

GARDEN SILK MILLS LIMITED

Date: 14th February, 2019

The Corporate Relationship Department,
Bombay Stock Exchange Ltd.,
First Floor, New Trading Wing,
Rotunda Building,
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400001
Scrip Code: 500155

National Stock Exchange of India Ltd.
Listing Department,
"Exchange Plaza",
Fifth Floor, Plot No.C/1, G Block,
Bandra Kurla Complex,
Bandra (East),
Mumbai 400051
Stock Code: GARDENSILK(EQ)

Sub.: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref.: Initiation of recovery of dues by State Bank of India before the Debt Recovery Tribunal (DRT), Ahmedabad under Debts Due to Banks and Financial Institutions Act, 1993.

Dear Sir,

This is to inform you that one of the Financial Creditors, State Bank of India (SBI), a member of consortium of banks has initiated action before Debt Recovery Tribunal (DRT), Ahmedabad for recovery of dues wherein DRT has granted ex-parte relief to SBI and directed the Company, not to alienate and transfer the hypothecated and mortgaged properties.

The above facts were brought to our notice on receipt of copy of summons of DRT which was received on 13th February 2019, by our office. We are informed that the matter has been listed with DRT on 25th February 2019 for further hearing.

Copy of summons received from DRT is enclosed for your kind reference.

The above may kindly be treated as disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and record.

Thanking you,

Yours faithfully,
For Garden Silk Mills Limited



Kamlesh B. Vyas
Company Secretary & Compliance Officer

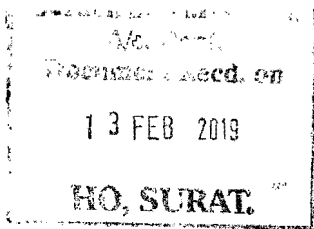


*Garden**

Registered Office : Tulsi Krupa Arcade, Puna-Kumbharia Road, Dumbhal, Surat - 395 010. Phone : (0261) 2311197-98, 2311513/615 Fax : (0261) 2311029/502

Mumbai Office: Manek Mahal, 90 Veer Nariman Road, Mumbai - 400 020. Phone : (022) 22873117-19, 22046473, 22040895 Fax : (022) 22048112

CIN : L17111GJ1979PLC003463 | Website : www.gardenvareli.com



RPAD/ DASTI

FORM NO. 3
[See Regulation-15 (1)]

DEBTS RECOVERY TRIBUNAL-II
(Ministry of Finance, Government of India)
3rd Floor, Bhikhubhai Chamber,
18, Ghandhi Kunj Society, Opp. Deepak Petrol Pump,
Ellisbridge, Ahmedabad-380006.

Outward No. 3328/2019

Exb.No.04

OA. NO. 57/2019

State Bank of India

APPLICANT

VERSUS

M/s.Garden Silk Mills Ltd. and Ors.

DEFENDANTS

SUMMONS

To,

Def.No.1:- M/s.Garden Silk Mills Ltd.

Address: 1st Floor, Tulsi Krupa Arcade, Near Aai Mata Chowk, Puna- Kumbharia Road,
Dumbhal, Surat- 395010.

Address: Vareli Complex, Village- Vareli (Dist. Surat).

Address: Village- Jolwa, Tal. Palsana, Dist. Surat.

Def.No.2:- Bank of Baroda

Address: Bhaga Talao (main) Branch, Bhaga Talao, Surat.

Def.No.3:- Allahabad Bank

Address: Alknanda Apartment 864, Athugar Streer Nanpura, Surat.

Def.No.4:- Bank of India

Address: Surat Corporate Branch, BOI Building, Ghod Dod Raod, Surat.

Def.No.5:- Union Bank of India

Address: Industrial Finance Branch 66/80, Mumbai Samachar Marg, Fort Mumbai.

Def.No.6:- Corporation Bank

Address: Veena Chambers 21, Dalal Street Fort, Mumbai.

Def.No.7:- IDBI Ltd.

Address: Mittal Court, 224 A Wings- 2nd Floor, Nariman Point Mumbai- 400021.

Def.No.8:- EXIM Bank

Address: 21st Floor, Word Trade Centre Cuffe Parade, Mumbai.

Def.No.9:- Indian Overseas Bank

Address: Fort Branch, Tamarind House, 30 & 32, Tamarind Lane Fort, Mumbai- 400023.

Def.No.10:- LIC of India

Address: Yogakshema Office, Investment Department, 6th Floor (West Wing), Jeevan Beema
Marg, Mumbai.

Def.No.11:- ICICI

Address: JMC House- 9th Floor, Opp. Parimal Garden, Ambawadi, Ahmedabad.

Def.No.12:- Indian Bank

Address: Nariman Point, Mumbai- 400021.

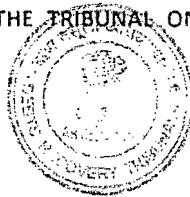
WHEREAS the applicant has instituted an application U/S 19 of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 against you for the recovery of sum mentioned therein together with current and future interest and other reliefs. You are hereby summoned to appear and file written statement before this Tribunal at 10.30 a.m. or at such time immediately thereafter according to the convenience of Tribunal on 25/02/2019 to answer the claim.

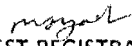
2. A copy of the application is enclosed herewith along with a copy of order dated 21/01/2018 for information and strict compliance.
3. If you intend to file any documents, you may file the same with a list along with the written statement.
4. You should file your registered address and a memo of appearance when you enter appearance before the Tribunal either in person or by a Pleader/Advocate duly instructed.
5. Defendants are hereby restrained from alienating and transferring the Hypothecated mortgaged Properties as per details mentioned in Schedule-A attached to original application till further order.
6. Defendant are hereby directed to show cause as to why interim relief under Para 6 of the Original Application Should not be granted in favour of the Applicant.
7. Defendants are directed to disclose his assets on oath on the next date of hearing.
8. Take notice that, in default of, your appearance on the day mentioned herein before the proceeding will be heard and determined in your absence.

GIVEN UNDER MY HAND AND SEAL OF THE TRIBUNAL ON THIS 24th DAY OF JANUARY, 2019.

PREPARED BY
V.M


CHECKED BY




ASST.REGISTRAR

100

FREE TRUE COPY

DEBTS RECOVERY TRIBUNAL-II, AHMEDABAD
3rd FLOOR, BHIKHUBHAI CHAMBERS, 18, GANDHI KUNJ SOCIETY,
OPPOSITE DEEPAK PETROL PUMP, ELLISBRIDGE, AHMEDABAD (GUJARAT)

PRESIDING OFFICER: MR. VINAY GOEL

O.A. No.57/2019

STATE BANK OF INDIA

V/s.

M/S GARDEN SILK MILLS LTD.

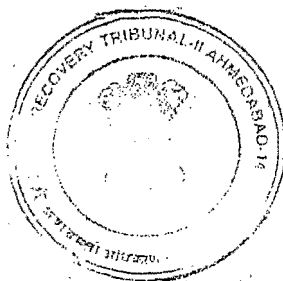
21.01.2019

Present :

Mr.Indravardan Parmar, Ld. Counsel for Applicant
Bank

1. Heard Ld. Counsel for applicant bank and perused pleadings and documentary evidence available on record. The defendants, after availing loan facilities from applicant bank, failed to repay dues as per terms and condition of loan as well as security documents. The applicant bank has made out a prima facie case for grant of ex-parte ad interim relief. The balance of convenience also lies in favour of applicant bank to recover public money. It would cause irreparable loss to applicant bank if the hypothecated properties are alienated or transferred in any manner by the defendants. Therefore, defendants are hereby restrained from alienating and transferring in any manner the hypothecated and mortgaged properties as details mentioned in Schedule A, attached to original application till further order.

2. Ms Anjali Karia, Advocate is hereby appointed as Court Commissioner for carrying out inventory of the hypothecated and mortgaged properties as described in Schedule and submit report to this Tribunal after issuance of notice to both the parties. He may seek assistance of the local police in case necessity arises. SHO of Local



Police Station is hereby directed to provide him police assistance if Court Commissioner approaches to him for assistance. His fee including expenses is assessed to be Rs.10,000/- . Court Commissioner is directed to submit his report on the next date of hearing.

3. Defendants are hereby further directed to show cause as to why main relief in para 6 of the Original Application should not be granted in favour of the applicant bank on the next date of hearing.
4. The applicant bank is directed to collect the summons from the Registry and serve the same by way of Registered Post upon the defendant(s) and place on record the receipt regarding service of summons upon defendants within 10 days from the date of receipts of summons from the Registry.
5. Issue notice to defendants by way of registered post with acknowledgment due returnable on 25.02.2019. The summons should also be served by way of dasti mode in addition to registered post.
6. Matter be listed before Learned Registrar for completion of pleadings on 25.02.2019.

(VINAY GOEL)
PRESIDING OFFICER I/C
DRT-II, AHMEDABAD

22/01/2019
Section Officer
DRT-II, AHMEDABAD



FORM I
(See Rule 4)

Application under Section 19 of the Recovery of Debts
and Bankruptcy Act, 1993

FOR USE IN TRIBUNAL'S OFFICE

DATE OF FILING :

DATE OF RECEIPT :

REGISTRATION No. :

(Signature of Registrar)

REG. 2675

IN THE HONOURABLE DEBTS RECOVERY TRIBUNAL-II
OF GUJARAT STATE AT AHMEDABAD

V. R. MODI
NOTARY
GOVT OF GUJARAT
19-12-2018

Original Application No. 57 of 2018

BETWEEN

State Bank of India,

- a corporation constituted under the State Bank
of India Act, 1955, having one of its Local Head
Office at : Bhadra, Ahmedabad - 380 001 and
Corporate Office at : Madam Cama Road,
Nariman Point, Mumbai - 400 020 and one of
its branches, amongst others at :
Stressed Assets Management Branch,
Parmasiddhi Complex - 2nd Floor
Opp. V.S. Hospital
Ellisbridge
Ahmedabad - 380 006

... Applicant

AND

(1) M/s. Garden Silk Mills Ltd.



(i) registered & administrative office at :

1st Floor, Tulsi Krupa Arcade
Near Aai Mata Chowk
Puna - Kumbharia Road
Dumbhal, Surat - 395 010

(ii) work addresses at :

(a) Vareli Complex

Village - Vareli (Dist. Surat) and

(b) Village - Jolwa, Tal. Palsana, Dist. Surat

(2) Bank of Baroda

Bhaga Talao (Main) Branch
Bhaga Talao
Surat

(3) Allahabad Bank

Alaknanda Apartment
864, Athugar Street
Nanpura
Surat

(4) Bank of India

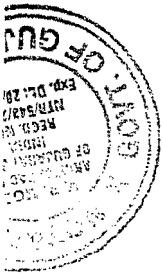
Surat Corporate Branch
BOI Building
Ghod Dod Road
Surat

(5) Union Bank of India

Industrial Finance Branch
66/80, Mumbai Samachar marg
Fort
Mumbai

(6) Corporation Bank

Veena Chambers
21, Dalal Street
Fort
Mumbai



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FREE TRUE COPY

DEBTS RECOVERY TRIBUNAL-II, AHMEDABAD
3rd FLOOR, BHIKHUBHAI CHAMBERS, 18, GANDHI KUNJ SOCIETY,
OPPOSITE DEEPAK PETROL PUMP, ELLISBRIDGE, AHMEDABAD (GUJARAT)

PRESIDING OFFICER: MR. VINAY GOEL

O.A. No.57/2019

STATE BANK OF INDIA

V/s.

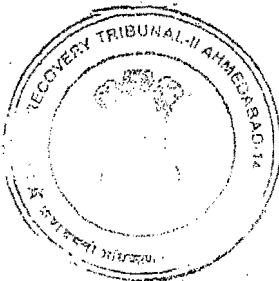
M/S GARDEN SILK MILLS LTD.

21.01.2019

Present : Mr.Indravardan Parmar, Ld. Counsel for Applicant
Bank

1. Heard Ld. Counsel for applicant bank and perused pleadings and documentary evidence available on record. The defendants, after availing loan facilities from applicant bank, failed to repay dues as per terms and condition of loan as well as security documents. The applicant bank has made out a prima facie case for grant of ex-parte ad interim relief. The balance of convenience also lies in favour of applicant bank to recover public money. It would cause irreparable loss to applicant bank if the hypothecated properties are alienated or transferred in any manner by the defendants. Therefore, defendants are hereby restrained from alienating and transferring in any manner the hypothecated and mortgaged properties as details mentioned in Schedule A, attached to original application till further order.

2. Ms Anjali Karia, Advocate is hereby appointed as Court Commissioner for carrying out inventory of the hypothecated and mortgaged properties as described in Schedule and submit report to this Tribunal after issuance of notice to both the parties. He may seek assistance of the local police in case necessity arises. SHO of Local



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(VINAY GOEL)
PRESIDING OFFICER I/C
DRT-II, AHMEDABAD

22/01/2019
Section Officer
DRT-II, AHMEDABAD



FORM I
(See Rule 4)

Application under Section 19 of the Recovery of Debts
and Bankruptcy Act, 1993

FOR USE IN TRIBUNAL'S OFFICE

DATE OF FILING :

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(Signature of Registrar)

2675

IN THE HONOURABLE DEBTS RECOVERY TRIBUNAL-II
OF GUJARAT STATE AT AHMEDABAD

V. R. MODI
NOTARY
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19-12-2018

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a corporation constituted under the State Bank
of India Act, 1955, having one of its Local Head
Office at : Bhadra, Ahmedabad - 380 001 and
Corporate Office at : Madam Cama Road,
Nariman Point, Mumbai - 400 020 and one of
its branches, amongst others at :

Stressed Assets Management Branch,

Parmasiddhi Complex - 2nd Floor

Opp. V.S. Hospital

Ellisbridge

Ahmedabad -380 006

... Applicant

AND

(1) M/s. Garden Silk Mills Ltd.



(i) registered & administrative office at :

1st Floor, Tulsi Krupa Arcade
Near Aai Mata Chowk
Puna - Kumbharia Road
Dumbhal, Surat - 395 010

(ii) work addresses at :

(a) Vareli Complex

Village - Vareli (Dist. Surat) and

(b) Village - Jolwa, Tal. Palsana, Dist. Surat

(2) Bank of Baroda

Bhaga Talao (Main) Branch

Bhaga Talao

Surat

(3) Allahabad Bank

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864, Athugar Street

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BOI Building

Ghod Dod Road

Surat

(5) Union Bank of India

Industrial Finance Branch

66/80, Mumbai Samachar marg

Fort

Mumbai

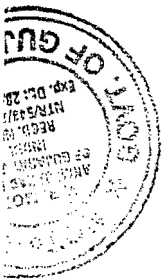
(6) Corporation Bank

Veena Chambers

21, Dalal Street

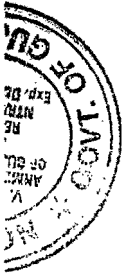
Fort

Mumbai



- (7) IDBI Ltd.
Mittal Court
224 A Wing - 2nd Floor
Nariman Point
Mumbai - 400 021
- (8) EXIM Bank
21st Floor - Word Trade Centre
Cuffe Parade
Mumbai
- (9) Indian Overseas Bank
Fort Branch
Tamarind House
30 & 32, Tamarind Lane
Fort
Mumbai - 400 023
- (10) LIC of India
Yogakshema Office
Investment Department
6th Floor (West Wing)
Jeevan Beema Marg
Mumbai
- (11) ICICI
JMC House - 9th Floor
Opp. Parimal Garden
Ambawadi
Ahmedabad
- (12) Indian Bank
Nariman Point
Mumbai - 400 021

... Defendants



CLAIM : Rs.240,19,60,897.37 ps.

INTEREST RATE : as contracted
with monthly rests
(as per para - 6)

COURT FEES : Rs.1,50,000/-

PAID BY P.O. No. : 958708

DATE : 18.12.2018

DETAILS OF APPLICATION :

1. PARTICULARS OF THE APPLICANT :

(i) Name of Applicant : State Bank of India

Stressed Assets Management Branch

Parmasiddhi Complex - 2nd Floor

Opp. V.S. Hospital

Ellisbridge

Ahmedabad - 380 006

(ii) Addresses of Corporate/Head Office of the Applicant

State Bank of India

Madam Cama Road

Nariman Point

Mumbai - 400 020

(iii) Address for the service of all notices :

State Bank of India

Stressed Assets Management Branch

Parmasiddhi Complex - 2nd Floor

Opp. V.S. Hospital

Ellisbridge

Ahmedabad - 380 006

2. PARTICULARS OF DEFENDANTS :

(i) Names of the defendants :

(1) M/s. Garden Silk Mills Ltd.

(i) registered & administrative office at :

1st Floor, Tulsi Krupa Arcade



Near Aai Mata Chowk
Puna - Kumbharia Road
Dumbhal
Surat - 395 010

(ii) work addresses at :

- (a) Vareli Complex
Village - Vareli (Dist. Surat), and
- (b) Village - Jolwa, Tal. Palsana
Dist. Surat

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Bhaga Talao (Main) Branch
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Surat Corporate Branch
BOI Building
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66/80, Mumbai Samachar marg
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Mittal Court
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(8) EXIM Bank

21st Floor - World Trade Centre
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Tamarind House
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Investment Department
6th Floor (West Wing)
Jeevan Beema Marg
Mumbai

(11) ICICI

JMC House - 9th Floor
Opp. Parimal Garden
Ambawadi
Ahmedabad

(12) Indian Bank

Nariman Point
Mumbai - 400 021

- (ii) Addresses of the defendants : same as per
2 (i) (1) to (12)
- (iii) Addresses of the defendants : same as per
for service of all notices 2 (i) (1) to (12)

3. JURISDICTION OF THE TRIBUNAL :

The Applicant-bank declares that the subject matter of the debts due falls within the jurisdiction of this Hon'ble Tribunal. Defendant No.1 - a company registered under provisions of the Companies Act, 2013 is having its registered & administrative office and work places as stated in cause title that situated in the State of



Gujarat. Various nature of credit facilities that mentioned specifically in subsequent paragraphs were sanctioned to and availed by the Defendant No.1-company had been defaulted. Various security documents for availing and securing the credit facilities had been executed and delivered at Surat by Defendant No.1. Further, Defendant No.1 had also created security Interest/charge over its respective assets - movables as well as immovable, that had been specifically described in Schedule - A. Thus, the cause of action has been accrued within the territorial jurisdiction of this Hon'ble Tribunal. The claim of the Applicant is more than Rs.20.00 lacs. Hence, this Hon'ble Tribunal has a jurisdiction to try, entertain and dispose of the present Original Application (O.A.).

3A. DETAILS OF DEBT AND ASSETS :

(i) Total amount of debt claimed as on the date to be specified	Rs. 240,19,60,897.37 (Say - Rupees Two hundred forty crores Nineteen Lakhs Sixty thousand eight hundred ninety seven and thirty seven paisa only) as on 17.12.2018
(ii) Amount of debt, as on specified date, secured by security interest over properties or assets of the Defendant with particulars of secured properties and assets.	Rs. 240,19,60,897.37 (Say - Rupees Two hundred forty crores Nineteen Lakhs Sixty thousand eight hundred ninety seven and thirty seven paisa only) is secured with future interest and charges etc. (as per Schedule - A)
(iii) Estimated value of properties or assets over which security interest is created.	Rs. 295.05 crores, being value of property (described in Schedule A as per the Valuation Report).
(iv) If estimated value is not adequate to cover the total debt claimed with future interest particulars of any other properties or assets known to the Applicant with estimated value of such other properties or assets.	NA



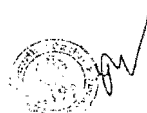
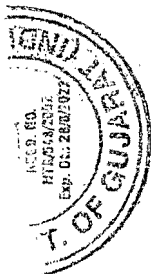
(v) Amount of unsecured debt or portion of debt not covered by estimated value of secured properties and other properties	NA
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4. LIMITATION :

The Applicant further declares that present Original Application (O.A.) for recovery of dues of the Applicant is within the limitation period as described in Section - 24 of the Recovery of Debts and Bankruptcy Act, 1993. Erstwhile State Bank of Saurashtra that later on merged to State Bank India had initially sanctioned various nature of credit facilities. Defendant No.1 had, under consortium arrangement with the Applicant and other defendants, executed various security documents for the credit facilities sanctioned to earlier that were reviewed and renewed periodically and later on restructured for which necessary agreements and documents were executed on 25.06.2012 that were further renewed/ revived on 10.04.2015 and thereafter, on 23.01.2018, besides execution of Memorandums relating to deposit of title deeds for creation and extension of mortgage etc. in favour of the Applicant and other defendants. On default committed in payment of the debts that had become due under aforesaid credit facilities, the Applicant had issued legal notice dated : 13.12.2018 to Defendant No.1. Thus, the present O.A. is within the statutory period of limitation.

5. FACTS OF THE CASE :

- 5.1 The Applicant is a corporation constituted under the State Bank of India Act, 1955, having its Local Head Office at : Bhadra, Ahmedabad - 380 001 and Corporate Office at - Madam Cama Road, Nariman Point, Mumbai - 400 020 and one of its branches, amongst others at - Stressed Assets Management Branch, Parmasiddhi

Complex, 2nd Floor, Opp. V.S. Hospital, Ellisbridge,
Ahmedabad - 380 006 in the State of Gujarat.

5.2 It is submitted that the Applicant is 'bank' within the meaning of the Recovery of Debts and Bankruptcy Act, 1993 and present application has been filed with regard to dealings of Defendant No.1 initiated in the year of 1987 with Begumpura, Surat Branch of erstwhile State Bank of Saurashtra that had been later on merged to State Bank of India in the year of 2008, continuing to enjoy its relationship by availing various nature of fund-based and non fund-based credit facilities (as mentioned in subsequent paragraph) under consortium finance arrangement led by Bank of Baroda (Defendant No.2) comprising of total 12 banks and institutions. It is further submitted that borrowal accounts of Defendant No.1 running in the name and style of M/s. Garden Silk Mills Ltd. has internally been migrated to the Applicant for resolution and recovery.

5.3 Defendant No.1 - a company incorporated in the year - 1979, registered under provisions of the Companies Act, 2013 and engaged in the business of manufacturing of polyester chips, polyester filament yarn, yarn preparatory woven cloth as well as dying and printing of sarees and dress materials etc. Is having its registered & administrative office and work places in the State of Gujarat as mentioned in the cause title of this O.A. Defendant No.2 to 12 being participant banks and institutions with the Applicant under consortium arrangement of fund-based and non-fund based credit facilities sanctioned to Defendant No.1 appointing Defendant No.2 as the Lead Bank of the consortium, having first *pari passu* charge on the securities, they are joined as party-defendants.



- 5.4 The Applicant submits that in consideration of and at the request of Defendant No.1, following credit facilities that sanctioned to and availed by Defendant No.1 under consortium finance, had been restructured by the Applicant (and other defendants also) on various terms and conditions as stated specifically in Master Restructuring Agreement - dated : 25.06.2012 executed between Defendant No.1 and Applicant jointly with Defendant No. 2 to 12 :

The details of sanction/restructured credit facilities by the Applicant are stated here-under :

Sr. No.	Facility	Date of Original Sanction	Date of last renewal/ restructuring.	Limit sanctioned
1	CASH CREDIT	03.02.1987	19.06.2012	50.18
2	TERM LOAN	03.02.1987	19.06.2012	63.24
3	CORPORATE LOANS	03.02.1987	19.06.2012	52.38
4	WORKING CAPITAL TERM LOAN	19.06.2012	19.06.2012	21.80
5	FUNDED INTEREST TERM LOAN	19.06.2012	19.06.2012	11.88
	Total (A)			199.48
1	LETTER OF CREDIT	03.02.1987	19.06.2012	43.00
2	BG/ SBL	03.02.1987	19.06.2012	56.41
3	CEILING EXPOSURE LIMIT	03.02.1987	19.06.2012	0.98
	TOTAL (B)			100.39
	TOTAL (A+B)			299.87

- 5.5 In token of acceptance of various terms and conditions of afore-stated restructuring of credit facilities sanctioned by Applicant and Defendant No.2 to 12 under consortium finance and having agreed thereto, Defendant No.1 had, accordingly, signed and executed relative agreements and security documents jointly in favour of the Applicant and Defendant No.2 to 12 with regard to the aforesaid restructured credit facilities for securing the due payment thereof.

The brief details of said agreements/documents that executed are stated as under :



- (i) Master Restructuring Agreement - dated : 25.06.2012 executed between Defendant No.1 and the Applicant and Defendant No.2 to 12 in respect of sanction/restructuring of credit facilities
- (ii) Revival letter - dated : 25.06.2012
- (iii) Declaration-cum-undertaking (in the matter of mortgage in respect of immovable properties) - dated : 25.06.2012
- (iv) Indenture of Mortgage - dated : 25.06.2012
- (v) Letter of Negative Lien - dated : 25.06.2012 & 31.08.2012
- (vi) Twelfth Joint Supplemental Deed of Hypothecation of Stocks and Book Debts - dated : 25.06.2012
- (vii) Sixth Supplemental Working Capital Consortium Agreement - dated : 25.06.2012

Thus, aforesaid security documents and securities created and extended there-under as described in detail at Schedule - A below are in full force and effect. Defendant No.1 had confirmed outstanding liabilities and creation of securities from time to time. The Applicant craves leave to refer to and rely on the contents of aforesaid and various other documents that referred herein as well as stated elsewhere and annexed to O.A. and do not repeat their contents herein for the sake of brevity.

- 5.6 The Applicant submits that charge on assets and properties of Defendant No.1 had been registered with the Registrar of Companies (RoC) in favour of the Applicant and other defendants being the members of consortium finance so as to secure the said debts owed by Defendant No.1.
- 5.7 The Applicant submits that subsequent to availing the credit facilities as stated specifically above, the



Defendant No.1 had committed irregularities in operations and conduct of the said credit facilities, such as - non submission of financial statements and necessary details, etc. with an intent to divert and mis-utilise the funds contrary to terms and conditions of sanction of credit facilities, agreements and/or documents that executed and securities created in favour of the Applicant, that had consequently resulted into persistent default in making due payment of installments and servicing of interest in borrowal accounts running in the name of Defendant No.1 in sheer violation of agreed terms and conditions of sanctions, agreements and/or documents executed and securities created in favour of the Applicant and other defendants.



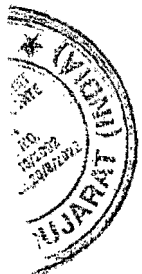
5.8 The Applicant submits that in order to provide repeated opportunities to Defendant No.1, it had sent a number of reminders and letters for regularising and improving the conduct of borrowal accounts of said credit facilities. However, Defendant No.1 did not bother to respond to the Applicant suitably and as usual, it had consistently ignored and neglected periodical follow ups and persuasive efforts employed by the Applicant and in spite of promises and assurance given, it did not make required payment of its defaulted dues disregarding a number of opportunities given and considerable passage of time allowed to it.

5.9 The Applicant further submits that in order to co-operate and assist Defendant No.1 in a difficult period of business activities which it could not manage in desired manner, it had been sanctioned afore-stated restructuring of overall credit facilities as requested. However, irregularities in business operations and financial misconduct of Defendant No.1 had remained unaltered and ever-rising default in due payment had been continued even after restructuring of said credit facilities allowed under consortium financial

arrangement by the Applicant and other defendants, making restructuring to fail for no apparent genuine reason or bonafide.

5.10 The Applicant submits that in backdrop of persistent irregularities and chronic nature of defaulting financial conduct, the borrowal accounts that running in the name of Defendant No.1 and maintained with the Applicant had been classified as non-performing asset (N.P.A.) on 28.06.2012 (the account turned NPA on 28.12.2016. However, considering this as a case of failed restructuring, the account was classified by Statutory Auditor as NPA with retrospective effect from 28.06.2012) in accordance with the guidelines issued by the Reserve Bank of India.

5.11 The Applicant further submits that there had been lower capacity utilisation of the plant as well as inability to face open market competition on part of Defendant No.1. However, its promoters/ directors had neither infused any long term funds nor made sustainable efforts to re-energise the deteriorated operations and functioning of Defendant No.1 to generate adequate surplus income and service the liabilities that had led to closure of plant, erosion of net-worth and failure in honouring the contractual obligations in spite of consideration of restructuring of credit facilities allowed by the Applicant and Defendant No.2 to 12 being the members of consortium finance. All such adverse features of irregular business operations and financial misconduct that persistently demonstrated by Defendant No.1 were came up for discussions in the consortium meetings (joint lenders' meetings). However, no inclination or initiative demonstrated by the promoters/directors of Defendant No.1 for preventive or corrective action.



5.12 The Applicant further submits that anticipating co-operation and suitable response from Defendant No.1 in respect of promises and assurance given for clearing payment of its overdue of loan accounts, the Applicant had waited for considerable period of time. However, consequent to finding no response to requests made and opportunities so afforded to Defendant No.1, legal notice - dated : 13.12.2018 had been sent by the Applicant through its advocate, calling upon Defendant No.1 to make the payment of Rs.233,53,62,801.70 (Say- Rupees Two Hundred Thirty Three Crores Fifty Three Lakhs Sixty Two Thousand Eight Hundred One and paise Seventy only) being the amount due as on 30.06.2018 plus interest @ 10.05 % p.a. thereon (above base rate of 1 % p.a. - current base rate is 9.05 %) with monthly rests thereon and simple penal interest @ 2 % p.a. as applicable thereupon till the date of its actual payment. However, this notice has also remained un-responded yet and thereby, it had neglected to comply with the same.

5.13 The Applicant submits that Defendant No.1 had thus chosen not to respond in appropriate manner and it did not co-operate to the Applicant in breach of agreed terms and conditions of sanctions of the said credit facilities, various agreements and security documents executed and securities created in favour of the Applicant. It has still not bothered to show any inclination, concern or bonafide to repay its large amounts of overdue owed to the Applicant in spite of considerable passage of time allowed and thus, Defendant No.1 has failed and neglected to respond to the efforts made by the Applicant. Therefore, Defendants No.1 is liable to repay the aforesaid defaulted dues of the Applicant in accordance with the agreed terms and conditions of various agreements and documents executed and securities created by it.



5.14 The Applicant submits that, out of various credit facilities availed by Defendant No.1 as stated above, present outstanding of loan accounts owed as on 214,58,04,503.37 is a sum of Rs.240,19,60,897.37 ps. (Say Rupees Two Hundred Forty Crores Nineteen Lakhs Sixty Thousand Eight Hundred Ninety Seven and paise Thirty Seven only) has become due and payable by Defendant No.1 to the Applicant together with interest @ 10.05 % p. a. with monthly rests and penal interest as under :

	Nature of Credit facilities	ACCOUNT NO.	O/S AS ON 17.12.2018	INTEREST UPTO 17.12.2018	PENAL INT UPTO 17.12.2018	TOTAL
1	CC I	56004065786	435,092,441.05	47826701.00	9256898.00	492176040.05
2	CC II	65002511828	172,296,880.43	16099916.00	3143828.00	191540624.43
3	CCC III	65250379940	43,033,608.59	3884807.00	1964219.00	48882634.59
4	TL I	32394080014	68,740,255.00	6798029.00	1325167.00	76861451.00
5	TL II	32394101296	212,417,979.00	20402365.00	3978278.00	236798622.00
6	TL III	65030763804	251,312,710.09	24610827.00	4565596.00	280509133.09
7	TL IV	55007625268	52,373,661.68	4893945.00	955640.00	58223246.68
8	CORP I	32394172564	24,782,000.00	2237165.00	437250.00	27456415.00
9	CORP II	32394257982	216,640,712.00	20243531.00	3986043.00	240870286.00
10	CORP III	67130046085	243,848,411.00	22785896.00	4449398.00	271083705.00
11	WCTL I	32394327021	158,027,350.00	14766530.00	2883458.00	175677338.00
12	WCTL II	65143571116	55,734,298.56	5207973.00	1016960.00	61959231.56
13	CA	57029607103	99,367,100.00	14439649.00	1876755.00	115683504.00
14	FITL I	32394367858	63,322,746.64	5716385.00	1117256.00	70156387.64
15	FITL II	67188064166	16,165,812.00	1459350.00	285227.00	17910389.00
16	FITL III	65143584319	32,648,537.33	2947307.00	576045.00	36171889.37
	TOTAL		2,145,804,503.37	214318376.00	41838018.00	2401960897.37

(Say Rupees Two hundred Forty Crores Nineteen Lakhs Sixty Thousand Eight Hundred Ninety Seven and paise Thirty Seven only).



- 5.15 The Applicant submits that transactions between the Applicant and Defendant No.1 were of a commercial nature and hence, Defendant No.1 is liable to pay *pendente-lite* running future interest at contractual rate with monthly rests.
- 5.16 The Applicant submits that the present application has been filed for enforcing the securities as described in Schedule - A for realisation of contractual liabilities defaulted by Defendant No.1 without prejudice to the right and power of the Applicant available under laws for time being in force for enforcing the securities for recovery of defaulted overdue of aforesaid financial assistance sanctioned by the Applicant.
- 5.17 The Applicant respectfully submits that besides defaulting huge amount of dues which are public monies, there may be commission and/or omission of acts by Defendant No.1 and its promoters and/or directors liable for criminal prosecution for which the Applicant reserves its right to initiate suitable legal action, if need so arise, in accordance with law.
- 5.18 The Applicant submits that the cause of action arose when Defendant No.1 had approached the Applicant and other defendants for the grant of financial assistance and when different nature of fund-based and non-based loans/credit facilities were sanctioned by the Applicant and other defendants under consortium finance arrangement to Defendant No.1 as per requests made and requirement and when necessary resolutions passed and agreements and documents were signed, executed and delivered by Defendant No.1 for the purpose of availing and securing the aforesaid credit facilities and when the charge on securities including hypothecation of goods and other moveable assets and equitable mortgage on immovable properties of Defendant No.1 had been created in favour of the Applicant and other defendants

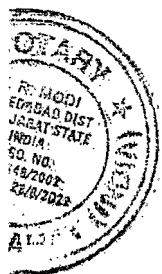


to secure the repayment of the said overall credit facilities and when Defendant No.1 availed the said credit facilities from the Applicant, but when Defendant No.1 had failed and neglected to comply with the terms and conditions of various agreements and documents executed and when oral as well as written requests had been made by the Applicant whereby it had been called upon to pay off its unpaid dues and when it failed and neglected to repay its defaulted dues owed to the Applicant. The cause of action is still subsisting.

5.19 The Applicant craves leave of this Hon'ble Tribunal to add, alter, vary, delete, rescind, modify and/or amend any of the averments made in present O.A. as and when required in the interest of justice and make appropriate submissions that may be urged in this matter.

5.20 The Applicant submits that huge amount running into crores of rupees is due and payable by Defendant No.1 since long time. Defendant No.1 had violated various terms and conditions of agreements and documents executed by it in favour of the Applicant (and others) and thereby, it had committed breach of trust with regard to repayment of dues of the said credit facilities that had been availed from the Applicant and it had further failed and neglected to comply with the requirements of the Applicant in accordance with the terms and conditions duly accepted and agreed and documents/agreements executed by it. The Applicant further submits that in the interest of justice and in the interest of recovery of public money also, the Applicant be kindly granted reliefs as prayed for hereinafter.

5.21 The Applicant submits that it has a strong prima facie case in its favour and against Defendant No.1 herein and the balance of convenience also weighs in its favour and against Defendant No.1. The Applicant being the bank, it deals with the public money and its dues defaulted by

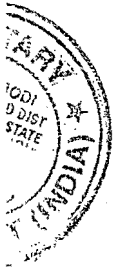


Defendant No.1 are being public money, it will cause irreparable loss to the Applicant - if any of the reliefs and/or interim relief as prayed for hereinafter will not be granted in favour of the Applicant.

6. RELIEF SOUGHT :

In view of aforesaid facts and circumstances as mentioned in various sub paragraphs of main paragraph - 5 hereinabove, the Hon'ble Tribunal may :

- (A) Be pleased to pass an order directing Defendant No.1 hereinabove to pay to the Applicant a sum of Rs. 240,19,60,897.37 (Say Rupees Two Hundred Forty Crores Nineteen Lakhs Sixty Thousand Eight Hundred Ninety Seven and paise Thirty Seven only) as stated in para - 5.14 here above together with running interest thereon, i.e. @ 10.05 % p.a. (1 % above Base Rate - current applicable base rate is 9.05 % p.a.) with monthly rests thereon, beside penal interest/liquidated damage of 2.00 % p.a. simple interest from 18.12.2018 till the date of its actual payment/realisation.
- (B) Be pleased to issue a recovery certificate against Defendant No.1 for amount of Rs. 240,19,60,897.37 (Say Rupees Two Hundred Forty Crores Nineteen Lakhs Sixty Thousand Eight Hundred Ninety Seven and paise Thirty Seven only) in favour of the Applicant as stated in para - 5.14 here above together with running interest thereon, i.e. @ 10.05 % p.a., besides penal interest/liquidated damage of 2 % p.a. simple interest from 18.12.2018 till the date of its actual payment/realisation and the Recovery Officer may kindly be authorised to recover the aforesaid debt amount along with interest as applicable thereupon, including further accrued interest, besides penal interest/ liquidated damage of 2 % p.a. simple interest with monthly rests till the date of actual payment/realisation of its entire dues from Defendant No.1 as stated above ;



- (C) Be pleased to pass an order by issuing a certificate of recovery in favour of the Applicant and against Defendant No.1 and Recovery Officer may be authorised to sell the entire present and future hypothecated and mortgaged securities as described in Schedule - A over which the Applicant hold its first *pari passu* charge (jointly with other defendants), besides all other movable assets and immovable properties of Defendant No.1 - either belonging to it and/or otherwise in accordance with the provisions of " the Recovery of Debts and Bankruptcy Act, 1993 " and the sale proceeds thereof - if any, to be realised there-from by disposal of said securities by Recovery Officer be also kindly directed to be given to the Applicant. The Applicant will give suitable adjustment of the amount - if any, to be realised from the sale of the said securities towards the amounts outstanding due and payable as stated in para - 5.14 by the said defendant in terms of various agreements and documents executed by it in favour of the Applicant ;
- (D) Be pleased to award the cost of Original Application from Defendant No.1 herein together with interest thereon including the cost and expenses which are already incurred and also to be incurred by the Applicant ;
- (E) Be pleased to pass any other and further order/s and/or relief/s in favour of the Applicant and against Defendant No.1 that may be deemed just and proper in the light of the facts and circumstances of the case and in the interest of justice ;



7. INTERIM RELIEFS SOUGHT :

The Applicant submits that huge amount running into crores of rupees is due and payable by Defendant No.1 to towards various overall credit facilities granted to and availed by Defendant No.1-company as stated in detail above. In spite of repeated requests, demands and follow ups made by the Applicant, Defendant No.1 had failed and persistently neglected to make the payment of outstanding overdue amounts of the said facilities availed from the Applicant (and other defendants) and it did not adhere to the terms and conditions of various agreements and/or documents executed and securities created by it in favour of the Applicant and others for the said purpose. The Applicant submits that it is the Bank and deals with the public money. Defendant No.1 had committed breach of terms and conditions of various agreements and/or documents that were executed for availing and securing the said financial assistance. The Applicant further submits that upon adjudication of debts, securities over which the charge had been created in favour of the Applicant, may not be adequate to satisfy the huge amount of defaulted dues and Defendant No.1 may sell off and/or dispose of its assets and properties with an intention to siphon away the funds contrary to the interests of the Applicant.

The Applicant submits that it has a strong prima facie case duly supported with agreements, documents and securities. Besides, the balance of convenience and special equity are also in favour of the Applicant. If the interim reliefs as prayed for here-in-below by the Applicant will not be granted in favour of the Applicant and against Defendant No.1, there is every possibility that movable assets and immovable properties, other goods, materials etc. over which Defendant No.1 had created charge in favour of the Applicant (and others), may be sold out or disposed of and/or otherwise the



money realised there-from may be siphoned away and thereby, defeat the purpose of instituting this legal proceeding for recovery of dues which may seriously jeopardise the interest of the Applicant and the Applicant will be unsuccessful to recover its huge amount of dues which are ultimately public money and it will suffer an irreparable loss. It is, therefore, respectfully submitted that in facts and circumstances of the present case as well as in the interest of justice and recovery of public money too, all the interim reliefs as prayed for here-in-below be kindly granted in favour of the Applicant and against Defendant No.1 pending admission, hearing and final disposal of the present O.A.

- 
- (A) Pending admission, hearing and final disposal of Original Application, this Hon'ble Tribunal may be pleased to issue attachment before judgement and/or injunction against Defendant No.1, thereby restraining it, its employees, agents and servants from transferring, selling, disposing of, by alienating and/or from parting with the possession and/or dealing with in any manner whatsoever with the possession of movable and immovable properties belonging to it - both present and future, whether hypothecated and/or mortgaged to the Applicant or otherwise, in the interest of justice. The detailed description of hypothecated goods and mortgaged properties so charged to the Applicant (on first *pari passu* basis with other defendants) is mentioned in Schedule - A that is annexed herewith ;
- (B) Pending admission, hearing and final disposal of Original Application, this Hon'ble Tribunal may be pleased to pass an order thereby appointing Court Commissioner with a direction to the said Commissioner to make detailed Panchnama and take immediate inventory of securities as shown in Schedule - A and also empower to unlock the business and work premises - if the same be

found locked for the purpose of taking inventory and complete all inventory work ;

- (C) Pending admission, hearing and final disposal of Original Application, this Hon'ble Tribunal may be pleased to grant any other and further relief/s that may be deemed just and fit in the facts and circumstances of the present case.

8. **MATTER NOT PENDING BEFORE ANY COURT/TRIBUNAL /AUTHORITIES :**

The Applicant further declares that the matter regarding which this present Original Application has been filed before this Hon'ble Tribunal is not pending before any other Court of Law or any other authorities or any other branch of the Tribunal.

9. **Particulars of Bank Draft / Pay Order :**

a.	Name of the bank on which P.O. is drawn	State Bank of India Stressed Assets Management Branch, Ahmedabad
b.	Date & No. of D.D.	18.12.2018 No. 958708
c.	Amount of P.O.	Rs.1,50,000/-

10. **DETAILS OF INDEX AND LIST OF ENCLOSURES :**

An index containing the details and page Nos. of documents to be relied upon is enclosed.

11. **LIST OF ENCLOSURES :**

- (a) Copies of documents referred in this Original Application ;
- (b) Index of documents enclosed as shown in paragraph No. 11 (a) ;



- (c) Vakalatnama ;
(d) P.O. No 958708 - dated : 18.12.2018 for
Rs. 1,50,000/-

Place : Ahmedabad
Date : 19th December, 2018

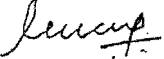
For, State Bank of India
Stressed Assets Management
Branch, Ahmedabad

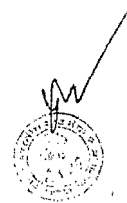
वकालत भारतीय स्टेट
FOR STATE BANK OF I

Applicant

सहायक प्रबंधक/ASST. GEN. M.
तनावग्रस्त आरित प्रबंधन शाखा, अ.
Stressed Assets Management Br., Ah

Through :


Indravadan Parmar
Advocate for the Applicant



VERIFICATION

I, Shri Yogesh Avasia s/o Shri Mahendrakant Avasia, aged about - 54 years, adult, the Assistant General Manager of State Bank of India, Stressed Assets Management Branch, Ahmedabad - being the duly authorised officer of the Applicant-bank under the State Bank of India General Regulations, 1955, do hereby verify that the contents of paragraph No.1 to 11 of this application are true to my personal knowledge and belief and gathered from the record and that I have not suppressed any material facts.

Verified at - Ahmedabad, on this 19th day of December, 2018

वहने. भारतीय स्टेट बैंक
For, STATE BANK OF INDIA

Applicant

सहायक प्रबंधक/ASST. GEN. MANAGER
तनावग्रस्त असेट्स प्रबंधन शाखा, अहमदाबाद
Stressed Assets Management Br., Ahmedabad

Identified by :

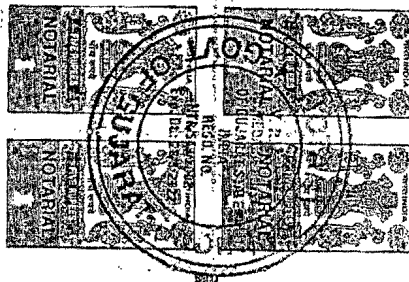
To,
The Registrar
Debt Recovery Tribunal - II,
Ahmedabad - 380 006

SOLEMNLY AFFIRMED
BEFORE ME

V. R. MODI
NOTARY

GOVT OF GUJARAT

14-12-2018



IN THE HONOURABLE DEBTS RECOVERY TRIBUNAL- II
OF GUJARAT STATE AT AHMEDABAD

Original Application No.

of 2018

S.H.NO. 2676/2008

BETWEEN

State Bank of India
Stressed Assets Management Branch
Ahmedabad - 380 006

V R. MODI
NOTARY
GOVT OF GUJARAT
19-12-2018

... Applicant

AND

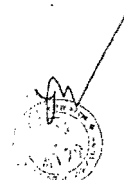
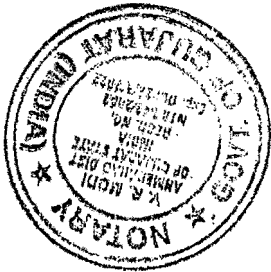
M/s. Garden Silk Mills Ltd. and ors.

... Defendants

Affidavit of the Applicant

I, Shri Yogesh Avasia, s/o. Shri Mahendraknat Avasia, aged about - 54 years, adult, do hereby solemnly affirm and state as under :

1. I say that I serve as Assistant General Manager of State Bank of India, Stressed Assets Management Branch, Ahmedabad - the Applicant herein. I am conversant with the facts and details concerning the present application as appearing from the record of the case and being an authorized officer, competent to file this application on behalf of the Applicant.
2. I state that I have read and understood the contents of the application filed under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993 for claiming the reliefs as prayed for in paras - 6 and 7 thereof. I say that all what have been stated in above referred application are true and correct to my knowledge, information and belief and derived



from the record of the case and I have not suppressed any material facts.

3. I state that annexures produced with this application are true copies of their originals.

Solemnly affirmed at - Ahmedabad, on 19th day of December, 2018.

वर्तमान, भारतीय स्टेट बैंक
For, STATE BANK OF INDIA

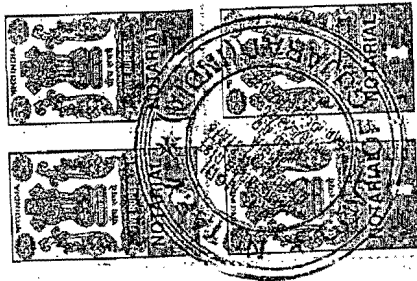
Deponent
सहायक प्रबंधक/ASST. GEN. MANAGER
संयुक्त वित्त प्रबंधन शाखा, अहमदाबाद
Shreshth Assets Management Br., Ahmedabad

SOLEMNLY AFFIRMED
BEFORE ME

V. R. MODI
NOTARY

GOVT. OF GUJARAT

14-12-2018



SCHEDULE - A

**Details of Hypothecated and Mortgaged securities - current
assets and movables (of Defendant No.1)**

Sr No.	Description
1.	First Pari Passu charge by way of Hypothecation over entire Current Assets of the company, with other WC member Banks.
2.	First Pari-passu charge on entire fixed assets (Land & Building and plant & Machinery) of the Company (both present & future) with other term lenders (excluding those assets specifically charged in favour of certain lenders) situated at village Vareli, Taluka Palsana, Dist Surat and Village Jolwa, Taluka- Palsana, Dist Surat. (i) Block No. 14,22,22/1/P, 23,26,27,28,29,29/P, 30,31,32,37,38,38P,40,41, 42& 42A and 43of village Vareli, Taluka Palsana, Dist Surat and (ii) Block No. 124/A, 198, 201, 228, 232, 233/1, 233/2, 234, 237 &364, 237/2 and 239 Village Jolwa, Taluka- Palsana, Dist Surat.

