



**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH No.1, HYDERABAD**

CP (IB) No. 257/7/HDB/2023

Under section 7 of the I & B
Code, 2016.

CANARA BANK

... **Petitioner/
Financial Creditor**

AND

M/s. GJS INFRATECH PRIVATE LIMITED

... **Respondent/
Corporate Debtor**

Per BENCH

C O R A M:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA
HON'BLE MEMBER (JUDICIAL)**

**SHRI CHARAN SINGH
HON'BLE MEMBER (TECHNICAL)**

CORRIGENDUM DATED 07.03.2024

It is brought to the notice of this Tribunal that certain inadvertent error has crept in order dated 01.03.2024, viz. nomenclature of the document filed by the proposed IRP in acceptance of his appointment as IRP.

2. Since the error occurred through inadvertence, in exercise of power under Rule 154 of NCLT Rules, the same requires correction.



“154. Rectification of Order. - (1) Any clerical or arithmetical mistakes in any order of the Tribunal or error therein arising from any accidental slip or omission may, at any time, be corrected by the Tribunal on its own motion or on application of any party by way of rectification”

3. The error is corrected as under:

Inadvertent error occurred in para 10(I) of order dated 01.03.2024 in CP (IB) No.257/7/ HDB/2023.	It shall be read as
<i>Proposed IRP has filed Form AA (Written consent) dated 22.11.2023 at pages 67 to 70 of the Company Petition.</i>	<i>Proposed IRP has filed Form-2 dated 22.11.2023 at pages 5 to 8 of Memo dated 08.12.2023.</i>

4. Rest of the contents of the order remain the same. This corrigendum be read along with the original order dated 01.03.2024.

SD/-
CHARAN SINGH
MEMBER (TECHNICAL)

SD/-
DR. VENKATA RAMAKRISHNA BADARINATH NANDULA
MEMBER (JUDICIAL)

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S.No.5

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
01-03-2024 AT 10:30 AM**

CP (IB) No. 257/7/HDB/2023
u/s. 7 of IBC, 2016

IN THE MATTER OF:

Canara Banks

...Financial Creditor

VS

M/s. GJS Infratech Private Limited

...Corporate Debtor

C O R A M:-

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA, HON'BLE MEMBER (JUDICIAL)
SH. CHARAN SINGH, HON'BLE MEMBER (TECHNICAL)**

ORDER

CP (IB) No. 257/7/HDB/2023

Orders pronounced. In the result, this **Company Petition is admitted**. CIRP is initiated against the Corporate Debtor and Moratorium is imposed, as per the terms of the order. Insolvency Professional is appointed as Interim Resolution Professional.

Sd/-

MEMBER (T)

Sd/-

MEMBER (J)



**NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BRANCH-I, HYDERABAD**

CP NO. 257/7/HDB/2023

Under section 7 of the
Insolvency and Bankruptcy
Code, 2016.

**IN THE MATTER OF
M/S GJS INFRA TECH PRIVATE LIMITED**

CANARA BANK

6648, 112, JC Rd, P.B, Halsurpete,
Nagarathpete, Bengaluru, Karnataka -560002
having its branches amongst other places
at Large Corporate Branch, # 1-7-1,
T.S.R. Complex, 2nd Floor, S.P.Road,
Secunderabad – 500003
Represented by its Chief Manager
Sri Nikhil Arora, S/o. Suresh Chandra Arora,

... **Petitioner/
Financial Creditor**

AND

M/s. GJS INFRA TECH PRIVATE LIMITED

Represented by its Managing Director
Plot No.852 and 853, Ayyappa Society
Road No.45, Hitech City, Madhapur,
HYDERABAD – 500 081.

... **Respondent/
Corporate Debtor**

Order pronounced on: 01.03.2024



Corum:

**DR. VENKATA RAMAKRISHNA BADARINATH NANDULA
HON'BLE MEMBER (JUDICIAL)**

**SHRI CHARAN SINGH
HON'BLE MEMBER (TECHNICAL)**

Appearance:

For Applicant : Shri Dishit Bhattacharjee, Advocate

For Respondent : None

ORDER

PER BENCH:

This application is filed under Section 7 of Insolvency and Bankruptcy Code (hereinafter to be referred as “Code”), read with Rule 4 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiation of Corporate Insolvency Resolution Process (CIRP) against Respondent, alleging that the respondent committed default in payment of the financial debt of a sum exceeding rupees one crore due and payable to the Petitioner.



2. Averments as made by the financial creditor in brief:

2.1 The Petitioner submits that at the request of the respondent/ corporate debtor which is a Private Limited Company sanctioned the following credit and ECLGS Facilities, to the respondent as per the terms and conditions mentioned in the Working Capital Facility Agreement dated 11.10.2023 which was amended from time to time, for its business needs.

Sl. No	Account No. Facility	Account	AMOUNT
1.	OCC	2323261005112	27,50,00,000.00
2.	WCDL-GECL	2423755000011	5,40,00,000.00
3.	GUARANTEE	-	92,50,00,000.00
		Total	125,40,00,000.00

2.2 It is stated that the total amount due under the above facilities per statement of account dated 10.11.2023 is as follows :

Nature of Facilities	Loan A/c No.	O/s as on 10.11.2023 (Amount in Rs.)
OCC	2323261005112	109,21,41,455.10
WCDL-GECL	2423755000011	5,40,00,847.24
Guarantee		2,55,71,958.00
	Total	117,17,14,260.34



2.3 It is submitted as the corporate debtor has committed default in discharging the above debt, hence the account of the corporate debtor was classified as non-performing assets **on 29.05.2022** in accordance with the applicable guidelines/regulations of the Reserve Bank of India.

2.4 It is further averred that the financial creditor has made repeated requests for the payment, but the corporate debtor had not discharged the debt. Hence, the Applicant Bank issued Demand Notice to the corporate debtor on 06.10.2022 to clear entire outstanding liability of the sum of Rs.117,17,14,260.34/- (One Hundred and Seventeen Crore seventeen Lakhs Fourteen thousand Two hundred and Sixty rupees and thirty-four paise only), said to be outstanding as on 10.11.2023. As there was no response to the same the financial creditor filed this Petition.



3. In the light of the above the point that emerges for our consideration is:

POINT:

Whether a financial debt of a sum exceeding rupees one crore due and payable by the respondent to the petitioner exists? If so, whether the respondent has defaulted in repayment of the same?

4. We have heard Mr. Dishit Bhattacharjee, learned advocate for the petitioner/ Financial Creditor. Perused the record and the case laws presented before us.

POINT:

Whether a financial debt of a sum exceeding rupees one crore due and payable by the respondent to the petitioner exists? If so, whether the respondent has defaulted in repayment of the same?

5. At the outset we wish to state that the pre-admission notice ordered to be served on the respondent/ Corporate



Debtor, by the respondent through Registered Speed Post, returned unserved with an endorsement, “*addressee left*”. Therefore, at the request of the learned counsel for the Financial Creditor, this Tribunal has ordered notice to the respondent by way of substituted service by publishing the notice in two leading newspapers, (one of which should be a vernacular language newspaper) having wide circulation in the area where office of the Corporate Debtor is situated. Accordingly, notice by way of newspaper publication has been effected as per the proof of service filed on 29.12.2023. The respondent was called absent. Service held sufficient. Hence the respondent was set ex parte. Therefore, the averments and allegations made in the Company Petition remained unrebutted.

6. We have carefully perused the petition and the documents relied on by the petitioner in support of its claim



that financial debt of a sum exceeding Rupees one crore, due and payable by the respondent to the petitioner exists.

7. According to the petitioner, the respondent had availed working capital and ECLGS Facilities vide Working Capital Facility Agreement dated 11.10.2023, in all to the tune of Rs. 125,40,00,000/-, by executing the following documents:

- i.* The Guarantee Covering Letter was enclosed under Guarantee Agreement executed by Shri Jangam Gopi dated 11.10.2013.
- ii.* The Guarantee Agreement executed by Shri Jangam Vishwanath dated 11.10.2013.
- iii.* The Guarantee Agreement executed by Shri Kannapu Rajamma Venugopal Rao dated 11.10.2013.
- iv.* The Guarantee Agreement executed by Shri Abhinav Rao Kuchipudi dated 11.10.2013.
- v.* The Guarantee Covering Letter was enclosed under Guarantee Agreement executed by Smt Elizabeth dated 11.10.2013.
- vi.* Application pending before Hon'ble DRT-1I, Hyderabad vide O.A.No. 969 of 2022 Annexure-24.
- vii.* CRILC report dated 14.11.2023 and FORM D Record of Default (RoD) (NeSL) report is enclosed as Annexure – 22.



viii. Statement of accounts with Certificate under section 2A (a) of the Banker's Book of Evidence Act, 1891 (as amended) is enclosed as Annexure – 19.

8. The petitioner also filed the statement of account of the respondent, along with Certificate under section 2A (a) of the Banker's Book of Evidence Act, 1891 (as amended). As already stated, execution of these documents and availing of credit facilities from the petitioner by the respondent remained un rebutted.

9. Having carefully perused the record, we are satisfied that the Petitioner has established that the respondent had availed credit facilities as mentioned above of a sum exceeding rupees one crore from the petitioner/Bank. And in the absence of evidence of compliance of the terms of the Demand Notice dated 06.10.2022, besides the declaration of the account of the respondent as 'Non-Performing Asset' on 29.05.2022, the default also stood established.

The point is answered accordingly.



10. We, therefore, for the reasons afore stated and as we found that the petition is in order, admit this Petition under Section 7 of I&B Code, 2016, declare moratorium for the purposes referred to in Section 14 of the Code, with following directions:

(A) Corporate Debtor, **M/s GJS Infratech Private Limited** is admitted in Corporate Insolvency Resolution Process under section 7 of the Insolvency & Bankruptcy Code, 2016.

(B) The Bench hereby prohibits 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 Securitization and Reconstruction of Financial Assets and Enforcement of Security interest Act, 2002 (54 of 2002); the recovery of any property by an owner or lessor where such



property is occupied by or in possession of the corporate Debtor;

(C) 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.

(D) Notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances 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, permit, registration, quota, concessions, clearances or a similar grant or right during the moratorium period.

(E) 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.



(F) That the order of **moratorium** shall have effect **from the date of this order** till 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, whichever is earlier.

(G) That public announcement of the initiation of Corporate Insolvency Resolution Process shall be made immediately as prescribed under section 13 of Insolvency and Bankruptcy Code, 2016.

(H) This Bench hereby appoints **Mr. Dommeti Surya Rama Krishna Saibaba**, having IBBI /IPA-003/IP-N00165/2018-2019/12106, address: Flat No. A-105, Mahindra Ashvita, Hafeejpet Road, Near Hi-Tech City MMTS Railway Station, KPHB Colony, Hyderabad, Telangana, 500085, e-mail: dsrk39[at]yahoo[dot]com as Interim Resolution Professional, to carry on the functions as mentioned under the Insolvency & Bankruptcy Code, 2016.

(I) Proposed IRP has filed Form AA (Written consent) dated 22.11.2023 at pages 67 to 70 of the Company Petition. His Authorization for Assignment is valid upto 17.10.2024.



(J) The Registry is directed to furnish certified copy of this order to the parties as per Rule 50 of the NCLT Rules, 2016.

(K) The petitioner is directed to communicate this order to the proposed Interim Resolution Professional.

11. Registry of this Tribunal is directed to send a copy of this order to the Registrar of Companies, Hyderabad for making appropriate remarks against the Corporate Debtor on website of Ministry of Corporate Affairs as being under Corporate Insolvency Resolution Process.

Accordingly, this Petition is admitted.

Sd/-

**CHARAN SINGH
MEMBER (TECHNICAL)**

Sd/-

**DR.VENKATA RAMAKRISHNA BADARINATH NANDULA
MEMBER (JUDICIAL)**

pavani/ karim