

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
ALLAHABAD BENCH, PRAYAGRAJ**

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**CP (IB) NO.37/ALD/2024**

*An application under Section 7 read with Rule 4 of the Insolvency and Bankruptcy Code, 2016.*

**IN THE MATTER OF:**

**Amar Ujala Limited**

Registered Office:

1101, 11th Floor, Antriksh Bhawan,  
22, Kasturba Gandhi Marg, Connaught Place,  
New Delhi-110 001

**.....Applicant/ Financial Creditor No. 1**

**And**

**Impressions Printing & Packaging Limited**

Unit No. 212, 2nd Floor, Plot No. 4B,  
District Center, Mayur Vihar Phase-1 Extn.,  
Delhi-110 091

**.....Applicant/ Financial Creditor No. 2**

**Versus**

**Raama Paper Mills Limited**

Registered Office:

Najibabad Road, Kiratpur  
District, Bijnor-246 731 Uttar Pradesh.

**.....Respondent/Corporate Debtor**

**Order pronounced on 07<sup>th</sup> June, 2024**

**Coram:**

Mr. Praveen Gupta. : Member (Judicial)  
Mr. Ashish Verma : Member (Technical)

**Appearances:**

Sh. Swapnil Gupta  
alongwith Sh. Sajal Jain, Adv. : For the Financial Creditor  
Ms. Ekansh Mishra, Adv. : For the Corporate Debtor

**ORDER**

1. This Application has been filed on 05.05.2024 by M/s Amar Ujala Ltd. (hereinafter referred as the Financial Creditors/Applicants) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as I&B Code, 2016) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016 in Form 1 containing all the information as required in Part I, II, III, IV and V of the Form 1 against the Corporate Debtor i.e. Raama Paper Mills Ltd. (hereinafter referred to as Respondent/Corporate Debtor) for a total financial debt of Rs. 42,41,21,032/-. The date of Default mentioned in the Part-IV is 31.03.2024.

- 2.** The Corporate Debtor was incorporated on 04.12.1985 (CIN. L27104UP1985PLC007556) under the provisions of the Companies Act, 1956, with the objective of manufacturing of newspaper, printing, etc. The Corporate Debtor's registered office is at Najibabad Road, Kiratpur, District Bijnor, Uttar Pradesh- 246731.
- 3.** The Applicant No.1, Amar Ujala Limited was incorporated on 29.3.2001 under Companies Act, 1956 (ID no. U22121DL2001PLC159705) having its registered office at 1101, 11<sup>th</sup> Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, Connaught Place, New Delhi-110001 and the Applicant No.2 was incorporated on 11.3.2019 under Companies Act, 2013 (ID no. U74999DL2019PLC347116) having its registered office at Unit No. 212, 2<sup>nd</sup> floor, Plot No. 4B, District Center, Mayur Vihar Phase-1 Extension, East Delhi, Delhi- 110091.
- 4.** It is stated that the Corporate Debtor approached Applicant No. 1 for seeking financial support and funds to meet operational, statutory and business obligations to which the Applicant No. 1 agreed to extend a financial assistance of Rs. 12.50 Crores by executing a loan agreement dated

29.09.2022. Thereafter, the Corporate Debtor requested Applicant No. 1 on several occasions for extension of time period in order to repay the loan amount and also sought additional loans.

- 5.** In this regard, the Applicant No. 1 executed an addendum to loan agreement on 20.01.2023 followed by a supplementary loan agreement dated 14.12.2023 and secured the loan amount by creating an exclusive first ranking charge of mortgage over the land amongst other securities in favour of the Applicant No. 1. Moreover, the Corporate Debtor again after the expiry of the said period i.e. 31.12.2023 approached the Applicant No. 1 requesting for additional loan of Rs. 15 Crores with the last date for repayment at 31.03.2024. Pursuant to this request, the Applicant No. 1 executed a second supplementary loan agreement on 19.01.2024 in such a manner that the total loan exposure did not exceed an amount of Rs. 35 Crores and accordingly, modified the aforesaid charge on 27.02.2024.
- 6.** The Corporate Debtor also approached Applicant No. 2 for financial support and funds to meet operational, statutory

and financial obligations. In response thereto, the Applicant No. 2 by way of Loan Agreement dated 08.01.2024 also disbursed an amount of Rs. 5 Crores and the said loan amount of Rs. 5 crore was secured by way of creating an exclusive charge on the plant & machinery installed within the factory premises of the Corporate Debtor.

7. On 31.03.2024, the Corporate Debtor did not repay the loan amount to Applicant No. 1 as well as to Applicant No. 2, and in view thereof, the Applicant No. 1 and 2 issued Demand Notices on 04.04.2024 calling upon the Corporate Debtor to repay the loan amount of Rs. 37,27,37,098/- (Rs. 34,37,40,000/- Principal Amount + Rs. 2,89,97,098/- amount of interest as on 31.03.2024 and Rs. 5,13,83,934/- (Rs. 5,00,00,000/- Principal Amount + Rs. 13,83,934/- amount of interest as on 31.03.2024) respectively. Moreover, the Respondent vide reply letter dated 11.04.2024 acknowledged the outstanding loan amount as on 31.03.2024 and requested to extend the deadline in view of the financial conditions. However, the Respondent defaulted in payment of the outstanding dues.

8. The Ld. Counsel representing the Financial Creditors vide Diary no. 1113 dated 28.5.2024 filed a supplementary affidavit to bring on record the default with respect to the Applicants No. 1 and 2 which was taken on record.
9. The Corporate Debtor, in pursuance of the notice issued vide order dated 14.5.2024, filed its reply in response to the present application, wherein it is averred that the Respondent is in financial stress and, despite various efforts, could not honour the commitment of paying the outstanding dues.
10. The company, as per the Respondent's submission, began with a plan to establish a 3300 tonnes Per Annum (TPA) Paper Project, subsequently expanding to 9000 TPA for duplex/triplex board production. In 1992-93, it diversified into writing & printing paper and newsprint, raising its capacity to 8250 TPA with financial aid from ICICI, IRBI, and public issue funds. Further expansions increased the units' capacity to 10,500 TPA. In 1995-96, a major expansion added a 18500 TPA unit for newsprint and craft paper, funded by PNB. Unit No.3 began commercial production in January 1997. In 2005-06, Unit No.3

underwent modernization, raising its capacity to 44000 TPA through loans and internal accruals. The company also initiated a co-generation project and in 2007-08, installed an Imported Paper Manufacturing Machine, boosting capacity to 16320 TPA, with financing from Bank of Baroda. Production commenced in December 2009. Additionally, an up-gradation program in 2008-09, partly financed by Bank of Baroda, contributed to the company's successful business post-2009.

- 11.** However, the business of the Company suffered due to worldwide recession during the period 2009-2012, but the Promoters of the Respondent Company managed to get the Company's business running during the difficult period. The Company repaid the amount settled with the Bank of Baroda in the year 2018 by taking the financial assistance from Shapoorji Pallonji Finance Private Limited. The debt of Shapoorji Pallonji Finance Private Limited was repaid in the year 2021 by selling two of the machinery which was not contributing to the revenues of the Respondent Company due to their obsolete technologies.

- 12.** It is also contended by the Corporate Debtor in the reply that the Financial Creditors herein are also the Operational Creditors of Respondent to whom newsprint papers are supplied. The Respondent also owes a sum of Rs. 4,17,84,502/- as on 31.03.2024 to Financial Creditors on account of advances given against supply of newsprint, which is due to working capital crisis because of which the Respondent is unable to pay.
- 13.** Between March 2020-2022, the Respondent's business got severely affected due to Covid-19 and due to the significant rise in the use of digital media during pandemic, it impacted the paper industry by reducing demand for printed materials. Hence, the Respondent was also severely affected and incurred heavy losses during the period of March 2020 to 2022 and it still continues to affect its business till date.
- 14.** The Respondent believed that the Financial Creditors would continue to extend timelines for repayment as per the business requirement of Respondent as was done in the past. However, the Financial Creditors have recalled the loans extended to the Respondent under the Loan Agreement. **While the amounts under the Loan**



**Agreements are due and payable by the Respondent to the Financial Creditors, however, the Company due to its financial constraints had requested the Financial Creditors to grant extension but Financial Creditors have chosen to recall the loan as per terms of loan agreement.**

### **FINDINGS AND ORDER**

- 15.** We have heard the Learned Counsels for the parties and perused the documents and materials on record.
- 16.** The Applicants submitted that the Respondent approached them for financial assistance, and based on the Respondent's financial condition and long-standing business relationship, the Applicants agreed to extend loans to the Respondent to meet operational, statutory, and business obligations. In response to urgent business requirements, the Applicants agreed to extend financial assistance in various tranches. Further, upon the Respondent's request on multiple occasions, the Applicants, particularly Applicant No. 1, extended the timelines for the repayment of the loan amount and also provided additional loans, which were duly granted. The loan amount was

secured by creating an exclusive first-ranking charge of mortgage over the land, among other securities, in favor of the Applicants.

17. The respondent in its reply has tried to give various reasons for non-repayment of loans taken from both Financial Creditors, which has admittedly become due and presently in default. It is clearly admitted by the Corporate Debtor in its reply that the amount under loan agreements are due and payable by the Respondent to the Financial Creditors but the Corporate Debtor due to its financial constraints is not able to pay the same and had requested the Financial Creditors to grant extension of time to repay the said loans but they have chosen to recall the loan as per the terms of loan agreement. During the course of hearing, the Ld. Counsel for the Corporate Debtor admitted for the outstanding amount of loan due for payment as shown in the part IV of the Application but he also made requests during hearing to grant further time for repayment of the same. In ***“Innoventive Industries Ltd. Vs. ICICI Bank & Anr.(Civil Appeal No. 8337-8338 of 2017) dated 31.08.2017***, Hon’ble Supreme Court has held that the

moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted, unless it is incomplete. In present case, the default has occurred, which could not be controverted by the Corporate Debtor and the Application has been found complete in all respect and nothing has been pointed by the Corporate Debtor about the application being incomplete in respect of any of the provisions of I & B Code 2016 or rules and regulations made there under.

- 18.** From the facts and circumstances and the documents produced by the Applicants and the submission of the Respondent, we are of the considered view that there exists financial debt which is payable and there is a default on the part of the Respondent. The same is also admitted and acknowledged by the Respondent. The debt is more than the threshold limit of Rs. 1 crore as per Section 4 of the I&B C, 2016. This application is filed within limitation and as such the application deserves to be admitted as per Section 7(5) of the I & B Code, 2016.
- 19.** In Part III of Form-I, the Financial Creditor has proposed the name of Mr. Sandeep Kumar Agrawalas Interim Resolution

Professional (hereinafter referred as “IRP”). His Registration Number is IBBI/IPA-001/IP-P01135/2018-2019/11828 and address is 523, Pocket-E, Mayur Vihar Phase-2, New Delhi, National Capital Territory of Delhi, 110091, Email: [ipsandeepagrawal@gmail.com](mailto:ipsandeepagrawal@gmail.com). He has duly given the consent in Form No.2 dated annexed at Page 35 with the Application. The Law Research Associate of this Tribunal, Mr. Sarim Husain, has checked the credentials of Mr. Sandeep Kumar Agrawal, and found that there are no disciplinary proceedings pending against the proposed Resolution Professional and also there is nothing adverse against him. Upon verification from the website of IBBI, it is found that IRP holds valid authorization till 07-12-2024. After considering these details, we appoint Mr. Sandeep Kumar Agrawal, Registration No. IBBI/IPA-001/IP-P01135/2018-2019/11828, as Interim Resolution Professional (IRP).

- 20.** In view of our above findings, we are satisfied that the present application under Section 7, has been found fit to be admitted as per Section 7(5)(a) of the I & B Code, 2016 and hence, the application is admitted in terms of Section

7(5)(a) of the I & B Code, 2016 against the Corporate Debtor, Raama Paper Mills Ltd. and accordingly, moratorium is declared in terms of Section 14 of the I&B, Code 2016.

- 21.** The IRP is directed to take steps as mandated under section 13 and 15 of the I&B C,2016 for making public announcement about the commencement of CIRP against the Corporate Debtor and moratorium against it u/s 14, and also take necessary actions as per sections 17, 18, 20 and 21 of I & B Code, 2016.
- 22.** The IRP shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors (hereinafter referred as 'CoC') and shall file a report certifying the CoC to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene the first meeting of the CoC within seven days of filing the report of CoC.
- 23.** As a necessary consequence of the moratorium in terms of Section 14, the following prohibitions are imposed, which must be followed by all and sundry:

- a. The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, 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.
- e. It is further directed that the supply of essential goods or services to the corporate debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period.
- f. The provisions of Section 14(3) shall, however, not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a corporate debtor.

**24.** The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency

Resolution Process (CIRP) or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the corporate debtor under Section 33 as the case may be.

- 25.** The CoC shall appoint a Resolution Professional as per section 22 of the I & B Code, 2016. A monthly progress report shall be filled by the Resolution Professional providing the details of work done in respect of completing the CIRP within the timeline as prescribed under the provision of section 12 of the I & B Code, 2016.
- 26.** We direct the Financial Creditors to deposit a sum of Rs. 1,00,000/- with the Interim Resolution Professional, to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The amount, however, is subject to adjustment by the Committee of Creditors as accounted for by the Interim Resolution Professional on the conclusion of CIRP.
- 27.** A certified copy of the order shall be communicated to both the parties. The learned counsel for the petitioner shall

deliver a certified copy of this order to the Interim Resolution Professional forthwith. The Registry is also directed to send a certified copy of this order to the Interim Resolution Professional at his e-mail address forthwith.

**28.** List the matter on 15.07.2024 for further proceedings.

**(Ashish Verma)**

**Member (Technical)**

**Date:07<sup>th</sup> June, 2024**

**(Praveen Gupta)**

**Member (Judicial)**