



**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD BENCH**

CP (IB) No.271/7/AHM/2025

(An application under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

In the Matter of: Raninga Paper Mills Private Limited

State Bank of India

Registered office at
Stressed Assets Management Branch
(SAM Branch) situated at 4th Floor,
SBI Building, Lal Darwaza,
Ahmedabad – 380001.

...Applicant/Financial Creditor

VERSUS

Raninga Paper Mills Private Limited

(CIN: U21000GJ2018PTC103279)

Registered office at GF 38,
Neel Kanth Paradise,
Nr. Galaxy Cinema, Naroda,
Ahmedabad, Gujarat-382440.

...Respondent/Corporate Debtor

Order Pronounced On: 29.07.2025

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Applicant/FC : Mr. Rituraj Meena, Advocate.

For the Respondent/CD : Mr. Prateek Thakkar, Advocate.



ORDER
Per Bench

1. This Petition is filed on 11.07.2025 by the Applicant- **State Bank of India** (hereinafter referred to as “Financial Creditor”) against the Respondent- **Raninga Paper Mills Private Limited** (hereinafter referred to as “Corporate Debtor”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “IBC, 2016”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “IB (AAA) Rules, 2016”) for initiation of Corporate Insolvency Resolution Process (CIRP), to appoint Interim Resolution Professional (hereinafter referred to as “IRP”) and declare the moratorium for having defaulted in payment of the outstanding Financial Debt of **Rs.28,12,30,051.61ps.** including interest. The date of default as stated to be **30.06.2024**.
2. On perusal of Part-I, of Form-1 revealed that the Applicant/Financial Creditor is **State Bank of India**, a body corporate constituted under the State Bank of India Act, 1955, having its Corporate Office at Madam Cama Marg, Mumbai, and the branch handling the debt is the Stressed Assets Management Branch (SAM Branch) situated at 4th Floor, SBI Building, Lal Darwaza, Ahmedabad - 380001. The authorized person to submit the application is Shri Kumar B Rajesh, AGM & CLO, with address at Stressed Assets Management Branch (SAM Branch), 4th Floor, SBI Building, Lal Darwaza, Ahmedabad - 380001, supported by an authorization letter dated 11.07.2025 annexed as **Annexure-A/1**.

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3. On Perusal of Part-II, of Form-1 revealed that the Respondent/Corporate Debtor is **Rananga Paper Mills Private Limited**, bearing CIN U21000GJ2018PTC103279, incorporated on 16.07.2018, with nominal share capital and paid-up share capital of Rs.8,35,00,000/- each, and guarantee clause as per Memorandum of Association. The registered office is at GF 38, Neel Kanth Paradise, Nr. Galaxy Cinema, Naroda, Ahmedabad, Gujarat-382440 as per the Master Data available on the website of the Ministry of Corporate Affairs which is annexed with the Petition as **Annexure A/2**.

4. On perusal of Part-III of the Form-1 reveals that the Financial Creditor has proposed the name of **Jigar Tarunkumar Bhatt**, with Registration Number IBBI/IPA-001/IP-P-01917/2019-2020/13005, and address at 1010, Shilp Zaveri, Shyamal Cross Road, Satellite, Ahmadabad, Gujarat, 380015, under section 13 (1)(c) of the Code to act as Interim Resolution Professional (**IRP**). He has filed his written communication **Form-2** along-with **Form-B** being AFA as well as Certificate of registration, which is annexed with the Petition as **Annexure-A/4** as per the requirement of Rule 9(l) of the Insolvency and Bankruptcy (AAA) Rules, 2016. No disciplinary proceedings are pending against the proposed IRP, as confirmed in Form-2. The **AFA** of the proposed IRP is valid up to 31.12.2025.

5. On Perusal of Part-IV & Part-V of Form-1 revealed that the Financial Creditor has placed the facts through this Petition in the following manner:-
 - (a) It is sated that in pursuant to a sanction letter dated 10.11.2018, the Corporate Debtor was sanctioned and availed



loan facilities amounting to Rs.15,00,00,000/- (Rupees Fifteen Crores only), supported by a copy of the sanction letter annexed as Annexure A/5. The repayment was structured as per the terms in the sanction letter, with interest at 9.60% above MCLR (currently 8.50%), repayable in installments as detailed therein.

- (b) Vide letter of arrangement dated 11.08.2020, an additional credit facility under the GECL-WCTL Scheme amounting to Rs.2,78,00,000/- (Rupees Two Crores Seventy-Eight Lakhs only) was extended, increasing the total facilities to Rs.18,25,00,000/- (Rupees Eighteen Crores Twenty-Five Lakhs only), annexed as Annexure A/6. Repayment terms included interest and principal as per the GECL scheme guidelines.
- (c) Pursuant to letter of arrangement dated 03.03.2021, based on the request of the Corporate Debtor, the facilities were enhanced to Rs.24,80,00,000/- (Rupees Twenty-Four Crores Eighty Lakhs only), annexed as Annexure A/7. The repayment schedule was aligned with the enhanced limits, including quarterly installments for term loans and renewal for working capital.
- (d) Vide sanction letter dated 12.11.2021, an additional facility under GECL-WCTL Extension amounting to Rs.2,35,08,000/- (Rupees Two Crores Thirty-Five Lakhs Eight Thousand only) was extended, increasing the cumulative amount to Rs.27,14,00,000/- (Rupees Twenty-Seven Crores Fourteen Lakhs only), annexed as Annexure A/8. Repayment involved moratorium and subsequent installments as per ECLGS norms.
- (e) Pursuant to sanction letter dated 29.12.2021, further credit facilities under the SME segment were sanctioned, enhancing the total to Rs.29,48,00,000/- (Rupees Twenty-Nine Crores Forty-Eight Lakhs only), annexed as Annexure A/9. The repayment schedule included specific term loan installments and annual renewal for working capital limits.
- (f) On application dated 11.04.2022 by the Corporate Debtor seeking approval for change of ownership and other matters, a letter dated 24.05.2022 was issued approving the same, annexed as Annexure A/10. No new disbursal, but existing repayment terms continued.



- (g) Vide sanction cum renewal letter dated 20.07.2022, the credit facilities under the SME segment were renewed amounting to Rs.29,53,00,000/- (Rupees Twenty-Nine Crores Fifty-Three Lakhs only), annexed as Annexure A/11. Renewal terms included continued repayment of outstanding dues.
 - (h) Vide sanction cum renewal letter dated 24.05.2024, the Financial Creditor renewed and reduced the facilities to Rs.25,75,00,000/- (Rupees Twenty-Five Crores Seventy-Five Lakhs only), annexed as Annexure A/12. Repayment terms were adjusted accordingly. Thus, the total amount of debt granted through these disbursements and enhancements is Rs.28,12,30,051.61 ps. as on 07.04.2025, with interest at 9.60% above MCLR.
 - (i) The Corporate Debtor initially maintained the facilities regularly but became irregular from March 2024 onwards, failing to make further payments towards installments, interest, or other dues. The account defaulted on 30.06.2024 and was classified as Non-Performing Asset (NPA) on 27.09.2024. A demand notice under Section 13(2) of SARFAESI Act, 2002, was issued on 04.12.2024, and the default amount exceeds the statutory threshold under Section 4 of the Code.
 - (j) The Financial Creditor has filed **Form-D** being record of debt and default issued by National E-Governance Services Limited ("**NeSL**") in which date of default is recorded as 30.06.2024 with status "**Authenticated**". A copy of the same is annexed with the Petition.
6. The Financial Creditor has relied upon the following documents, which are as under:-
- (i). Copy of Authorization Letter dated 11.07.2025 Annexure A/1.
 - (ii). Copy of Master Data of Corporate Debtor Annexures A/2
 - (iii). Copy of Balance Sheet of the Corporate Debtor for the year 2022 2023. Annexures A/3
 - (iv). Copy of FORM 2 Annexures A/4
 - (v). Copy of Arrangement Letter dated 30.11.2018 Annexures A/5
 - (vi). Copy of Arrangement Letter dated 11.08.2020 Annexures A/6

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- (vii). Copy of Arrangement Letter dated 05.03.2021 Annexures A/7
- (viii). Copy of Arrangement Letter dated 12.11.2021 Annexures A/8
- (ix). Copy of Arrangement Letter dated 29.12.2021 Annexures A/9
- (x). Copy of Arrangement 24.05.2022 Annexures A/10
- (xi). Letter Sanction Letter dated 20.07.2023 Annexures A/11
- (xii). Copy of Arrangement Letter Annexures A/12
- (xiii). Computation sheet reflecting details of various loan facilities availed by the Corporate Debtor under different schemes along with calculation of amount due till 07.04.2025, annexed as Annexure A/13.
- (xiv). Copy of order dated 16.05.2025 passed by Hon'ble NCLT, Ahmedabad in CP(IB) 183/2025, allowing withdrawal with liberty to file fresh petition, annexed as Annexure A/14.
- (xv). Copy of Record of Default with the Information Utility (NeSL), annexed as Annexure A/15.
- (xvi). Certificate dated 07.07.2025 under Section 2(A) of the Banker's Book of Evidence Act, 1891, annexed as Annexure A/16.
- (xvii). Copy of Guarantee Agreement dated 24.05.2022, annexed as Annexure A/17.
- (xviii). Copy of Legal Notice dated 26.11.2024 issued by the Financial Creditor to the Corporate Debtor, annexed as Annexure A/18.
- (xix). Copy of Notice dated 04.12.2024 issued under Section 13(2) of SARFAESI Act, 2002, by the Financial Creditor to the Corporate Debtor, annexed as Annexure A/19.
- (xx). Copy of ROC Report, annexed as Annexure A/20.
- (xxi). Bank Account Statement of M/s Raninga Paper Mills Pvt. Ltd. maintained with the Financial Creditor, annexed as Annexure A/21.
- (xxii). Copy of RBI circular dated 01.04.2022, annexed as Annexure A/22.

7. The Corporate Debtor filed its reply by way of affidavit through its Director Chandresh Lalit Bhai Soni, in response to advance service of copy of the Company Petition (IB) No. 271 of 2025. The affidavit



is filed to address the claims and proceedings initiated by the Financial Creditor. Chandresh Lalitbhai Soni is authorized to file the affidavit through a Board Resolution dated 28.07.2025. A copy of the Board Resolution is annexed as Annexure-R/1.

8. The Affidavit notes that "The Financial Creditor took physical possession of the factory premises of the Corporate Debtor on 26.07.2025. Due to this possession, the Corporate Debtor is unable to carry out any production activities. The factory unit is currently non-operational. The Corporate Debtor submits that this situation impacts its ability to function and requests the Hon'ble Adjudicating Authority to pass appropriate orders in the present petition in view of these circumstances."
9. The Corporate Debtor requests the Adjudicating Authority to pass appropriate orders for the admission of the Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor.
10. We have heard Ld. Counsel for the Financial Creditor, Ld. Counsel for the Corporate Debtor, and considered the submissions of both parties and perused the material on record.
11. On perusal of the records, it is found that the Applicant/Financial Creditor had provided financial assistance of Rs.25.75 Crore to the Corporate Debtor. Admittedly, the Corporate Debtor defaulted its repayment; and as on 07.04.2025, an outstanding amount of Rs.28,12,30,051.61ps. remained payable to the Applicant/Financial Creditor.
12. The reply filed by the Corporate Debtor indicates the Corporate Debtor has acknowledged its financial obligations while seeking



resolution through the CIRP mechanism under the Insolvency and Bankruptcy Code.

13. The present Petition is complete in terms of Section 7 (5) of the Code. The Tribunal finds that the Financial Creditor has discharged its burden of proof under Section 7 of the Code by demonstrating the existence of a financial debt and default in payment of the financial debt by the Corporate Debtor. The outstanding financial debt is of more than rupees one crore, which meets the threshold limit as per section 4 of the Code and is well within the limitation for filing the present Petition, which is supported by comprehensive documentation. Moreover, the said default is not covered under the period exempted under Section 10A of the IBC, 2016.
14. The Hon'ble Supreme Court in the case of ***Innoventive Industries Limited Vs. ICICI Bank Limited & Anr. (2017) ibclaw.in 02 SC***, wherein it has discussed extensively the scope of the Adjudicating authority under section 7 of the IBC is limited to assessing the records provided by the financial creditor to satisfy itself that the default has occurred. The view taken in the case of ***Innoventive Industries*** has been followed by the Supreme Court in the case of ***E S Krishnamurthy & Ors. Vs. Bharath Hi Tech Builders Pvt. Ltd. (2021) ibclaw.in 173 SC***.
15. In light of the above findings, this Tribunal is satisfied that the Financial Creditor is entitled to the relief as sought. The Corporate Debtor's default, acknowledgment of the financial obligations while seeking resolution through the CIRP mechanism under the Insolvency and Bankruptcy Code, justifies the admission of the petition and the initiation of CIRP under the Code. Hence, the



Application filed under section 7(2) of the Insolvency and Bankruptcy Code for initiation of corporate insolvency resolution process against (CIRP) the Respondent/Corporate Debtor deserves to be admitted.

16. Accordingly, in light of the above facts and circumstances, it is, hereby **ordered** as under:-

(i) The Respondent/Corporate Debtor - **Raninga Paper Mills Private Limited** is **admitted** in the Corporate Insolvency Resolution Process (**CIRP**) under section 7 of the IBC, 2016.

(ii) As a consequence thereof, a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) 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;*
- 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.*
- e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a*

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contract of guarantee to a Corporate Debtor. The moratorium does not apply to transactions notified by the Central Government, as per Section 14(3)(a) of the IB Code, 2016.

- (iii) The order of moratorium under section 14 of the Code shall come to effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 of the IBC 2016, as the case may be.
- (iv) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the Corporate Debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period.
- (v) As proposed by the Financial Creditor, we appoint **Jigar Tarunkumar Bhatt**, having Registration No. IBBI/IPA-001/IP-P-01917/2019-2020/13005, having address: 1010, Shilp Zaveri, Shyamal Cross Road, Satellite, Ahmedabad, Gujarat, 380015 (e-mail: jigarb.jigarb@gmail.com) Mobile No.98791—40244 under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP). He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.
- (vi) The IRP so appointed shall make a public announcement (e.g., newspapers, websites) under Regulation 6(2) of IBBI Regulations, 2016, of the initiation of the Corporate Insolvency Resolution Process and call for submissions of



claims under section 15 within three days of appointment as per Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as required by Section 13(1)(b) of the Code.

- (vii) The IRP shall perform all his functions as contemplated, inter-alia, by sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its promoters, or any other person associated with the management of the Corporate Debtor are under legal obligation as per section 19 of the Code to extend every assistance and cooperation to the IRP. Where any personnel of the Corporate Debtor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.
- (viii) The IRP is expected to take full charge of the Corporate Debtor's assets and documents without any delay whatsoever within seven days of this order. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Debtor company' and manage the operations of the Corporate Debtor company as a going concern as a part of the obligation imposed by section 20 of the Code.

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- (x) The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority a periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (xi) We direct the Financial Creditor to pay IRP a sum of Rs.2,00,000/- (Rupees Two Lakh Only) in advance exclusive of applicable taxes, within 7 days from the date of this order to meet the initial costs of the CIRP, including issuing public notice and inviting claims, as per Regulation 33(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This amount shall be adjustable against the IRP's fees and expenses as approved by the Committee of Creditors (CoC) under Regulation 33(3), with any excess refundable to the Financial Creditor or shortfall recoverable from the Corporate Debtor's estate as CIRP costs.
- (xii) The Registry is directed to communicate this order to the Financial Creditor, Corporate Debtor, and to the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India after completion of necessary formalities, within seven working days, and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update the Corporate Debtor's Master Data on the MCA portal to reflect its status as 'under Corporate Insolvency Resolution Process' within 7 working days of receiving this order and submit a compliance report to the Registrar, NCLT, within 14 working days.

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(xiii) The public announcement under Regulation 6(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be published in at least one English (national edition) and one vernacular newspaper with wide circulation in the state of the Corporate Debtor's registered office (Gujarat) and on the Corporate Debtor's website, if any, as per Form A of the said Regulations.

(xiv) The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

17. Accordingly, this Application **CP(IB)/271/7/AHM/2025** is hereby ***admitted***. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

—sd—

SANJEEV SHARMA
MEMBER (TECHNICAL)

—SD—

SHAMMI KHAN
MEMBER (JUDICIAL)