



**NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – II
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 28.09.2026 AT
10.30 A.M. THROUGH VIDEO CONFERENCING:**

**CORAM: SHRI. JYOTI KUMAR TRIPATHI, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)**

APPLICATION NUMBER : --
PETITION NUMBER : C.P. (IB)/326(CHE)2025
NAME OF THE PETITIONER : Canara Bank Limited
**NAME OF THE RESPONDENT(S) : GVRMP Dharwad Ramnagar Tollway
Private Limited**
UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

ORDER

Present : Ld. Counsel Mr. Pradeep for the Petitioner.

Vide separate order pronounced in open court, **C.P. (IB)/326(CHE)2025**
is Allowed.

Sd/-
RAVICHANDRAN RAMASAMY
Member (Technical)

Sd/-
JYOTI KUMAR TRIPATHI
Member (Judicial)

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

CP(IB)/326(CHE)/2025

*(Filed under Section 7 of the Insolvency and Bankruptcy Code, 2016, R/w Rule 4 of
the Insolvency and Bankruptcy Rules, 2016)*

In the matter of GVRMP Dharwad Ramanagar Tollway Private Limited

Canara Bank Limited,
Asset Recovery Management Branch,
524, 8th Floor, Circle Office Building,
Anna Salai, Teynampet,
Chennai - 600 018.

... Applicant / Financial Creditor

Vs.

GVRMP Dharwad Ramanagar Tollway Private Limited,
Plot No. 46A, Vettuvankeni First Avenue,
Main Road, Injambakkam Village,
Sholinganallur Taluk, Chennai,
Tamil Nadu, India – 600 115.

... Respondent / Corporate Debtor

Order Pronounced on 28th September 2026

CORAM

**SHRI JYOTI KUMAR TRIPATI, MEMBER (JUDICIAL)
SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)**

Present:

For Applicant : Ld. Counsels Mr.N.P.Vijay Kumar, Mr.J.Ramanathan,
Mr. R. R. Pradheep, Ms. U. Farzana, Ms. E. Monika.

For Respondent : Ld. Counsels Mr.K.K.Vijay Vigneshwar, Mr. Sailesh R,
Ms. V.L.V. Chaitra.



ORDER

(Heard Through Hybrid Mode)

1. This Petition has been filed under Section 7 of the Insolvency and Bankruptcy code, 2016 (*"IBC"*) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by **Canara Bank Limited**, (hereinafter referred to as *"Applicant / Financial Creditor"*) seeking to initiate Corporate Insolvency Resolution Process against **GVRMP Dharwad Ramanagar Tollway Private Limited** (hereinafter referred to as *"Respondent / Corporate Debtor"*).

2. Part-I of the Application sets out of the details of the Financial Creditor. It is averred that the Canara Bank Limited, incorporated on 01.07.1906. It is represented by Mr. C. Siva, Chief Manager with its branch office situated at Asset Recovery Managament Branch, 524, 8th Floor, Circle Office Building, Anna Salai, Teynampet, Chennai – 600 018.

3. Part-II of the Application sets out the details of the Corporate Debtor, GVRMP Dharwad Ramanagar Tollway Private Limited, with Identification No. U45209TN2010PTC092110, incorporated on 29.04.2010, with an Authorised Share Capital of Rs. 72,00,00,000/- and



the Paid-up Capital of Rs. 71,86,00,000/- having its registered office at Plot No.46A, Vettuvankeni First Avenue, Main Road, Injambakkam Village, Sholinganallur Taluk, Chennai, Tamil Nadu, India – 600 115.

4. In Part-III of the Application, the Financial Creditor has proposed Mr. Rajendran Shanmugam, bearing Registration No. IBBI/IPA-002/IPN00098/2017-2018/10241 to act as Interim Resolution Professional.

5. Part-IV of the Application states that the total outstanding debt is Rs. 120,41,36,522.20 (Rupees One Twenty Crore Forty One Lakhs Thirty Six Thousand Five Hundred and Twenty Two and Twenty paise) is payable as on 15.11.2024, along with interest at the rate of 12.5% per month. The account was classified as a Non-Performing Asset (NPA) on 29.09.2016. The Date of Default occurred on 05.03.2022.

6. Part-V of the Application sets out the particulars of the Financial Debt, documents, records and evidence of the default as follows:

- a. Form D, Record of Default (RoD), issued by National E-Governance Services Limited in respect of the default by the Corporate Debtor and submitted to the Financial Creditor, is placed at *Page no. 15-31* .



- b. Sanction Letters, Guarantee Agreements, Hypothecation Agreements, Balance confirmation letters and Revival Letters are annexed as *Annexure - 13*.
- c. Certificate of Registration of Charge issued by the Registrar of Companies is annexed as *Annexure - 9*.
- d. The DRT Order dated 21.04.2021, passed in OA No. 131 of 2018, allowing the Financial Creditor to recover the debt from the Corporate Debtor, is annexed as *Annexure - 10*.
- e. Statement of account along with BBE certificates is annexed as *Annexure - 8*.
- f. The last available financial contracts of the Corporate Debtor for the year 2023, reflecting the amount due to the Financial Creditor, are annexed as *Annexure - 13*.

7. SUBMISSIONS OF THE FINANCIAL CREDITOR:

7.1 It is stated that the Canara Bank, along with other consortium members namely Punjab National Bank, Corporation Bank (now Union Bank of India) and State Bank of India, provided financial assistance to GVRMP Dharwad Ramanagar Tollway Private Limited, a Special Purpose Vehicle set up for the construction, operation, maintenance of a highway project awarded by the Government of Karnataka. The financial assistance was structured as a term loan, with Canara Bank acting as the lead lender in the consortium. The total loan amount sanctioned by the consortium was Rs. 152.92 crores, of which



Canara Bank provided Rs. 50 crores, which also managed the loan and the security created in respect thereof.

7.2 It is stated that the Corporate Debtor executed several security agreements, including a Common Loan Agreement, Lender's Agent Agreement, Escrow Agreement and other related security documents on 16.03.2011. Further, the Financial Creditor, Canara Bank registered charge with the RoC, thereby creating a security interest over the assets of the Corporate Debtor.

7.3 It is stated that the Corporate Debtor was initially expected to generate revenue through toll collections, which were projected to increase year-on-year, enabling it to service the loan. However, due to policy changes by the Government of Karnataka affecting toll collection, the Corporate Debtor claimed that the revenue generated was insufficient, resulting in defaults in repayment of the loan. Consequently, the Financial Creditor, Canara Bank classified the loan account as a NPA on 29.09.2016, and issued a legal notice dated 05.01.2018, demanding repayment of the outstanding dues.

7.4 It is stated that, in respect of claims from the Corporate Debtor for a total sum of Rs. 52,66,25,035/- as on 31.01.2018, the Financial



Creditor filed an application before the Hon'ble Debt Recovery Tribunal -II, Chennai, in OA No. 131 of 2018. The said application was allowed vide order dated 21.04.2021 directing recovery of the said amount from the Corporate Debtor along with interest at the rate of 12%, compounded monthly. Thereafter, the DRT issued a Recovery Certificate dated 08.02.2022 in RC. No. 120/2021. Subsequently, the Recovery Officer, DRT issued a Demand Notice dated 21.03.2022 to the Corporate Debtor.

8. SUBMISSIONS OF THE CORPORATE DEBTOR:

8.1 The Respondent / Corporate Debtor has filed a Reply Affidavit dated 30.07.2026, wherein it is stated that the Government of Karnataka, vide tender dated 25.05.2009, invited bids for the design, engineering, financing, construction, operation and maintenance of the Dharwad-Alnavar-Ramnagar Road (SH-34) under the Public-Private Partnership ("PPP") model, on a Build, Operate and Transfer-Viability Gap Funding ("BOT-VGF") basis. A consortium comprising GVR Infra Projects Limited, RMN Infrastructures Limited and Prathyusha Associates Shipping Private Limited emerged as the successful bidder.



8.2 It is stated that pursuant to the above the Corporate Debtor namely, GVRMP Dharwad Ramanagar Tollway Private Limited, was incorporated on 29.04.2010 as a Special Purpose Vehicle exclusively for the implementation of the said project.

8.3 It is stated that, pursuant to the award of the project, a Concession Agreement dated 04.06.2010 was executed among the Government of Karnataka, the Karnataka Road Development Corporation Limited ("KRDCL") and the Corporate Debtor for the implementation of the aforesaid project. The concession was granted for a period of 30 years, comprising the construction, operation and maintenance periods.

8.4 It is stated that the Concession Agreement contains detailed provisions governing the respective rights and obligations of the parties, including provisions relating to events of default, cure periods, termination and dispute resolution.

8.5 It is stated that the Corporate Debtor availed financial assistance aggregating to Rs. 152.92 crores from a consortium of lenders under a Common Loan Agreement dated 16.03.2011 for the implementation of the project.



8.6 It is stated that the project was conceived on the premise that the debt obligations would be serviced from the toll revenue generated from the project. However, owing to various actions, omissions and policy decisions attributable to the Government of Karnataka and KRDCL, the anticipated toll revenue was substantially affected. Consequently, due to the resulting financial distress, the Financial Creditor classified the loan account of the Corporate Debtor as a NPA on 24.10.2016.

8.7 It is stated that serious disputes arose between the Corporate Debtor and the Government of Karnataka / KRDCL in relation to the implementation of the Concession Agreement. Consequently, the Corporate Debtor invoked the Arbitration clause under the Concession Agreement by issuing a notice dated 09.09.2023. Accordingly, arbitration proceedings were initiated under the aegis of the Indian Council of Arbitration, New Delhi, in ICA Case No. AC-2507, wherein Hon'ble Mr. Justice Sudhanshu Dhulia, former Judge of the Hon'ble Supreme Court of India, was appointed as the Presiding Arbitrator.

8.8 It is stated that the Corporate debtor has raised substantial monetary claims in the arbitration proceedings against the



Government of Karnataka and KRDCL aggregating to approximately Rs.200 crores, arising from breaches of the Concession Agreement and other contractual entitlements. The said arbitration proceeding is still pending for adjudication.

8.9 It is stated that, in the event the claims are allowed, either wholly or substantially, the Corporate Debtor would become entitled to receive substantial amounts from the Government of Karnataka/KRDCL. Such amounts would constitute a material receivable of the Corporate Debtor, substantially improve its financial position and will facilitate to discharge the outstanding dues owed to the Applicant/Financial Creditor.

FINDINGS OF THE TRIBUNAL

9. We have heard the learned Counsels for both the parties and perused the documents on record.

10. It is noted that the date of default in the present case is 05.03.2022. The present application has been filed on 07.12.2024. Accordingly, it is evident that the application has been filed within a period of three years from the date of default and is therefore well within the period of limitation.



11. It is further observed from the application that the total debt amount claimed is Rs. 120,41,36,522.20 (Rupees One Twenty Crore Forty One Lakhs Thirty Six Thousand Five Hundred and Twenty Two and Twenty paise), which is above the minimum threshold limit of Rs. 1 Crore as stipulated under the Insolvency and Bankruptcy Code, 2016.

12. It is seen that the Corporate Debtor, GVRMP Dharwad Ramanagar Tollway Private Limited, was incorporated on 29.04.2010 as a Special Purpose Vehicle exclusively for the implementation of the project and availed financial assistance aggregating to Rs. 152.92 crores from a consortium of lenders. As per the Concession Agreement, concession was granted for a period of 30 years and the debt obligations were to be serviced from the toll revenue generated from the project. However, the anticipated toll revenue was substantially affected due to various actions, omissions and policy decisions attributable to the Government of Karnataka and KRDCL. Consequently, the Corporate Debtor invoked the arbitration clause under the Concession Agreement and raised monetary claims aggregating to approximately Rs.200 crores, arising from alleged breaches of the Concession Agreement and other contractual



entitlements. The arbitration proceeding is still pending for adjudication.

13. It is observed that, as per NeSL report, the default has been authenticated confirming the existence of the debt and the occurrence of default by the Corporate Debtor. Further, it is seen from the NeSL report that the Corporate Debtor made a last repayment of Rs.5,05,44,978/- on 31.03.2022. The said repayment indicates that the Corporate Debtor acknowledged its liability. The relevant portion of the NeSL Report, is extracted as below:

Default Information	
Date of default	01-06-2016
Total Outstanding	1,16,20,20,061.20
Default amount	1,16,20,20,061.20
Days past due	3013
Amount of last repayment	5,05,44,978.00
Date of last repayment	31-03-2022
Date of filing of suit	16-02-2018
Date of Last AoD	Not Available

14. The proceedings under the Code are limited to determining the existence of a financial debt and the occurrence of default. In the present case, the material placed on record clearly establishes the existence of a financial debt within the meaning of the Code, supported



by duly executed loan documentation and the corresponding disbursement of funds.

15. Further, the records demonstrate that the Respondent has defaulted in repayment of the said financial debt, and the claim made in the present Application is within the prescribed period of limitation. The Corporate Debtor, in its Reply has not disputed the debt, the occurrence of default, or the contentions raised by the Applicants. Such non-dispute amounts to an acknowledgement of the debt and default, thereby affirming the existence of the underlying financial liability.

16. In the case of *Innoventive Industries Ltd. v. ICICI Bank & Anr.*, the Court held that at the stage of admission of an application under Section 7 of the Insolvency and Bankruptcy Code, 2016, *“the Adjudicating Authority is only required to ascertain the existence of a financial debt and the occurrence of default. Once these two conditions are satisfied from the records and evidence placed before it, the Adjudicating Authority is bound to admit the application.”*

17. In light of the above facts, the documentary evidence on record, and the clear admission of liability by the Respondent, it is evident that



the requirements under the Insolvency and Bankruptcy Code, 2016 for admission of the present Application stand satisfied, namely the existence of a financial debt and the occurrence of default.

18. Accordingly, in view of the facts and circumstances of the present case, the Application deserves to be admitted.

19. For the foregoing reasons, this Tribunal holds that the present Petition filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 is admissible. The application is therefore allowed, and the Corporate Insolvency Resolution Process is ordered to be initiated against the Corporate Debtor, GVRMP Dharwad Ramanagar Tollway Private Limited, in accordance with the provisions of the Code.

20. In view of the facts as stated supra and also in view of the 'financial debt' which is proved by the Financial Creditor and the 'default' being committed on the part of the Corporate Debtor, this Tribunal admits the present petition and initiates the Corporate Insolvency Resolution Process in relation to the Corporate Debtor and appoint the proposed Interim Resolution Professional to take charge of the affairs of the Corporate Debtor in accordance with law.



21. In the present case, the Financial Creditor has proposed the name Mr. Rajendran Shanmugam as the Insolvency Resolution Professional in Part – III of the Application. Hence, we appoint **Mr. Rajendran Shanmugam**, with Registration No: IBBI/IPA-002/IP-N00098/2017-2018/10241 (email id: cs.srajendran.associates@gmail.com) who is having Authorization for Assignment till 31.12.2026 as the “Interim Resolution Professional” (IRP) in respect of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Code, more specifically in terms of Section 15, 17, 18 of the Code and file the report within 20 days before this Bench. 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.

22. As a consequence of the Application being admitted in terms of Section 7 of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor:

“(1) Subject to provisions of sub-sections (2), (2A) and (3), on the insolvency commencement date, the Adjudicating Authority shall by order declare moratorium for prohibiting all of the following namely:



- a. *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;*
- b. *Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*
- c. *Any action to foreclose, recover or 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;*
- d. *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, 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 or permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;



23. However, during the pendency of the moratorium period 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 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 arrangement 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.*

Explanation.-For the removal of doubts, it is hereby clarified that the provisions of sub-section (1) shall also apply where the surety seeks to initiate or continue any action or proceedings against the corporate debtor pursuant to a contract of guarantee.



24. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:

(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."

25. The Financial Creditor is directed to pay a sum of Rs. 2,00,000/- (Rupees Two Lakhs only) to the Interim Resolution Professional upon the Interim Resolution Professional filing the necessary declaration form as required under the provisions of the Code to meet out the expenses to perform the functions assigned to her in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

26. Based on the above terms, the CP(IB)/326(CHE)/2025 stands admitted in terms of Section 7 of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order shall be communicated to the Financial Creditor as well as 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 who is figuring in the list of Resolution Professionals forwarded by IBBI be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

27. Accordingly, Company Petition **CP(IB)/326(CHE)/2025** stands **admitted and disposed of.**

-Sd-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)

Sneha Rajkumar - LRA