility of Rs.15.00 Crores to the Principal Borrower- Sumeet Industries Limited on 15.03.2014 with date of disbursement on 19.03.2014 through sanction letter no. SANC/CR/SUMEET/1503/CSG/2014 and renewed on 06.08.2018 through the sanction letter no. SURAT/OVRS/SUMEET/0608/2018/MS against the primary security of hypothecation of entire stocks, Plant & Machinery etc., personal as well as Corporate Guarantee and collateral security by way of equitable mortgage of immovable properties in favour of Financial Creditor for which various loan security documents were signed from time to time in favour of Financial Creditor.
- (ii) The Respondent/Corporate Guarantor provided Corporate Guarantee through Deed of Guarantee on 15.04.2014, 23.08.2014, 30.12.2015, and 21.12.2016 to secure the sanctioned Credit Facilities granted to the Principal Borrower- Sumeet Industries Limited.
- (iii) However, after availing the aforesaid Loan/Credit Facilities, the Principal Borrower- Sumeet Industries

Limited failed to maintain financial discipline as per the terms and conditions of the loan agreement, due to which the loan account became irregular and committed default on 24.01.2019. Consequently, the said account of the Principal Borrower- Sumeet Industries Limited was classified as NPA on 24.04.2019.

- (iv) Therefore, Financial Creditor issued a Demand Notice under section 13(2) of the SARFAESI Act, 2002 on 11.11.2019 to the Principal Borrower as well as to the Respondent/Corporate Guarantor, calling upon them to repay the outstanding dues. However, they failed to make the payment of outstanding dues.
- (v) The Financial Creditor filed Original Application No.390/2020 and 373/2020 before DRT-2 Ahmedabad on 04.07.2020 and 07.07.2020 against the Principal Borrower as well as the Respondent/Corporate Guarantor for recovery of the payment of outstanding dues.
- (vi) The Corporate Guarantor along-with other Guarantors submitted OTS Proposal of Rs.8.00 Crores on 21.03.2024.
- (vii) IDBI Bank filed an application being CP IB No.38/2020 U/s 7 of IBC against Principal Borrower- Sumeet Industries Limited which was admitted on

21.12.2022 and Resolution Plan was approved on 16.07.2024 which is annexed with the Petition as Annexure-Z.

- (viii) Thereafter, on 20.09.2024 the Financial Creditor issued a Demand Notice to the Respondent/Corporate Guarantor for payment of outstanding amount of Rs.28,71,35,426.20ps. against ILC/ FLC of Rs. 15,00,00,000/- and Rs.27,03,001.65ps. against Term Loan-1 Rs. 3.85 Crore within seven days. A copy of the same is annexed with the Petition as Annexure-T.
- (ix) The Financial Creditor has filed **Form-D**, being record of debt and default issued by National E-Governance Services Limited ("**NeSL**") in which date of default is recorded as 24.01.2019 with status "**Authenticated**". A copy of the same is annexed with the Petition as Annexure-Y.
- (x) As on 01.11.2024 an amount of Rs. 28,83,31,160/- is still due and outstanding against the Respondent/Corporate Guarantor even after adjustment of the proportionate amount received from the Resolution Plan of the Principal Borrower-Sumeet Industries Limited as per the A/c Statement attached with the petition as Annexure-V. Hence, the present Petition has been filed by the Financial Creditor against the Respondent/Corporate Guarantor.

7. The Financial Creditor has relied upon the following documents, which are as under:-

- (a) Copy of Sanction letter dated 15.03.2014 with Annexure-A.
- (b) Copy of Board Resolution dated 07.04.2014 with Annexure-B.
- (c) Copy of General Form of Guarantee dated 15.04.2014 executed by Sitaram Prints Pvt Ltd with Annexure-C.
- (d) Copy of letter of confirmation of creation/Extension of Mortgage relating to company's property with Annexure-D.
- (e) Copy of Instrument of Extension of Relating to deposit of Title Deeds dated 17.04.2014 with Annexure-E.
- (f) Copy of letter of continuing security dated 22.04.2014 with Annexure-F.
- (g) Copy of Resolution of Sitaram Prints Pvt Ltd dated 22.08.2014 with Annexure-G.
- (h) Copy of General Form of Guarantee dated 23.08.2014 executed by Sitaram Prints Pvt Ltd with Annexure-H.
- (i) Copy of Instrument of Extension of Relating to deposit of Title Deeds dated 25.08.2014 vide Reg No. 9609 with Annexure-I.
- (j) Copy of General Form of Guarantee dated 30.12.2015 executed by Sitaram Prints Pvt Ltd with Annexure-J.

- (k) Copy of Instrument of Extension of Relating to deposit of Title Deeds dated 30.12.2015 vide Reg No. 10334 with Annexure-K.
- (l) Copy of letter of confirmation of creation/Extension of Mortgage relating to company's property dated 31.12.2015 executed by Sitaram Prints Pvt Ltd with Annexure-L.
- (m) Copy of Extract of the Minutes of the Meetings of the Board of Directors of Sitaram Prints Pvt Ltd dated 21.12.2016 with Annexure-M.
- (n) Copy of General Form of Guarantee dated 21.12.2016 executed by Sitaram Prints Pvt Ltd with Annexure-N.
- (o) Copy of letter of confirmation of Creation/Extension of Mortgage (relating to Company's Property) dated 22.12.2016 executed by Sitaram Prints Pvt Ltd with Annexure-O.
- (p) Copy of Extract of the Minutes of the Meetings of the Board of Directors of Sitaram Prints Pvt Ltd dated 28.12.2016 with Annexure-P.
- (q) Copy of instrument of extension relating to Deposit of Title Deeds dated 21.03.2017 executed by Sitaram Prints Pvt Ltd vide Regd No. 18291 with Annexure-Q.
- (r) Copy of Sanction Letter vide Ref No. SURAT/OVRS/SUMEET/0608/2018/MS dated 06.08.2018 for renewal of NFB FLC limit of Rs.15.00 Crores with Annexure-R.
- (s) Copy of Demand Notice u/s 13(2) of securitisation Act dated 11.11.2019 issued by the applicant bank with Annexure-S.
- (t) Copy of Demand notice date 20.09.2024 with Annexure-T.

- (u) OTS offer given to Financial Creditor with Annexure-U.
  - (v) Certified Account Statement Along With Required Certificate U/s. 2-A of The Banker's Book Evidence Act, 1891 annexed as Annexure-V.
  - (w) Authorisation Letter with Annexure-W.
  - (x) Written Consent to act as Interim/Resolution Professional dated 03.08.2024 (Form A and B) with Annexure-X.
  - (y) NESL Report with Annexure-Y.
  - (z) Copy of the passed in IA no.1394/2023 in CP IB No.38/2220 with Annexure-Z.
8. That after issuance of the notice to the Respondent/ Corporate Guarantor, a service report was filed on 29.07.2025, which reflected that the notice to the Respondent/ Corporate Guarantor sent through registered post on 04.07.2025 was delivered as per the tracking report of the postal department on 07.07.2025, and the Dasti Notice was also received by the representative of the Respondent/ Corporate Guarantor against acknowledgment. Further, notice upon the Respondent/ Corporate Guarantor was also served through e-mail on the registered email-ID on 04.07.2025.

9. However, despite due service of the notice upon the Respondent/ Corporate Guarantor, neither the Respondent/ Corporate Guarantor appeared today itself or through its representative nor filed any reply within the stipulated period granted by this Tribunal in the notice as well as in the order of seven days. Further, it was seen that the advance paper book was already served at the time of filing of this petition upon the Respondent/ Corporate Guarantor. Therefore, vide order dated 30.07.2025, the right to file reply of the Respondent/ Corporate Guarantor was closed and was proceeded ex-parte.
10. We have heard Ld. Counsel for the Financial Creditor, Ex-parte against the Corporate Guarantor, and perused the material on record.
11. On perusal of the records, it is found that the Applicant/Financial Creditor had provided financial assistance to the Principal Borrower- Sumeet Industries Limited, which was secured by a Corporate Guarantee given by the Respondent/Corporate Guarantor.

- 12.** The Corporate Guarantee executed by the Respondent covers the Non-Fund-Based Facility of Rs. 15.00 crores and any associated facilities extended to the Principal Borrower, as evidenced by the Deed of Guarantee and renewal documents (Annexures C, H, J, N).
- 13.** However, after availing the aforesaid Loan/Credit Facilities, the Principal Borrower- Sumeet Industries Limited committed default on 24.01.2019, and the loan account was classified as NPA on 24.04.2019. Thereafter, it was recalled vide Demand Notice dated 11.11.2019 as well as by invoking the Corporate Guarantee of the Respondent/Corporate Guarantor.
- 14.** Thereafter, Corporate Guarantor along-with other Guarantors, submitted OTS Proposal of Rs.8.00 Crores on 21.03.2024. Meanwhile, IDBI Bank, being a consortium member filed CP IB No.38/2020 U/s 7 of IBC against Principal Borrower-Sumeet Industries Limited which was admitted on 21.12.2022, and Resolution Plan was approved on 16.07.2024 by the coordinate Bench of this

Tribunal, which is annexed with the Petition as Annexure-Z.

15. Thereafter, on 20.09.2024 the Financial Creditor issued another Demand Notice to the Respondent/Corporate Guarantor for payment of the remaining outstanding amount of Rs.28,71,35,426.20ps. against ILC/ FLC of Rs. 15.00 Crore and Rs.27,03,001.65ps. against Term Loan-1 of Rs. 3.85 Crore, within seven days. A copy of the same is annexed with the Petition as Annexure-T. However, the Respondent/Corporate Guarantor again failed to make the payment of outstanding dues.
16. The Financial Creditor has filed **Form-D**, being record of debt and default issued by National E-Governance Services Limited ("**NeSL**") in which the date of default is recorded as 24.01.2019 with status "**Authenticated**". A copy of the same is annexed with the Petition as Annexure-Y.
17. The total Financial Debt as initially claimed in Form-1 is Rs.15,99,67,298.36 (principal Rs.15,00,00,000 and interest Rs.99,67,298.36 up to 30.06.2020), updated to Rs. 28,83,31,160 as on 01.11.2024, after accruing interest and

adjusting receipts from the Principal Borrower's approved resolution plan dated 16.07.2024 as per the A/c Statement attached with the petition as Annexure-V.

18. This Tribunal has considered the legal framework under Section 7 of the IBC, which requires the establishment of a financial debt and a default by the Corporate Guarantor. The Supreme Court in ***Innoventive Industries Limited Vs. ICICI Bank Limited & Anr. (2017) ibclaw.in 02 SC,*** clarified that the Adjudicating Authority must ascertain the existence of a debt that is due and a default that has occurred. The view taken in the case of ***Innoventive Industries*** has been followed by the Supreme Court in the case of ***E S Krishnamurthy & Ors. Vs. M/s Bharath Hi Tech Builders Pvt. Ltd. (2021) ibclaw.in 173 SC.***
19. The present Petition is complete in terms of Section 7 (5) of the Code. The Tribunal finds that the Financial Creditor has discharged its burden of proof under Section 7 of the Code by demonstrating the existence of a financial debt and default in payment of the financial debt by the Corporate Guarantor. The outstanding financial debt is of

more than rupees one crore, which meets the threshold limit as per section 4 of the IB Code, which is supported by comprehensive documentation. Moreover, the said default is not covered under the period exempted under Section 10A of the IBC, 2016.

- 20.** The limitation period under Section 238A of the IBC read with Article 137 of the Limitation Act, 1963, is three years from the date of default on invocation of Corporate Guarantee (i.e. from the date of Demand Notice dated 11.11.2019). The starting date is excluded, commencing the period from 12.11.2019. However, in light of the Supreme Court's orders in ***Suo Motu Writ Petition (Civil) No. 3 of 2020***, the COVID-19 period from 15.03.2020 to 28.02.2022 (716 days) is excluded from the computation. Without further extensions, the adjusted limitation would expire on 27.10.2024.
- 21.** Notwithstanding this, the One-Time Settlement (OTS) proposal dated 21.03.2024 given by the Corporate Guarantor, which explicitly acknowledges the debt liability, constitutes a valid acknowledgment under Section 18 of

the Limitation Act, 1963, as it was made prior to the expiry of the original adjusted period. This is consistent with the principle that acknowledgments, including OTS proposals, extend limitation only if made before the prescription period ends, as held in ***Vidyasagar Prasad v. UCO Bank (2024) ibclaw.in 274 SC.***

22. This acknowledgment resets the limitation clock, initiating a fresh 3-year period from 22.03.2024 (excluding the acknowledgment date), thereby extending the expiry to 21.03.2027. The petition filed on 09.04.2025 is thus within the extended three-year period, as per precedents like ***Asset Reconstruction Company (India) Ltd. v. Bishal Jaiswal (2021) ibclaw.in 54 SC.***

23. Further, the proceedings against the Corporate Guarantor are maintainable and within jurisdiction before this Tribunal under Section 60(2) of the IBC, 2016, as the Principal Borrower's CIRP was admitted by the coordinate Bench of this Tribunal, allowing independent or simultaneous action against the guarantor without prejudice to the resolved debt.

24. In light of the above findings, this Tribunal is satisfied that the Financial Creditor is entitled to the relief as sought. The Corporate Guarantor's default, coupled with its non-appearance despite due service, justifies the admission of the petition and the initiation of CIRP under the Code. Hence, the Application filed under section 7(2) of the Insolvency and Bankruptcy Code for initiation of corporate insolvency resolution process (CIRP), the Respondent/Corporate Guarantor deserves to be admitted.

25. Accordingly, in light of the above facts and circumstances, it is **hereby ordered** as under:-

(i) The Respondent/Corporate Guarantor – **Sitaram Prints Private Limited** is **admitted** in the Corporate Insolvency Resolution Process (**CIRP**) under section 7 of the IBC, 2016.

(ii) As a consequence thereof, a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the Code.

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 Securitisation 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 a Corporate Debtor. The moratorium does not apply to transactions notified by the Central Government, as per Section 14(3)(a) of the IB Code, 2016.*
- (iii) The order of moratorium under section 14 of the Code shall come to 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 the Corporate Guarantor under Section 33 of the IBC 2016, as the case may be.
- (iv) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the Corporate Guarantor as may be specified, if

continuing, shall not be terminated or suspended, or interrupted during the moratorium period.

- (v) As proposed by the Financial Creditor, we appoint **Mr. Satyendra Prasad Khorania** having Registration No. IBBI/IPA-002/IP-N00002/2016-17/10002, having address: 402, 4th Floor, O K Plus, D P Metro, Opp. Pillar No. 94, New Sanganer Road, Jaipur, Rajasthan, 302019 (e-mail: [skhorania@live.com](mailto:skhorania@live.com)) under section 13 (1)(c) of the Code to act as Interim Resolution Professional (**IRP**). The AFA of the IRP is valid up to 31.12.2025 as per the IBBI website. He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.
- (vi) The IRP so appointed shall make a public announcement (e.g., newspapers, websites) under Regulation 6(2) of IBBI Regulations, 2016, of the initiation of the Corporate Insolvency Resolution Process and call for submissions of claims under section 15 within three days of appointment as per Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as required by Section 13(1)(b) of the Code.
- (vii) The IRP shall perform all his functions as contemplated, *inter-alia*, by sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the Corporate Guarantor,

its promoters, or any other person associated with the management of the Corporate Guarantor are under legal obligation as per section 19 of the Code to extend every assistance and cooperation to the IRP. Where any personnel of the Corporate Guarantor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

- (viii) The IRP is expected to take full charge of the Corporate Guarantor's assets and documents without any delay whatsoever within seven days of this order. The IRP may seek police assistance if necessary, and concerned authorities are directed to provide the same upon application
- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Guarantor company' and manage the operations of the Corporate Guarantor company as a going concern as a part of the obligation imposed by section 20 of the Code.
- (x) The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority a periodical report with regard to the progress of the CIRP in respect of the Corporate Guarantor.

- (xi) We direct the Financial Creditor to pay IRP a sum of **Rs.5,00,000/- (Rupees Five Lakh Only)** in advance exclusive of applicable taxes, within 7 days from the date of this order to meet the initial costs of the CIRP, including issuing public notice and inviting claims, as per Regulation 33(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This amount shall be adjustable against the IRP's fees and expenses as approved by the Committee of Creditors (CoC) under Regulation 33(3), with any excess refundable to the Financial Creditor or shortfall recoverable from the Corporate Guarantor's estate as CIRP costs.
- (xii) The Registry is directed to communicate this order to the Financial Creditor, Corporate Guarantor, and to the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India after completion of necessary formalities, within seven working days, and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update the Corporate Guarantor's Master Data on the MCA portal to reflect its status as 'under Corporate Insolvency Resolution Process' within 7 working days of receiving this order and submit a compliance report to the Registry, NCLT, within 14 working days.

(xiii) The public announcement under Regulation 6(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be published in at least one English (national edition) and one vernacular newspaper with wide circulation in the state of the Corporate Guarantor's registered office (Gujarat) and on the Corporate Guarantor's website, if any, as per Form A of the said Regulations.

(xiv) The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

**26.** Accordingly, this Application **CP(IB)/179/7/AHM/2025** is hereby **admitted**. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

**SANJEEV SHARMA**  
**MEMBER (TECHNICAL)**

Sd/-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**