



IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT - 2

ITEM No.301
C.P. (IB)/204(AHM)2023

Order under Section 7 IBC

IN THE MATTER OF:

HDFC BANK LIMITED

.....Applicant

VS

SHREE GOPINATH PAPER MILLS PRIVATE LIMITED

.....Respondent

Order delivered on: 20/06/2024

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)

Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

The case is fixed for pronouncement of order.

The order is pronounced in open Court vide separate sheet.

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DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

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CHITRA HANKARE
MEMBER (JUDICIAL)

**IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD (COURT - II)**

CP(IB) No. 204 / NCLT / AHM / 2023

[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:

HDFC Bank Limited

.... Applicant/Financial Creditor

Versus

Shree Gopinath Paper Mills Private Limited

....Respondent/Corporate Debtor

Order pronounced on 20.06.2024

Coram:

**MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)**

**MR. VELAMUR G VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)**



MEMO OF PARTIES

HDFC Bank Limited,

A Banking Company duly constituted and registered under the Companies Act, 1956 carrying on business of Banking in India as a Scheduled Bank, having its Registered Office at HDFC Bank House, Senapati Bapat Marg, Lower Parel West, Mumbai-400 013 and a Branch Office amongst other places known as Department for Special Operation, Peninsula Business Park, "B" Wing, 4th Floor, Dawns Mills Compound, Ganpat Rao Kadam Marg, Lower Parel (West), Mumbai-400 013. Through its Authorized Officer Mr. Anil Sankhla, authorized vide the Resolution dated 16.07.2022. (Email:manish.nyati@hdfcbank.com).

..... Applicant/Financial Creditor

Versus

Shree Gopinath Paper Mills Private Limited,

a private limited company having its Registered Office at 3, Silver Mansion, Tram Way Road, Opposite Dr. Dinesh Jani's Hospital, Surendranagar, Gujarat-363 002 and another place of business at Survey No.464, Surendranagar-Rajkot Highway, Kherali-363 020, District Surendranagar, Gujarat.

.... Respondent/Corporate Debtor

Present:

For the Applicant : Mr. Hem Buch, Adv. a.w Mr. Ishan Joshi,
Adv.

For the Respondent : Ms. Helly Parikh, Adv.



JUDGEMENT

1. Under consideration, is an application filed by the Financial Creditor viz. HDFC Bank Limited under Section 7 of Insolvency and Bankruptcy Code 2016 (hereinafter referred to as "IBC, 2016") against the Corporate Debtor viz. Shree Gopinath Paper Mills Private Limited seeking thereof to initiate Corporate Insolvency Resolution Process (CIRP) as against the Corporate Debtor.
2. In Part I of the application it is stated that the Financial Creditor is incorporated on 30.08.1994. In Part II of the application it is stated that the Corporate Debtor was incorporated on 25.09.2009 with the Authorised Share capital of Rs.3,00,00,000/- (Rupees Three Crores only) and the paid up share capital of Rs.2,66,71,950/- (Rupees Two Crores Sixty Six Lakhs Seventy One Thousand Nine Hundred and Fifty only).
3. In Part III of the Application the Financial Creditor has proposed a name of one Mr. Rakesh Kumar Relan as the Interim Resolution Professional, who has also filed his written consent in Form 2.



4. In Part IV of the application the default amount is stated to be Rs.30,45,99,176.73/- (Rupees Thirty Crore Fourty-Five Lakhs Ninety-Nine Thousand One Hundred Sixty Seventy Six and Paise Seventy Three Only) and date of default is mentioned as 30.03.2023.
5. Applicant submitted that the corporate debtor has availed various credit facilities from the Financial Creditor from time to time, lastly in the year 2022, and for which, the Corporate Debtor has executed various facility as well as security documents. The credit facilities granted by the Financial Creditor to the Corporate Debtor are secured, inter alia, by hypothecation, mortgage and personal guarantees. It further submitted that in pursuance of the request made by the Corporate Debtor, the Financial Creditor had, vide its (i) Sanction Letter dated June 12, 2019, sanctioned various credit facilities aggregating to Rs.22,50,00,000/- (Rupees Twenty-Two Crore Fifty Lakhs only), (ii) Sanction Letter dated June 06, 2020 sanctioned Guaranteed Emergency Credit Line (GECL) by way of Working Capital Term Loan of Rs.2,96,70,000/- (Rupees Two Crore Ninety Six Lakhs Seventy Thousand only), (iii)



Renewal Sanction Letter dated October 16, 2020, sanctioned the credit facilities aggregating to Rs.25,46,70,000/- (Rupees Twenty-Five Crore Forty-Six Lakh Seventy Thousand only), (iv) Renewal Sanction Letter dated August 07, 2021, sanctioned the credit facilities aggregating to Rs.25,46,70,000/- (Rupees Twenty-Five Crore Forty-Six Lakh Seventy Thousand only), (v) Sanction Letter dated January 28, 2022 sanctioned Guaranteed Emergency Credit Line (GECL) by way of Working Capital Term Loan of Rs.2,06,00,000/- (Rupees Two Crore Six Lakhs only), and (vi) Sanction Letter dated February 15, 2022, sanctioned Corporate Card Limit of Rs.30,00,000/- to the Corporate Debtor, on the terms and conditions contained therein, which were duly accepted by the Corporate Debtor.

6. The Financial Creditor stated that the Corporate Debtor acknowledged and confirmed the limits in force and their indebtedness as on February 28, 2022 to the Financial Creditor by executing Letter of Acknowledgement of Debt dated May 01, 2022, on June 18, 2022.



7. Applicant submitted that the operation and conduct of the above credit facilities has become irregular and in view of the persistent defaults committed by the Corporate Debtor in repayment of principal debt and interest thereon, the Financial Creditor classified the account of the Corporate Debtor as Non-Performing Asset (NPA) on March 30, 2023. Thereupon, the Financial Creditor through its Advocate issued a Notice dated May 16, 2023 upon the Corporate Debtor and its Guarantors/Mortgagors. However, the Corporate Debtor failed and neglected to comply with the requisitions made in the aforesaid Notice.
8. It further submitted that the Financial Creditor had at the request and on behalf of the Corporate Debtor, issued a Bank Guarantee dated October 14, 2019, for Rs. 1,45,00,000/- in favour of Paschim Gujarat Vij Company Limited. The said Paschim Gujarat Vij Company Limited has, vide its Letter dated June 16, 2023, invoked the aforesaid Bank Guarantee. Upon invocation of the aforesaid Bank Guarantee, the Financial Creditor had made payment to Paschim Gujarat Vij Company Limited. Applicant stated that the outstanding dues in respect of the aforesaid Bank



Guarantee has been debited in the Cash Credit Loan Account. Thus, the outstanding dues claimed under the Cash Credit Loan Account contains the outstanding dues pertaining to the aforesaid invoked Bank Guarantee.

9. The Financial Creditor has filed the record of default with the Information Utility National E-Governance Services Limited and the said record of default has been authenticated as on May 10, 2023.
10. Respondent is proceeded ex-parte vide order dated 19.12.2023. On 04.06.2024 Ld. Counsel for the respondent appeared and was allowed to file Vakalatnama and written submission on the same day but it failed to file any written submission.
11. We have heard the Ld. Counsel appearing for the Applicant and the Respondent and perused the averments made in the application.
12. 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 where default amount exceeds rupees one crore, this Tribunal is required to initiate a Corporate Insolvency Resolution Process as against the Corporate Debtor.

13. In the present case the material on record clearly goes to show that Corporate Debtor had availed various credit facilities from the applicant and has committed default in repayment of the outstanding loan amount. The Corporate Debtor has neither denied the existence of debt and nor the factum of default.
14. Since, the Financial Creditor has proved that there is a debt. The default is more than Rs.1 crore which satisfies the mandate under Section 7 of the Insolvency & Bankruptcy Code, 2016. We therefore admit this application and order for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.
15. Hence the tribunal is passing the following orders:

ORDER

- I. CP(IB) No. 204 of 2023 is allowed.



- II. The CIRP is ordered to be initiated against the corporate debtor - Shree Gopinath Paper Mills Private Limited.
- III. The Financial Creditor has proposed the name of Mr. Rakesh Kumar Relan, having Reg. No. IBBI/IPA-001/IP-P-02009/2020-2021/13119; Email ID: rakeshrelan@gmail.com as the Interim Resolution Professional (IRP) who has also filed his consent in Form - 2 and also upon verification from the IBBI website, it is seen that the said person holds valid Authorization for Assignment till 30.06.2025. Mr. Rakesh Kumar Relan, is appointed as the IRP is directed to take charge of the Corporate Debtor's management immediately. The IRP is also directed to cause public announcement as prescribed under Section 15 of the IBC, 2016 within three days from the date the copy of this Order is received, and call for submissions of claim by the creditors in the manner as prescribed under Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.



- IV. We direct the Applicant/Financial Creditor to deposit a sum of Rs. 2.00 lacs (Rupees two lacs only) with the IRP to meet the expenses for performing functions assigned to him in accordance with regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within one week from the date of receipt of this order by the Financial Creditor. The amount, however, be subject to adjustment by the Committee of Creditors, as accounted for by IRP and shall be paid back to the Financial Creditor.
- V. As a consequence of the application being admitted in terms of Section 7(5) of IBC, 2016, moratorium as envisaged under the provisions of Section 14 (1) shall follow in relation to the Corporate Debtor, prohibiting actions as per clauses (a) to (d) of Section 14 (1) of the Code. However, during the pendency of the moratorium period, terms of Section 14(2) to 14(4) of the Code shall remain in force.



VI. A copy of the order shall be communicated to the applicant, IRP and the corporate debtor. A copy of the order along with a complete copy of the application be served to IRP by the applicant within 7 days of the order. In addition, a copy of the order shall also be forwarded to IBBI for its records and to take steps for updating the Master Data of the corporate debtor in the MCA portal and shall forward the compliance report to the Registrar, NCLT.

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DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

CHITRA HANKARE
MEMBER (JUDICIAL)

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