

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH - II, CHENNAI**

CP(IB)/ 154(CHE)/ 2023

*(Filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 7 of the
Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)*

*In the matter of **Growell Hire Purchase & Finance Private Limited***

Growell Hire Purchase & Finance Private Limited,

CIN: U65921TN1987PTC098875,

Registered Office No. 6/13, Park Avenue,

North Avenue, Kesavaperumalpuram,

Off Greenways Road, Chennai – 600 028.

Represented by its Director, Mr. Ritesh Rai.

... Corporate Applicant /Corporate Debtor

Order Pronounced on 27th June 2025

CORAM

SHRI JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)

SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present

For Corporate Applicant : Mr. Rohan Rajasekaran, Advocate

For Bank of Baroda : Mr. R. Ramasubramaniam Raja, Advocate

ORDER

(Heard through Hybrid Mode)

Under consideration is an Insolvency & Bankruptcy Petition filed U/s. 10 of the Insolvency & Bankruptcy Code, 2016 (in short “**Code**”) by **Growell Hire Purchase and Finance Private Limited** (in short, “**Corporate Applicant**”) for initiation of Corporate Insolvency Resolution Process (CIRP) under Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity, I&B Rules 2016), following a default in meeting the financial obligations to its Financial Creditors (Secured / Unsecured Creditors) and Operational Creditors and other Creditors as shown in the Company Petition filed in Form-VI.

2. In Part-I of the petition, it is stated that the Corporate Applicant is a Private Limited Company incorporated on 02.06.1987 having the Registered Office situated

at No. 6/13, Park Avenue, Kesavaperumalpuram, Off Greenways Road, Chennai - 600 028.

3. In Part-II of the petition, it is stated that the Corporate Applicant has proposed one Mr. S. S. Ravichandran as IRP and has also filed his written consent in Form-2. However, vide memo dated 27.09.2023, Mr. S. S. Ravichandran has withdrawn his consent and another Mr. Gopinath has given consent for appoint of IRP in respect of the Corporate Applicant. Subsequently, vide memo dated 04.01.2024, above said Mr. Gopinath also withdrew his consent citing personal reasons and Mr. S. Kangayan as gave his consent to act as IRP. Vide memo dated, 31.07.2024, it is stated that, even Mr. S. Kangayan has withdrawn his consent and lastly **Mr. G. Ramachandran** with **Registration No. IBBI/IPA-002/IP-N00167/2017-2018/10437** has given his consent who has the AFA, valid till 31.12.2025.

4. Part-III of the petition reveals that, the details of the total amount of default with respect to Financial Creditors as **Rs.912,36,41,347.14/-** (Rupees Nine hundred twelve crores, thirty six lakhs, forty one thousands, three hundred forty seven and fourteen paisa only) and the total amount of default with respect to Operational Creditors as **Rs.6,13,621/-** (Rupees Six lakh thirteen thousand six hundred and twenty one only).

5. The list of documents placed to prove the existence of Financial /Operational Debt are as follows:

- i. *Notice dated 22.09.2014 u/s 13 (2) of SARFAESI Act issued by Punjab National Bank to the Corporate Applicant in its capacity as Corporate Guarantor of M/s. SBQ, Steels Ltd.*
- ii. *Notice dated 11.02.2015 u/s 13(2) of SARFAESI Act issued by State Bank of India to the Corporate Applicant in its capacity as Corporate Guarantor of M/s. SBQ Steels Ltd.*
- iii. *Application u/s 19(1) of RDBFI Act in OA No.40 of 2015 filed by SBI.*
- iv. *Application filed by Edelweiss Asset Reconstruction Co. Ltd. in OA No.40 of 2015 seeking substitution of SBI.*

- v. *Application u/s 19 of RDBFI Act in OA No.216 of 2015 filed by PNB and UBI.*
- vi. *MA/200/2019 in IA Sr. No.5635 (subsequently numbered as MA/12/2021 of 2018 in OA No.400 of 2015 (subsequently renumbered as TA/72/2022) filed by BOB.*
- vii. *Note on BOB cases before DRT with orders dated 09.11.2022 and 30.11.2022 passed by DRT Chennai in TA/72/2022.*
- viii. *Note on details of Corporate Guarantee given by Corporate Applicant with respective case statuses before DRT.*
- ix. *Copy of relevant books of accounts of the Corporate Debtor evidencing default to creditors.*
- x. *Copies of audited financial statements of the Corporate Debtor for the last two financial years and provisional unaudited financial statement for the period from 31.03.2022 up to 30.04.2023.*
- xi. *Updated statement of affairs as on 30.04.2023.*

6. It is stated that, the Corporate Applicant was incorporated on 2.06.1987 with objects to carry on business of hire purchase, general finance and investment. The entity was not in operations since past decade and the only asset is in the form of investments in SBQ Steels Limited and shares in companies which also made investments in SBQ Steels Limited.

7. It is averred that, the audited financial statements for the year ended 31.03.2022 and the unaudited provisional financial statement for the period till 31.03.2023. The copies of relevant books of accounts of the Corporate applicant has been placed on record which evidences default to creditors and inability of the applicant company to comply with annual statutory compliances.

8. The Board resolution of the Corporate Debtor was passed on 26.04.2023 approving for initiating Corporate Insolvency Resolution process (CIRP) under Section 10 of the Code against the Corporate Applicant. Apart from this, the Corporate Applicant has filed a Resolution passed in Extra – Ordinary General Meeting (EoGM) dated 26.04.2023, approved by the Members /Shareholders to

initiate the CIRP against the Corporate Applicant.

9. We have the Heard Ld. Counsels appeared on behalf of Corporate Applicant and the Bank of Baroda.

10. The relevant provisions of IBC, 2016 is as under:

Section 10. Initiation of Corporate Insolvency Resolution Process by Corporate Applicant.

- 1) *Where a corporate debtor has committed a default, a corporate applicant thereof may file an application for initiating corporate insolvency resolution process with the Adjudicating Authority.*
- 2) *The application under sub-section (1) shall be filed in such form, containing such particulars and in such manner and accompanied with such fee as may be prescribed.*
- 3) *The corporate applicant shall, along with the application furnish,*

(a) the information relating to its books of account and such other documents relating to such period as may be specified;

(b) the resolution professional proposed to be appointed as an interim resolution professional.

(c) the special resolution passed by shareholders of the corporate debtor or the resolution passed by at least three-fourth of the total number of partners of the corporate debtor, as the case may be, approving filing of the application.

- 4) *The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order —*

(a) admit the application, if it is complete; [and no disciplinary proceeding is pending against the proposed resolution professional]; or

(b) reject the application, if it is incomplete: [or any disciplinary proceeding is pending against the proposed resolution profession.

Provided that Adjudicating Authority shall, before rejecting an application, give a notice to the applicant to rectify the defects in his application within seven days from the date of receipt of such notice from the Adjudicating Authority.

11. During the hearing on 05.01.2024, the Applicant counsel stated that, the petition has been served on the Creditors and has filed an affidavit to that effect. However, the Affidavit of Service is not on record. This petition was listed in batch

matter along with CP(IB)/30(CHE)/2023 & CP(IB)/152(CHE)/2023 which deals with Section 10 petition of other two connected Corporate Applicants namely, RKKR Holdings Private Limited and Gugnani Leasing & Hire Purchase Private Limited, which have common director and also gave Corporate Guarantee to the same Principal Borrower viz. SBQ Steels Limited involved in this case. The said SBQ Steels Limited underwent CIRP and was dissolved under Section 54 of IBC, 2016 by this Tribunal vide order dated 11.02.2022 in MA/5/2021 in CP/IB/2017.

12. It is observed from the Master Data submitted, the registered office of the corporate Applicant is located within the territorial jurisdiction of this Tribunal, specifically within Chennai limits as detailed in the cause title above.

13. From the list of annexures and documents filed along with the type set and more particularly with Demand Notice and the documents pertaining to DRT proceedings, it is seen the Corporate Applicant has given corporate guarantee to the Principal Borrower, SBQ Steels Limited and subsequently committed 'default' in repayment of amount to Financial Institutions.

14. It is observed that Corporate Applicant has submitted its statement of Affairs as on 30.04.2023 as extracted below,

STATEMENT OF AFFAIRS AS AT 30TH APRIL 2023		
PARTICULARS	30-Apr-23 (Rs. In Lakhs)	As at 31-Mar-22 (Rs. In Lakhs)
Equity and Liabilities		
Shareholder's funds		
Share capital	305.80	305.80
Reserve and Surplus	(311.90)	(311.74)
Current liabilities		
Other current liabilities	6.30	6.14
Short term provisions		
TOTAL	0.20	0.20

Assets		
Non current assets		
Non current Investments	-	-
Other non current assets		
Current assets		
Trade receivables	0.10	0.10
Cash and bank balances	0.10	0.10
Short term loans and advances		
TOTAL	0.20	0.20

15. The details of the Creditors of the Corporate Applicant submitted by it is

extracted as below,

Growell Hire Purchase and Finance Private Limited 6/13, North Avenue, Kesavaperumalpuram, Chennai 600 028 CIN no. U65921TN1987PTC098875				
Name and Address of Financial Creditors				
Sl.no	Party Name	Address	Amount (in Rupees)	Date of First Default
1	Rai Developers Pvt Ltd	6/13, North Avenue, Kesavaperumalpuram, Chennai 600 028	11,800	19.02.2021

II Name and Address of Financial Creditors arising out of Corporate Guarantee				
Sl.no	Party Name	Address	Amount (in Rupees)	Date of First Default
1	Bank Of Baroda	Corporate Financial Service Branch, BOB Building, II Floor, No.74, Thyagaraya Road, T-Nagar, Chennai 17	207,54,29,480.96	31.12.2014
2	Edelweiss Asset Reconstruction Co Ltd (State Bank Of India)	Edelweiss Asset Reconstruction Co. Ltd, Edelweiss House, Off: C.S.T. Road, Kalina, Mumbai 400098	148,66,77,898.49	04.03.2015
3	Edelweiss Asset Reconstruction Co Ltd (Punjab National Bank)	Edelweiss Asset Reconstruction Co. Ltd, Edelweiss House, Off: C.S.T. Road, Kalina, Mumbai 400098	306,77,54,964.00	31.10.2014
4	Union Bank of India	Stressed Assets Management Branch No.38 & 39, Whites Road, Chennai 600014	249,37,79,003.69	24.10.2013
		Total	912,36,41,347.14	

For Growell Hire Purchase and Finance Private Limited

Growell Hire Purchase and Finance Private Limited 6/13, North Avenue, Kesavaperumalpuram, Chennai 600 028 CIN no. U65921TN1987PTC098875				
Name and Address of Operational Creditors				
Sl.no	Party Name	Address	Amount (in Rupees)	Date of First Default
1	Kumbhat & Co	Kumbhat Complex, 5 th Floor, 29, Ratan Bazaar, Chennai 600 003	94,900	31.03.2016
2	M. Damodaran & Associates	MDA Towers, No.6, Appavoo Gramani 1 st Street, Mandaveli, Chennai 600 028	1,800	31.03.2018
3	RKKR Steels Private Limited	6/13, North Avenue, Kesavaperumalpuram, Chennai 600 028	4,76,521	07.11.2015
4	RKKR Holdings Pvt Ltd	9/5, Ethiraj Lane, Egmore, Chennai 600 008	1,200	31.03.2019
5	Cove Holdings Pvt Ltd (formerly Known as Ram Krishan Kulwant Rai Holdings Pvt Ltd)	9/5, Ethiraj Lane, Egmore, Chennai 600 008	39,200	22.02.2022
		Total	6,13,621	

For Growell Hire Purchase and Finance Private Limited

16. Therefore, the foregoing observations makes it clear that there is debt and

default which fulfilled the requirements of Section 10 of IBC.

17. In view of the same, we are of the view that this Company Petition is required to be admitted U/s 10 of the Code. We order accordingly.

- i. The Corporate Applicant had proposed the names of Mr. S. S. Ravichandran, Mr. Gopinath, Mr. S. Kangayan and Mr. G. Ramachandran at different point of proceedings. However, we appoint **Mr. P Balasubramanian, (karurbalaw@gmail.com) (9944430703) having IBBI Registration, IBBI/IPA-001/IP-P-02867/2024-2025/14404** with valid AFA till 31-12-2025, as the IRP in the present petition. The IRP appointed shall take forward the process of Corporate Insolvency Resolution of the Corporate Debtor.
- ii. The IRP appointed shall take actions 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.
- iii. 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.
- iv. As a consequence of the Petition being admitted in terms of Section 10 of the Code, 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 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 occupies 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 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 regular 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;

v. However, during the pendency of the moratorium period, the duties and responsibilities are to be carried out 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 the moratorium period.*

(2A) *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 arrangements 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.*

vi. The duration of period of moratorium shall be governed as per Section 14(4) of the Code which is reproduced below for ready reference;

(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.

- vii. The Corporate Applicant is directed to pay a sum of **Rs.2,00,000/- (Rupees Two Lakhs Only)** to the Interim Resolution Professional to meet out the expenses and to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

14. Based on the above terms, the Company Petition stands **ADMITTED** in terms of Section 10 of the Code and Moratorium shall come into effect as of this date. A copy of the Order shall be communicated 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 shall also be furnished with copy of this order forthwith by the Registry, who will communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

-Sd/-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd/-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)

Prabhu