

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

**CP/941/IB/2018**

**Section 7 of Insolvency and  
Bankruptcy Code, 2016**

In the matter of

M/s Reliance Capital  
Limited .....Financial Creditor

Vs.

M/s.G V R Infra  
Projects Ltd. ....Corporate Debtor

**Order delivered on: 17.10.2018.**

**CORAM**

**B.S.V.PRAKASH KUMAR, MEMBER (JUDICIAL)**

**S. VIJAYARAGHAVAN, MEMBER (TECHNICAL)**

*For the Operational Creditor : Ms.G.Anitha, Advocate*

*For the Corporate Debtor : Mr.V.J.Arul Raj, Advocate*

**Per: B.S.V.Prakash Kumar, Member (J)**

**ORDER**

**(Order dictated in the Open Court on 15.10.2018)**

It is a Company Petition, the Petitioner filed u/s.7 of IBC (herein after called "the Code") against the Corporate Debtor namely M/s. GVR Infra Projects Limited stating that since this Corporate Debtor availed loan facility of ₹28 crores on 16.09.2015 and thereafter defaulted in making

payment from 31.05.2017, this Petitioner has sought for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.

2) On perusal of the Petition, it appears that the Corporate Debtor on 16.09.2015 executed Facility Agreement, Deed of Hypothecation hypothecating current assets of the Corporate Debtor, Deed of Promissory Note along with the letter of continuity for demand Promissory Note in favour of the Petitioner. In addition to these documents, the Managing Director of the Corporate Debtor on 16.09.2015 executed Guarantee Agreement in favour of the Petitioner, standing as guarantor to the loan availed by the Corporate Debtor. For this loan being availed by the Corporate Debtor and the same being disbursed to the Corporate Debtor on 16.09.2015, on the same date, the charges created in favour of the Petitioner was registered with the Registrar of Companies. Besides this, on 01.07.2016, the Corporate Debtor executed Addendum to the Deed of Hypothecation with the Petitioner agreeing to provide collateral security amounting to ₹ 6 crores and another Addendum to the Facility Agreement amending the Security Clause under Schedule-2 of the Facility Agreement with an extension of time line for repayment. Out of the loan availed, the

Corporate Debtor paid only ₹9,80,63,755 on different dates from 19.09.2015 to 30.04.2017. Since then, the Corporate Debtor having not paid remaining balance, the Petitioner stated that the Corporate Debtor defaulted in repaying the debt aggregating to ₹23,10,61,746 as on 01.06.2018.

3) On the claim made by the petitioner, the Corporate Debtor Counsel having admitted the claim amount mentioned in the claim petition and the petitioner having proved the existence of debt and default as mentioned above, this Bench hereby holds that this petition is complete in all respects and the petitioner having furnished the name and other details of the Resolution Professional agreeable to act as interim Resolution Professional, and there being no disciplinary proceedings against him, this Bench hereby admits this petition filed u/s 7 of the Code, declaring moratorium with consequential directions as mentioned below:

I. That this Bench hereby prohibits –

- 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;

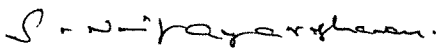
- b) transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;
  - c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action 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.
- II. 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.
- III. That the provisions of sub-section (1) of Section 14 of the Code shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- IV. That the order of moratorium shall have effect from 15.10.2018 till the completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of section 31 of the Code or passes an order for

liquidation of corporate debtor under section 33 of IBC, as the case may be.

V. That the public announcement of the corporate insolvency resolution process shall be made immediately as specified under section 13 of the Code.

VI. That this Bench hereby appoint Mr. **Arumugam Arumugam** No.1/56 Market Road (Devi Stores upstairs), Kelambakkam, Chennai - 603103 Mobile: 8015240147 E-mail: [arumuru2008@gmail.com](mailto:arumuru2008@gmail.com) is appointed as Interim Resolution Professional to carry out the functions as mentioned under the Code. Fee payable to IRP/RP shall be in compliance with the IBBI Regulations/ Circulars/Directions issued in this regard.

4) The Registry is hereby directed to immediately communicate this order to the Financial Creditor, the Corporate Debtor and the Interim Resolution Professional, in addition to it, by way of email as well.



**(S VIJAYARAGHAVAN)**  
**Member (Technical)**



**(B.S.V.PRAKASH KUMAR)**  
**Member (Judicial)**

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