

**IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH
COURT V**

C.P. No. 1023/IBC/MB/2021

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

In the matter of

State Bank of India

Having its Recovery branch as Stressed Assets Management Branch-II, Raheja Chambers, Ground Floor, B wing, Free Press Journal Marg, Nariman Point, Mumbai-400021.

.....Petitioner/Financial Creditor

Vs

Gajanan Solvex Limited

(CIN: U15147MH2010PLC208730)

Registered office at: 803, The Capital, B Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

.....Corporate Debtor

Order Dated: 20.07.2022

Coram:

Hon'ble Shri H.V. Subba Rao, Member (Judicial)

Hon'ble Smt. Anuradha Sanjay Bhatia, Member (Technical)

For the Petitioner: Adv. Dheeraj Patil

For the Respondent: None Present

Per: Anuradha Sanjay Bhatia, Member (Technical)

ORDER

1. The above Company Petition is filed by *State Bank of India* hereinafter called as **Financial Creditor/Petitioner** seeking to initiate of Corporate Insolvency Resolution Process (CIRP) against *Gajanan Solvex Limited* hereinafter called as Corporate Debtor by invoking the provisions of Section 7 Insolvency and Bankruptcy code (hereinafter called "**Code**" read with rule 4 of Insolvency & Bankruptcy (Application to Adjudication Authority) Rules, 2016 for a Resolution of an unresolved Financial Debt of **Rs. 63,69,98,485.34/-**.
2. The brief facts of the Petition are as follows:

The Petitioner submits that the Corporate Debtor requested the Petitioner to Sanction a Fund Based Working Capital (FBWC) limit of Rs. 20 Crores and a Fund Based Term Loan (FBTL) limit of Rs. 35 Crores. Thus, a total fund-based limit of Rs. 55 Crores, inclusive of a Letter of Credit (LC) limit of Rs. 1.25 crores were required, as the Corporate Debtor needed funds to carry on its business.
3. The Petitioner then assessed the proposal and sanctioned the Credit Facilities, under a Letter of Arrangement, dated 03.11.2011.
4. The Petitioner has enclosed the following documents in support of the Facilities granted to the Corporate Debtor:
 - Agreement of loan for overall limit dated 09.11.2011;
 - Agreement for Hypothecation of Goods and Assets dated 09.11.02011;
 - Memorandum of Deposit of Title Deeds dated 09.11.2011;
 - Letter of Confirmation dated 11.11.2011;

- Letter of Arrangement dated 21.03.2013;
 - Supplemental Agreement of Loan for increase in overall limit dated 22.03.2013;
 - Supplemental Agreement of Pledge of Goods and Assets for increase in Overall Limit dated 22.03.2013;
 - Memorandum of Deposit of Title Deed dated 22.03.2013;
 - Sanction Letter dated 29.10.2013;
 - Working Capital Consortium Agreement dated 09.12.2013;
 - Joint Deed of Hypothecation dated 09.12.2013
 - Letter of undertaking for creating a second charge on the Fixed Assets dated 09.12.2013 executed in favour of Financial Creditor and Second Lead Bank;
 - Letter regarding grant of individual limits within the Overall limits dated 09.12.2013;
 - Letter of undertaking not to create any further charge over the property and assets including uncalled capital dated 09.12.2013;
 - Letter of arrangement dated 16.03.2015;
 - Working Capital Consortium Agreement dated 31.03.2015;
 - Joint Deed of Hypothecation dated 31.03.2015;
 - Memorandum of recording Extension of Mortgage by deposit of title deeds dated 31.03.2015;
 - Letter of Arrangement dated 02.03.2017;
 - Balance Confirmation Letter dated 31.03.2017;
5. On request of the Corporate Debtor, the Petitioner enhanced the facility and renewed the Loan Facility under a Letter of Arrangement. Dated 21.03.2013, 16.03.2015, 02.03.2017.

6. The Authorized signatory of the Corporate Debtor had affirmed and confirmed the balances, in the loan accounts, in the loan ledgers and has executed a Balance Confirmation Letter, dated 31.03.2017 for Rs. 32,32,32,793.26/-, in the Cash Credit Facility and Rs. 15,54,37,181/- in Term Loan Facility.
7. The Petitioner have time to time requested, demanded, notified, advised and directed the Corporate Debtor to pay off the amount due in the loan accounts. However, the Corporate Debtor has not responded to any letter or calls of the Petitioner.
8. Despite several requests made by the Petitioner, the Corporate Debtor failed to clear its dues. Thus, on account of non-payment of outstanding dues, on 29.08.2018, the Petitioner issued notice under Sections 13(2) of **SARFAESI Act 2002**.
9. The Counsel for the Petitioner submitted that the petition was served on the Corporate Debtor and proof of service was filed to that effect. Subsequently, the counsel for the Petitioner intimated the date of hearing to the Corporate Debtor and filed affidavit of service to that effect.
10. The Corporate Debtor has failed to appear on several previous occasions i.e. on 03.01.2022, 17.02.2022, 01.03.2022, 16.03.2022, 12.04.2022. On 20.06.2022, when the matter was listed for hearing, the Corporate Debtor has failed to appear before the Bench and thus the Corporate Debtor is set ex-parte herein.
11. In the requisite Form 1, under the head "Particulars of Financial Debt", the particulars of computation of amount claimed to be in default is reproduced as below:

CLAIM STATEMENT				
Facility	Principal O/S	Interest upto 31.08.2019	Penal Interest @ 2.00% p.a	Total Dues
CC	32,99,96,341.32	12,14,79,966.78	1,98,72,108.44	47,13,48,415.52
OD	1,99,22,021.00	70,39,807.49	12,09,852.44	2,81,71,400.93
TL	9,40,00,000.00	3,78,17,986.15	56,60,602.74	13,74,78,588.89
Total	44,39,18,362.32	16,63,37,759.40	2,67,42,363.62	63,69,98,485.34

12. On hearing the counsel for the Petitioner and on going through the Form-1 filed by the Petitioner and the related materials this Bench is of the view that the Corporate Debtor defaulted in repaying the loan availed by the Corporate Debtor. The Petitioner claimed an amount of Rs. 63,69,98,485.34/-, and the counsel for the Petitioner argued that this petition deserves admission.
13. The Financial Creditor also suggested the name of Interim Resolution Profession along with his consent letter in Form II. Thus, the present Company Petition satisfies all the necessary legal requirements for admission and this Bench did not find any reasons to dismiss the same.
14. Accordingly, the above Petition is admitted by passing the following:

ORDER

- a. The above Company Petition No. (IB) 1023 (MB)/2021 is hereby allowed and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against Gajanan Solvex Limited.
- b. This Bench hereby appoints **Mr. Vijendra Kumar Jain** Insolvency Professional, Registration No: IBBI/IPA-001/IP-P00721/2017-2018/11253 residing at 401/402, Sai Trishul, Raviraj Oberoi Complex, Off New Link Road, Andheri West, Mumbai City, Maharashtra ,400053 Email

id: vkj310@gmail.com as the interim resolution professional to carry out the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.

- c. The Financial Creditor shall deposit an amount of Rs.5 Lakhs towards the initial CIRP costs by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order. The IRP shall spend the above amount towards expenses and not towards fee till his fee is decided by COC.
- d. That this Bench hereby prohibits 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; transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein; 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; 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. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
- f. That the provisions of sub-section (1) of Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

- g. That the order of moratorium shall have effect from the date of pronouncement of this order till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 or passes an order for liquidation of corporate debtor under section 33, as the case may be.
- h. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.
- i. During the CIRP period, the management of the corporate debtor will vest in the IRP/RP. The suspended directors and employees of the corporate debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.
- j. Registry shall send a copy of this order to the Registrar of Companies, Mumbai, for updating the Master Data of the Corporate Debtor.
- k. Accordingly, this Petition is admitted.**
- l. The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

SD/-

**ANURADHA SANJAY BHATIA
MEMBER (TECHNICAL)**

SD/-

**H.V. SUBBA RAO
MEMBER (JUDICIAL)**