

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - II

CP (IB) No.212/7/HDB/2025

Between:

IDBI Bank Limited,
Registered Office at : IDBI Tower,
WTC Complex, Cuffe Parade,
Mumbai - 400 005 &
Branch Office at : No. 370,
D No. 5-9-89/1 & 2, Chapel Road,
Hyderabad - 500 001.

....Financial Creditor

And

M/s GVK Coal (Tokisud) Company Private Ltd,
Plot No.10, Paigah Colony,
Sardar Patel Road,
Secunderabad - 500 003.

....Corporate Debtor

Date of order : 04.05.2026

CORAM:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Counsels present:

For the Financial Creditor : Mr GP Yash Vardhan

For the Corporate Debtor : None appeared - *set ex-parte*

1. This Petition is filed by IDBI Bank Limited, the Financial Creditor (FC), seeking initiation of CIRP against M/s GVK Coal (Tokisud) Company Private Limited, the Corporate Debtor (CD), under Section 7 of the IBC for default in repayment of debt. The total amount in default¹ as on 01.11.2025 is Rs 39,66,95,710.46.

¹ Page 41 of the Application



The Application

2. It is submitted that, the Ministry of Coal & Mines, Government of India, allotted a coal mine to GVK Power (Goindwal Sahib) Limited (GPGSL) for its 540 MW thermal power project in Punjab. GPGSL incorporated M/s GVK Coal (Tokisud) Company Private Ltd, the CD herein, to develop the mine with coal production intended exclusively for captive consumption by GPGSL.
3. GPGSL entered into Coal Supply and Transportation Agreements dated 06.06.2009 for 25 years. The CD informed lenders that allocation and approvals would be transferred in its name and estimated the project cost at Rs 300 crores.
4. A Facility Agreement² dated 27.04.2010 was executed between the CD, FC as Lenders' Agent, and other lenders for aggregate rupee loans up to Rs 225 crores to part-finance the project.
5. The FC sanctioned Rs 50 crores through various letters³ and disbursed Rs 40 crores. IDBI Security Trustee was appointed under a Security Trustee Agreement dated 27.04.2010. The CD created security interests over its movable and immovable assets in favour of the trustee for the benefit of lenders, securing repayment obligations under the Facility Agreement.
6. The project was to be commissioned by 01.07.2012 but was delayed. The CD proposed a revised Commercial Operation Date (COD) of 30.06.2013 and requested restructuring. Accordingly, the FC issued a sanction letter dated 25.03.2013 restructuring the loan, followed by an Amendatory Agreement⁴ dated 30.03.2013 revising COD, repayment schedule, and interest terms⁵.

² Pages 42 - 180 of the Application

³ Pages 181 - 238 of the Application

⁴ Pages 239 - 258 of the Application

⁵ As part of restructuring, GVK Energy Limited furnished a Corporate Guarantee dated 16.09.2013 securing repayment. In separate proceedings, this Tribunal admitted the GVK Energy Limited into CIRP on 06.05.2025 in CP (IB) No. 104/7/HDB/2023, and the FC submitted its claim before the IRP.



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7. Thereafter, on 25.08.2014, the Hon'ble Supreme Court in *Manohar Lal Sharma vs. The Principal Secretary & Others (2014) 9 SCC 516*, cancelled coal block allocations, including that of the CD, extinguishing lender security except to the extent of compensation receivable.
8. Subsequently, GPGSL participated in the re-auction of coal mines, but failed⁶. The CD thus became entitled to compensation, administered by a Nominated Authority (NA).
9. The FC, on behalf of consortium lenders, submitted claims before the NA at Rs 232.80 crores (Rs 235.27 crores) calculated based on the outstanding as on 23.03.2015, with revised submissions made between 2015-2016.
10. The NA vide its orders dated 24.05.2016 & 11.08.2017 sanctioned total compensation of Rs 146.83 crores, deposited in the CD's TRA account and distributed among lenders; the FC received Rs 26.10 crores. Additionally, lenders recovered Rs 38,60,61,078 independently, of which the FC received Rs 11.00 crores.
11. As compensation was inadequate, the CD challenged the methodology adopted for calculation of the compensation amount; this Tribunal vide order dated 09.03.2017 permitted submission of additional claims.
12. The NA, by order dated 22.12.2021, awarded additional compensation of Rs 138,66,62,013. Fresh claims were invited; the FC submitted a fresh claim for Rs 212.47 crores (net of amounts already received). The claim of the FC was Rs 235.27 crores as on March, 2025.

13. Parallel writ proceedings were initiated before the Hon'ble High Court of Delhi, which directed hearing of stakeholders before final adjudication. The NA, by order dated 16.03.2022, directed partial disbursement to lenders and the Corporate Guarantor. This was challenged by the FC

⁶ The mine was allotted to Essar Power MP Ltd. on 23.03.2015. Later, the allocation to Essar Power MP Ltd. was terminated on 03.05.2019, and the mine was re-allotted to National Mineral Development Corporation Limited (NMDC) on 17.08.2020.



before the Hon'ble High Court of Delhi.

14. The High Court vide order dated 11.04.2022 stayed release of Rs 88.82 crores to the Corporate Guarantor and directed deposit with the Registrar General; and was released the balance compensation amount of Rs 49.83 crores to lenders TRA account on 26.04.2022.
15. Subsequent appeals and CIRP proceedings of GPGSL culminated in approval of a Resolution Plan, under which coal compensation proceeds were to be distributed among assenting financial creditors. Additional proceedings are pending before various forums, including the High Court of Delhi and DRT Hyderabad, to safeguard lender interests.
16. The CD's account was classified as NPA on 31.05.2017. A recall notice⁷ dated 14.06.2018 was served on the CD on 22.03.2019 recalling the outstanding loan amounts payable within 7 days from the date of notice.
17. The CD acknowledged its liability in financial statements⁸ from FY 2018-2019 to 2022-2023. The CD also submitted OTS proposals⁹ during the years 2021 and 2023, admitting liability. Though accepted conditionally on 17.02.2023, the OTS failed and was revoked on 05.02.2025.
18. According to the Petitioner, the CD has not fulfilled its obligation to make payments to the Financial Creditor for the settlement of unpaid financial debt. Moreover, the CD is incapable of repaying the outstanding loan amount, leaving no alternative but to seek initiation of CIRP against the CD. Hence, the present application.

The Respondent

19. On listing of the present application, on 06.01.2026 a notice was directed to be issued to the Respondent-CD. The same was sent to its last known address by Speed Post on 19.01.2026. The postal Consignment/MO Tracking Report showed that "Item Delivered to gvk" on 20.01.2026. Despite receipt of Notice, the Respondent-CD neither appeared before

⁷ Pages 435 to 455 of the Application

⁸ Pages 456 – 645 of the Application

⁹ Pages 646 – 661 of the Application



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this Tribunal nor filed any reply. Accordingly, the Respondent-CD was *set ex parte* vide order dated 26.03.2026.

The Decision

20. We have heard the submissions made by the Larned Counsel of the FC and perused the material available on record. We are satisfied that the debt and default have occurred as claimed by the Petitioner, and the same has also been admitted by the CD through its financial statements from FY 2018-2019 to 2022-2023, and through OTS proposals¹⁰ during the years 2021 and 2023.
21. Under Section 7 of the Insolvency and Bankruptcy Code, 2016, this Adjudicating Authority is required only to ascertain the existence of a financial debt exceeding the prescribed threshold limit, the occurrence of default (not covered under the period specified in Section 10A), and that the application is not barred by limitation.
22. Further, despite issuance of notice in the course of the present proceedings, the CD has neither entered appearance nor filed any counter reply before this Tribunal. In such circumstances, it is deemed that the Respondent-CD has chosen not to contest the present Petition.
23. In view of the foregoing, the debt of Rs 39,66,95,710.46 stands unrebutted by the CD, and the occurrence of default also remains uncontroverted, having arisen upon expiry of 7 days from the issuance of the Demand Notice dated 14.06.2018. Thereafter, the debt has been acknowledged in financial statements from FY 2018-2019 to 2022-2023. The CD also submitted OTS proposals during the years 2021 and 2023, admitting liability. Therefore, the present application, filed on 05.12.2025, is neither hit by the provisions of Section 10A of the IBC nor barred by limitation. Accordingly, this Adjudicating Authority finds no impediment in admitting the application under Section 7 of the IBC.

¹⁰ Pages 646 - 661 of the Application



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24. Hence, in view of the admitted debt and default, the application is allowed *with the following directions:*

ORDER

- a) The Application is admitted and this Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process, which shall ordinarily be completed within the timelines stipulated in the Code, 2016 (as amended), reckoning from the date on which this order is passed.
- b) **Mr. Dhaval Jitendrakumar Mistry¹¹ is appointed as Interim Resolution Professional (IRP)**, as proposed by the Applicant, whose Authorization For Assignment (AFA) is valid till 30-Jun-2027 as per the IBBI Website. The IRP is directed to file AFA within three days from the date of this order.
- c) The IRP is directed to take charge of the management of the CD, immediately. He is also directed to cause public announcement as prescribed under Section 15 of the Code, 2016, within three days from the date of receipt of this order, and call for submissions of claim in the manner as prescribed.
- d) Moratorium is, hereby, declared and shall have effect from the date of this order till the completion of the CIRP, for the purposes referred to in Section 14 of the Code, 2016. It is hereby ordered that all of the following are prohibited:
- i. The institution of suits or continuation of pending suits or proceedings against the CD including execution of any judgment, decree or order in any court or law, tribunal arbitration panel or other authority;

¹¹ Having Registration Number : IBBI/IPA-001/IP-P-01853/2019-2020/12849, Address: 9-B, Vardan Complex, Near Vimal House, Lakhudi Circle, Navrangpura, Ahmadabad, Gujarat - 380 014, email : cdhavalmistry@yahoo.com.



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Transferring, encumbering, alienating or disposing of by the CD any of its assets or any legal rights or beneficial interest therein;

- ii. Any action to foreclose, recover or enforce any security interest created by the CD in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);
 - iii. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the CD.
 - iv. 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) The supply of essential goods or services to the CD shall not be terminated, suspended or interrupted during the moratorium period. Further, if the IRP considers supply of any goods or services critical to protect and preserve the value of the CD and manage the operations of such CD 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 CD has not paid dues arising from such supply during the moratorium period. Furthermore, the provisions of Sub-section (1) of Section 14 shall not apply to such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority.



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- f) The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code, 2106. The Directors, Promoters or any other person associated with the management of CD are directed to extend all assistance and co-operation to the IRP as stipulated under Section 19 for discharging his functions under Section 20 of the Code, 2016.
- g) The Corporate Applicant as well as the Registry is directed to send the copy of this Order to the IRP, to enable him to take charge of the assets etc. of the CD, and comply with this order as per the provisions of the Code, 2016.
- h) The Registry is directed to communicate this Order to the Corporate Applicant.
- i) The Registry shall also communicate this Order to the Registrar of Companies, Hyderabad, for updating the status of the CD in the website of the Ministry of Corporate Affairs.

25. Accordingly, this Petition is allowed.


(SANJAY PURI)
MEMBER (TECHNICAL)




(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)

VL


6/5/26
Deputy Registrar / Assistant Registrar / Court Officer
National Company Law Tribunal, Hyderabad Bench

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केस नंबर
CASE NUMBER... CP(IB) No. 212/7/HDB/25
निर्णय का तारीख
DATE OF JUDGEMENT... 4/5/26
प्रति निवेदन किया गया तारीख
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