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**BEFORE THE AJUDICATING AUTHORITY  
(NATIONAL COMPANY LAW TRIBUNAL)  
AHMEDABAD BENCH  
AHMEDABAD**

**C.P. (I.B) No. 134/7/NCLT/AHM/2017**


Coram:

**Present: Hon'ble Ms. MANORAMA KUMARI  
MEMBER JUDICIAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD  
BENCH OF THE NATIONAL COMPANY LAW TRIBUNAL ON 16.01.2018**

Name of the Company: Punjab National Bank.  
V/s.  
Jaihind Infratech Projects Pvt Ltd.

Section of the Companies Act: Section 7 of the Insolvency and Bankruptcy  
Code

<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
1.	ANIP A GANDHI	ADVOCATE	APPLICANT	
2.				

**ORDER**

Learned Advocate Mr. Anip Gandhi present for Financial Creditor/Petitioner. None present for Respondent.

Order pronounced in open court. Vide separate sheets.

  
**MANORAMA KUMARI  
MEMBER JUDICIAL**

Dated this the 16th day of January, 2018.

**BEFORE ADJUDICATING AUTHORITY (NCLT)  
AHMEDABAD BENCH**

**C.P. No.(IB) 134/7/NCLT/AHM/2017**

**In the matter of:**

Punjab National Bank  
Registered Office at  
7, Bhikhaiji Cama Place  
Africa Avenue  
New Delhi-110607  
Branch Office at  
Asset Recovery Management  
Branch, 6<sup>th</sup> Floor,  
Gujarat Bhavan,  
Opposite M.J. Library,  
Ellis Bridge,  
Ahmedabad-380006

: Petitioner.  
[Financial Creditor]

Versus

M/s. Jaihind Infratech  
Projects Private Limited,  
Near Reliance Petrol Pump,  
Near Prahlad Nagar Garden,  
Vejalpur,  
Ahmedabad-380015

: Respondent.  
[Corporate Debtor]

Order delivered on 16<sup>th</sup> January, 2018.

**Coram: Hon'ble Ms. Manorama Kumari, Member (J).**

**Appearance:**

Mr. Anip Gandhi, learned Advocate for the Petitioner.

Mr. Ravish Bhatt, learned Advocate for the Respondent.



**ORDER**

1. Punjab National Bank, the 'Financial Creditor herein, filed this Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 ["Code" for short] read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, ("Rules" for short) with a request to initiate Corporate Insolvency Resolution Process against Jaihind Infratech Projects Private Limited, treating it as 'Corporate Debtor'.

1.1. The Deputy Circle Head of the Petitioner Bank has, vide letter dated 11.9.2017 authorized Mr. Sita Ram Badeja, its Chief Manager to file the Application and make submissions on behalf of the Bank.

2. The Petitioner is a Bank constituted under the provisions of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its Registered Office in New Delhi. The Respondent is a Private Company incorporated under the Companies Act, 1956 having its Registered Office in Vejalpur, Ahmedabad, Gujarat State. The Authorised Share Capital of the Respondent Company is Rs. 7,00,00,000. The Issued, Subscribed and Paid-up Share Capital of the Company is Rs. 6,80,00,000/-.

3. The Petitioner Bank has submitted that the Respondent Corporate Debtor had approached the Bank in the year 2011 for grant of various credit facilities.

3.1. The Petitioner Bank, vide its Sanction Letter dated 11/12<sup>th</sup> February, 2011 sanctioned the following Credit Facilities to the Respondent Company aggregating to Rs. 34 Crores as per the terms and conditions set out therein;

(a) Cash Credit (Hypothecation) Limit  
of Rs. 10.00 Crores.





- (b) Inland Letter of Guarantee Limit of Rs. 17.50 Crores.
- (c) Letter of Credit of Rs. 6.50 Crores.

The terms and conditions were agreed and accepted by the Respondent Company. The Respondent Company is a Principal Borrower which is a subsidiary of its parent Company, which is a Public Limited Company, namely M/s. Jaihind Project Limited. The parent Company has given Corporate Guarantee to secure the financial assistance sanctioned and granted as stated above and the Directors of both the parent Company and its subsidiary Respondent Company are jointly and/or severally liable for the amount claimed in the Application along with costs, interest and other charges.

3.2. The above mentioned credit facilities are secured by an exclusive charge, by way of hypothecation of entire current assets (present and future) including stocks, consumables, spares etc., of the Company and also receivables arising out of the general trade transactions which are redundant. The facility of the Inland Letter of Guarantee was secured by an indemnity from the borrower and also securities available in cash credit hypothecation and non-fund based limit. The facilities as per Letter of Credit are secured by equitable mortgage of the immovable property as well as personal guarantee of the Directors of the Respondent Company and M/s. Jaihind Project Limited.

3.3. The Respondent Company by way of security has executed the following documents in favour of the Petitioner Bank;

1. Hypothecation of Goods and Book-debts dated 28<sup>th</sup> February, 2011.
2. Hypothecation of movable assets forming part of fixed/block assets dated 28.2.2011.
3. Agreement of Guarantee by Directors, viz. (i) Guarav Hinduja, (ii) Nita P. Hinduja, (iii) Prakash Hinduja and (iv) Harish Chandwani.



4. Agreement of Guarantee by M/s. Jaihind Project Limited dated 28<sup>th</sup> February, 2011.
5. General Counter Indemnity by Respondent Company dated 28<sup>th</sup> February, 2011.
6. Master Agreement for Inland Documentary Credit dated 28<sup>th</sup> February, 2011.
7. Undertaking by the Respondent Company dated 28<sup>th</sup> February, 2011.
8. The letter confirming deposit of title deeds.
9. Declaration.

4. It is the case of the Petitioner Financial Creditor that the Respondent failed to adhere to the terms and conditions of the sanction letter and has committed default in repayment of the loan facilities to the extent of Rs. 17,10,04,520/- as on 10.9.2017 with further interest @ 14.10% till payment. The repeated requests and reminders by the officials of the Petitioner Bank to conduct the account of the Corporate Debtor satisfactorily were totally ignored by the Respondent and hence the account of the Respondent came to be classified as 'NPA' on 30.9.2013 as per the Guidelines of the RBI.

4.1. The Petitioner Bank issued a Notice dated 19.10.2013 under Section 13(2) of the SARFAESI Act and a further Notice dated 21.10.2014 under Section 13(4) calling upon the Respondent and its Guarantors to repay the recoverable dues. The Financial Creditor also issued e-auction sale Notice on the Respondent Company on 10.01.2015. The Bank took possession of the mortgaged property, i.e., flats situated at Subh House, 77 Swastik Society, Navrangpura, Ahmedabad on 27.12.2014 and by selling the same realised an amount of Rs. 72,10,000/- on 15.6.2015. The Petitioner Bank, by way of final opportunity, issued a further Notice on 6.10.2015 followed by another Notice dated 20.10.2015 on the Corporate Debtor and its Guarantors to repay the due amount. Since the Respondent failed to comply with the notice the Petitioner Bank has



filed Original Application No. 521 of 2015 before the Hon'ble Debts Recovery Tribunal at Ahmedabad against the Respondent Company, its Directors and Guarantors for recovery of the defaulted amount and the same is pending for decision.

5. The Petitioner proposed the name of Shri Sunit Jagdishchandra Shah, CA, as 'Interim Resolution Professional' and filed his Written Communication in Form-2.

6. The Petitioner Bank filed copies of all the documents executed by the Respondent Company as stated above in Paragraph 3.3. pursuant to the Sanction Letter. The Bank has also filed copy of Statement of Accounts and Certificate under the Bankers' Books Evidence Act along with other documents.

7. Upon issuance of notice on the Respondent, the learned counsel for the Respondent has submitted that the matter cannot be settled between the parties. The Respondent has not filed any objections to the petition.

8. Heard the learned counsel appearing for the parties. It is not in dispute that that the Respondent has denied the existence of default. The materials on record clearly goes on to show that Respondent Company committed default in making payment of financial debt. The Application is complete in all respects. As can be seen from the Written Communication, no disciplinary proceedings are pending against the Interim Resolution Professional proposed by the Petitioner.

9. In view of the above discussion, this Application deserves to be admitted and it is accordingly admitted under Section 7(5) of the Code.

10. This Adjudicating Authority hereby appoint Shri Sunit Jagdishchandra Shah, having address at 303, 3<sup>rd</sup> Floor, Abhijeet-1,





Mithakhali Six Roads, Navrangpura, Ahmedabad, and having Registration No. IBBI/IPA-001/IPP00471/2017-18/10814 under Section 13 (1) (c) of the Code.

11. The Interim Insolvency Resolution Professional is hereby directed to cause public announcement of the initiation of 'Corporate Insolvency Resolution Process' and call for submission of claims under Section 13(1)(b) read with Section 15 of the Code and Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

12. This Adjudicating Authority hereby order moratorium under Section 13(1)(a) of the IB Code prohibiting the following as referred to in Section 14 of the Code;

(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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 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.

(i) There shall not be any interruption, suspension or termination of supply of essential goods or services to the Corporate Debtor during the moratorium period.

(ii) The order of moratorium is not applicable to the transactions that may be notified by the Central Government in consultation with any financial sector regulator.

(iii) The order of moratorium comes into force from the date of the order till the completion of Corporate Insolvency Resolution Process subject to the Proviso under sub-section (4) of Section 14.

13. This Application stands disposed of accordingly. No order as to costs.

14. Communicate a copy of this order to the Applicant Financial Creditor, and to the Respondent Corporate Debtor and to the Interim Insolvency Resolution Professional.

Signature:



**Ms. Manorama Kumari, Member (J).  
Adjudicating Authority.**

Rmr.