

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT-II

20. C.P.(IB)-1069(MB)2023

CORAM:

SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (T)

SHRI KULDIP KUMAR KAREER
HON'BLE MEMBER (J)

**ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE
NATIONAL COMPANY LAW TRIBUNAL ON 14.11.2024**

NAME OF THE PARTIES: - Guruanand Silk Mills Private Limited

Section: - 10 of the Insolvency and Bankruptcy Code, 2016

ORDER

C.P.(IB)-1069(MB)2023

Presence: -

CS. Nithish Bangera Petitioner.

Adv. Indrajeet Deshmukh Financial Creditor through VC.

Heard, the Counsel for the parties for a considerable time. Detailed order will follow vide separate sheet.

Sd/-
ANIL RAJ CHELLAN
Member (Technical)
Susheel

Sd/-
KULDIP KUMAR KAREER
Member (Judicial)



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT II

CP (IB) 1069/MB/C-II/2023

Under section 10 of the Insolvency & Bankruptcy Code, 2016 r.w. Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016

In the matter of

**M/s. Guruanand Silk Mills Pvt. Ltd.
[CIN: U17200MH1998PTC115822]**

Registered office No. 27/29, Kolbhat Lane,
2nd Floor, Kalbadevi Road, Mumbai,
Maharashtra- 400002.

...Corporate Applicant

Order Pronounced on 14.11.2024

Coram:

Anil Raj Chellan

Kuldip Kumar Kareer

Member (Technical)

Member (Judicial)

Appearances:

For the Corporate Applicant:

CS. Nithish Bangera

For the Financial Creditor:

Adv. Indrajeet Deshmukh

ORDER

Per: Coram

1. This Application is filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 ("**the Code**") by Guruanand Silk Mills Private Limited (in short, "**the Corporate Applicant**") for initiation of the



Corporate Insolvency Resolution Process (**CIRP**) under the 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 Creditor and Operational Creditors amounting to Rs. 12,71,35,392/-.

2. It is submitted that the Corporate Applicant is a Private Limited Company incorporated on 17.07.1998 bearing CIN: U17200MH1998PTC115822 and having its Registered office at Office No. 27/29, Kolbhat Lane, 2nd Floor, Kalbadevi Road.
3. Part – III of the application, discloses the details of the total amount of default of Rs. 12,71,35,392/- as on 27.01.2022. Axis Bank Limited is the only Secured Financial Creditor having outstanding dues of Rs. 3,90,06,475 on account of CC limit, a sum of Rs. 77,44,965 on account of term loan and Rs. 1,57,16,653 on account of ECLGS. The account of the Corporate Applicant was declared as NPA on 27.01.2022
4. It is submitted that the financial debt began on 24.12.2018, with the creditor providing various financial facilities, as stated above, which were extended from time to time.
5. The list of documents submitted to prove the existence of debt is as follows:
 - a) Copy of the statement showing the full liability of the Corporate Debtor to its Creditors.
 - b) Audited Financials for 2020-21, 2021-22, 2022-23 and provisional financials for the year 2023-24.
 - c) Copies of the Sanction letter by Axis Bank on various occasions issued to Corporate Applicant.



- d) Copy of statement of party-wise liabilities of the Corporate Applicant.
 - e) Copy of notice dated 22.08.2022 under section 13(2) of SARFAESI act.
 - f) Copy of the statement of affairs of the Corporate Applicant.
6. It is stated in the Application that the Corporate Applicant has faced huge difficulty in its survival during the Covid-19 pandemic, resulting in a complete suspension of operations for a period of two years. Additionally, the company's receivables were also not realized, compounding its financial losses.
 7. As a result, the company was unable to service its dues to the Financial Creditor, leading to its account being classified as a Non-Performing Asset (NPA). Consequently, the absence of short-term credit led to the forced cessation of the company's operations.
 8. Thereafter, the Board of Directors of the Corporate Applicant in its meeting held on 02.09.2023 passed a Resolution to file an Application under Section 10 of the Code for initiation of the CIRP and Mr. Rakesh Dharamdas Talreja, Director was appointed to appoint one or more Advocate as the authorized persons to sign the necessary application.
 9. Further, the Corporate Applicant has also placed on record the Special Resolution passed by the members at the Extra-Ordinary General Meeting of the Corporate Applicant dated 19.10.2023 to file an Application under Section 10 of the Code.



10. An additional affidavit dated 13.11.2024 filed by the Corporate Applicant discloses the list of pending litigations against the Corporate Applicant as follows:
 - a) Axis Bank filed an original application against the Corporate Applicant before the Debt Recovery Tribunal (2) at Mumbai and
 - b) Criminal Miscellaneous Application before Chief Metropolitan Magistrate Thane, under section 14 of SARFAESI Act against D S Textiles & Anr. where Corporate Applicant is arraigned Respondent No. 2.
11. The Corporate Applicant has furnished notices regarding the present Petition, upon its Financial Creditor and Operational Creditors. Axis Bank Limited, the only Secured Financial Creditor of the Corporate Applicant appeared through counsel and made a statement that the bank had no objection in case the petition under Section 10 of the IB Code, 2016 is admitted and the insolvency process is initiated against the Corporate Applicant.
12. The Applicant has further proposed the name of Mr. Mukesh Kumar Jain as IRP whose consent in Form-2 has also been annexed with the Petition.
13. Having heard the Counsel for the Petitioner and also the counsel for the Axis Bank Limited and after going through the record, we are of the considered view that the Corporate Applicant has established the existence of debt and its default beyond the threshold limit prescribed under Section 4 of the Code. This Petition is not barred by limitation as the default took place only in the year 2022 and the Company Petition is complete. No disciplinary proceeding is pending against the proposed resolution professional. Thus, we are of the considered view that this is a fit case for



admission under Section 10 of the Code. Accordingly, the Company Petition C. P. No. 1069 of 2023 is admitted in the following terms:

ORDER

- a. **The above Company Petition No. (IB) 1069/(MB)/2023 is hereby admitted** and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against **M/s Guruanand Silk Mills Private Limited.**

- b. This Bench hereby **appoints Mr. Mukesh Kumar Jain, Registration No: IBBI/IPA-001/IP-P01236/2018-19/11944 as the Interim Resolution Professional** having his address at **C-203, EDGE Commercial, Opposite Maruti Suzuki Arena, Vidhan Sabha Road, Mova Raipur 492 009 (Chhattisgarh) Email : mkj2822@gmail.com ; having mobile no. 9937625943** to carry out the functions as mentioned under the Insolvency and Bankruptcy Code, 2016.

- c. The Corporate Applicant shall deposit an amount of **Rs. 2,00,000/-** (Rupees Two Lakhs Only) towards the **initial CIRP cost** by way of a Demand Draft drawn in favour of the Interim Resolution Professional appointed herein, immediately upon communication of this Order.



- 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 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 concerned Registrar of Companies, Mumbai for updating the Master Data of the Corporate Debtor.

14. Accordingly, Company Petition No. 1069 of 2023 is admitted.



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT II

CP NO. 1069 OF 2023

15. The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

Sd/-

Anil Raj Chellan
Member (Technical)

Sd/-

Kuldip Kumar Kareer
Member (Judicial)