



**IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT-V NEW DELHI BENCH**

COMPANY PETITION IB (IBC) NO. 476/ND/2024

A petition under section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

IN THE MATTER OF:

SIL FIBRES PRIVATE LIMITED

REGISTERED OFFICE AT: 228, SHIVALIK ENCLAVE NAC,
MANIMAJRA, CHANDIGARH- 160002

...Applicant/Financial Creditor

Versus

SIF GARMENTS PRIVATE LIMITED

REGISTERED OFFICE AT: 1212A, CHIRANJIV TOWER 43,
NEHRU PLACE, SOUTH DELHI,
NEW DELHI- 110019

...Respondent/Corporate Debtor

Order Delivered on: 15.09.2025

CORAM:

**SHRI MAHENDRA KHANDELWAL
HON'BLE MEMBER (JUDICIAL)**

**MS. ANU JAGMOHAN SINGH
HON'BLE MEMBER (TECHNICAL)**


APPEARANCES:

For the Applicant: Mr. Abhishek Sharma

For the Respondent: Adv. Ajay Kanojiya Proxy

ORDER

1. This is a Company Application filed under section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity "the Code") read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by M/s SIL



Fibres Private Limited (hereinafter referred to as 'Financial Creditor'), through its Authorised Representative Mr. Vinay Rastogi, authorized vide Board Resolution dated 08.07.2024, seeking to initiate Corporate Insolvency Resolution Process ("CIRP") against M/s SIF Garments Private Limited ("Corporate Debtor"). The Financial Creditor was incorporated on 26.08.2016.

2. The Corporate Debtor was incorporated on 24.08.2016 under the Companies Act, 2013. Its registered office is at 1212A, Chiranjiv Tower 43, Nehru Place, South Delhi, New Delhi, 110019. Therefore, this Bench has jurisdiction to deal with this petition. The Authorized Share Capital of the Corporate Debtor is Rs. 50, 00,000/- (Rupees Fifty Lakh Only). The Paid-Up Capital of the Corporate Debtor is Rs. 50, 00,000/- (Rupees Fifty Lakh Only).
3. The present application was filed on 23.07.2024 before this Adjudicating Authority on the ground that the Corporate Debtor has defaulted to make a payment of a sum of Rs. 1,55,50,667/- (Rupees One Crore Fifty Five Lakhs Fifty Thousand Six hundred and Sixty Seven Only) as on alleged date of default i.e. 01.07.2024.

Submissions of Learned Counsel appearing for the Applicant are as under: -

4. The details of transactions leading to the filing of this petition as averred by the Financial Creditor is as follows:
 - a) The Applicant and the Respondent entered into a Loan Agreement dated 22.10.2018 wherein an amount of Rs. 1,00,00,000/- (Rupees One Crore Only) was granted by the Applicant to the Respondent. The Respondent agreed to repay the entire loan amount by 22.10.2021. Thereafter, the Applicant and Respondent were in constant talks for the repayment of the loan and during the same the Respondent requested the Applicant for the release of another Rs. 4,00,000/- (Rupees Four Lakhs Only). On 21.06.2021 the Applicant advanced another loan for an amount of Rs. 4,00,000/-.
 - b) Thereafter, the Respondent contends that on 13.08.2021 the Respondent made a payment of Rs. 30,00,000/- (Thirty Lakhs Only) to the Applicant toward the repayment of the loan amount. However, after this last payment no payments were made by the Respondent towards the repayment of the loan amount.



Despite multiple reminders on 01.11.2021, 10.05.2022, and 21.31.2023, no payment were made by the Respondent towards the outstanding loan amount.

- c) On 01.04.2023, the Respondent approached the Applicant and requested it to grant more time for the repayment of the outstanding loan amount. On mutual agreement and consent an addendum was signed between the Applicant and the Respondent on 01.04.2023 and as per the said addendum, an interest rate of 12% per annum on the outstanding principal amount was to be imposed from the date of the original agreement i.e., 22.10.2018 till the repayment of the entire loan amount. As per the loan agreement both parties had agreed that the entire outstanding amount would be paid by 31.03.2024.
- d) That after the aforementioned addendum was signed no payment were made by the Respondent towards the repayment of the outstanding loan amount. On 01.04.2024, a final reminder Notice for demand was sent to the Respondent by the Applicant, to clear the abovementioned outstanding dues. The Respondent has not made any further payments towards the outstanding loan amount till date. Therefore, the total amount of debt due to the Applicant by the Respondent is Rs. 1,55,50,667/- (Rupees One Crore Fifty Five Lakhs Fifty Thousand Six hundred and Sixty Seven Only) as on 01.07.2024. Hence, the present application.
- e) In compliance of order dated 16.05.2025 the Petitioner Company has filed an affidavit dated 04.08.2025 placing on record the proof of disbursement of loan amount by the Financial Creditor and has placed on record Copy of Bank Statement for the period from 01.10.2018 to 31.10.2018 as Annexure A/2. The Loan Amount of Rs. 1,00,00,000/- was disbursed in two equal tranches of Rs. 50,00,000/- each on 22.10.2018. Further, it is clarified that the Financial Creditor is not in the principal business of lending money. However, the said transaction was made as per the Clause 14 of other objects of the Company as mentioned in its Memorandum of Association. The Memorandum of Association is placed on record as Annexure A/3. Further, the Applicant has placed on record a copy of Board Resolution dated 22.10.2018 passed by the Financial Creditor for granting loan to the Corporate Debtor at Annexure A/4.

Submissions of Learned Counsel appearing for the Corporate Debtor are as under:




The details of the submissions made by the Corporate Debtor are as follows:

- a) The Respondent does not dispute the amount of outstanding as mentioned in the said Petition however, the Respondent states that because of the financial crisis being faced by Respondent, it has not been able to pay its outstanding loan amount to the Applicant. It is stated that during 2020, because of the Covid-19 pandemic, various industries and companies all over the world had been badly effected and so did the business of the Respondent. Moreover, the Respondent is trying to come out of the recession in the industry, however, at the moment, it is facing a huge financial crunch and is unable to make payments towards the debt owed to the Applicant.
- b) The Respondent stated that to show its bonafide intention, they had also made a payment of Rs. 30,00,000/- (Rupees thirty Lakhs only), on 13.08.2021 to the Applicant. The Respondent further contends that it is dependent on its principal supplier for its business and the said supplier has been inoperative since the last six months which has also hindered the business transactions of the Respondent. It is submitted that the Promoters of the Respondent are trying to make all efforts to bring the Company out of the financial crisis being faced by it and to restart the business operations of the Company.

Analysis and Findings

6. We have heard the Learned Counsels for the Financial Creditor and the Corporate Debtor and perused the averments made in the petition and reply. Since the registered office of the Corporate Debtor is in Delhi, this Tribunal which has territorial jurisdiction over the Union Territory of Delhi, is the Adjudicating Authority in relation to the prayer for initiation of Corporate Insolvency Resolution Process in respect of the respondent Corporate Debtor under Section 7 of the Code.
7. In order to affirm that this petition falls within the ambit of Section 7, we need to see whether there is a “financial debt” owed to the Financial Creditor and, if so whether there is a “default” with respect to such debt.
8. In the instant application, the Applicant and the Respondent had entered into the a Loan Agreement dated 22.10.2018 wherein an amount of Rs. 1,00,00,000 (Rupees



One Crore Only) was provided by the Applicant to the Respondent. The said Loan Agreement is placed on record as Annexure A-4. The copy of the Bank Statement showing the disbursal is placed on record vide affidavit dated 04.08.2025 at Annexure A/2. The Respondent was obligated to repay the Loan Amount by 22.10.2021. However, the Respondent failed to pay the said loan and during further discussions, the Respondent again requested the Applicant to release another loan amount of Rs. 4,00,000/- (Four Lakhs Only), which was granted by the Applicant to the Respondent on 21.06.2021. However, we note that there is no document placed on record to substantiate the disbursal of Rs. 4,00,000/- by the Applicant to the Respondent. Thereafter, on mutual consent between the parties an Addendum dated 01.04.2023 was signed between the Parties and as per the said addendum an interest rate of 12% per annum on the outstanding principal amount was to be imposed from the date of the original agreement i.e., 22.10.2018 till the repayment of the entire loan amount. As per the Addendum Dated 01.04.2023 both parties had agreed that the entire outstanding amount would be paid by 31.03.2024.

9. Therefore, on perusal of the Loan Agreement, Addendum Agreement, Bank Statement, it is evident that the debt was provided by the Applicant to the Respondent. Therefore, one essential ingredient with respect to Section 7, that there has been a “debt”, stands substantiated.
10. It is the case of the Respondent that because of the financial crisis the Corporate Debtor has not been able to pay the outstanding loan amount. Further, the Respondent states that they have made a payment of Rs. 30,00,000/- (Thirty Lakhs Only) to the Applicant on 13.08.2021 towards the repayment of the loan amount to show its bonafide. However, there is no document placed on record to substantiate the fact that the Respondent has made the payment of Rs. 30,00,000/-. The Respondents states that they are willing to pay the debt amount and they need additional two years to repay the outstanding amount to the Applicant. In this regard, this Adjudicating Authority is of the view that the defense taken by the Respondent in the instant case is immaterial for the adjudication of the present matter as the Corporate Debtor has itself acknowledged the debt. Hence, it is evident that the Respondent has committed a default in repaying the outstanding loan




amount. Therefore, another major essential ingredient of Section 7 i.e., “default” with respect to the debt stand substantiated.

11. The Hon’ble Supreme Court in the judgement of “**Innoventive Industries Limited v. ICICI Bank and Another**” held that once NCLT is satisfied that the default has occurred, there is hardly a discretion left with NCLT to refuse admission of the Application under Section 7 of I & B Code, 2016. The relevant extract of the said judgment is reproduced hereunder as:

30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.

12. The present petition made by the Financial Creditor is complete in all respects as required by law. The Petition established that the Corporate Debtor is in default of a debt due and payable and that the default is more than the minimum amount stipulated under Section 4(1) of the Code, stipulated at the relevant point of time. We are of the view that since this Petition was filed on 23.07.2024, and even admittedly the debt owed to the Financial Creditor is an amount of Rs. 1,55,50,667/- (Rupees One Crore Fifty Five Lakhs Fifty Thousand Six hundred and Sixty Seven Only) which meets the threshold of Rs. One Crore.
13. In the light of the above facts and circumstances, and in terms of Section 7(5) (a) of the Code, the instant petition **COMPANY PETITION IB (IBC)/476 (ND) 2024** filed by M/s SIL Fibres Private Limited, the Financial Creditor, under Section 7 of the Code read with Rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP against M/s SIF Garments Private Limited, the Corporate Debtor, stands **admitted** and CIRP of M/s SIF Garments Private Limited is initiated.



That the petitioner in part-III of the petition has proposed the name of Resurgent Resolution Professional LLP, as Interim Resolution Professional, having Registration Number IBBI/IPE-0084/IPA-3/2022-2023/50018 and E-mail ID legal@resurgentindia.com, is hereby appointed as an Interim Resolution Professional (IRP) for Corporate Debtor. The consent of the proposed interim resolution professional in Form-2 is taken on record. The proposed Interim Resolution Professional is directed to give his written consent in Form 2 as required under rule 9(1) of the Insolvency and Bankruptcy [Application to Adjudicating Authority] Rules, 2016 along with a copy of registration certificate as well as a valid AFA within 5 days of receipt of this order.


15. We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:

- (a) The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;*
- (b) Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*
- (c) Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
- (d) The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the corporate debtor.*
- (e) The IB Code 2016 also prohibits Suspension or termination of any license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, on the grounds of insolvency, subject to the condition that there is no default in payment of current*



dues arising for the use or continuation of the license, permit, registration, quota, concessions, clearances or a similar grant or right during the moratorium period.

16. It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government and the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14 (3) (b) of the Code.
17. In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (within 3 days) as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016) with regard to admission of this application under Section 7 of the Insolvency & Bankruptcy Code, 2016.
18. We direct the applicant Financial Creditor to deposit a sum of Rs. 2 Lakhs (Two Lakh Rupees) with the Interim Resolution Professional namely Resurgent Resolution Professional LLP to meet out the expenses to perform the initial 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 needful shall be done within three days from the date of receipt of this order by the Financial Creditor. The said amount, however, is subject to adjustment towards Resolution Process cost as per applicable rules.
19. The Interim Resolution Professional shall perform all his functions as contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, Rules and Regulations.
20. It is further made clear that all the personnel connected with the Corporate Debtor, its promoters or any other person associated with the Management of the Corporate Debtor are under legal obligation under Section 19 of the Code to extend every



assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day-to-day affairs of the 'Corporate Debtor'. In case there is any violation committed by the ex- management or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing appropriate orders.

21. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of his obligation imposed by Section 20 of the Code and perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.
22. A copy of the order shall be communicated to the applicant, Corporate Debtor and IRP above named, by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records. Applicant is also directed to provide a copy of the complete paper book to the IRP. A copy of this order is also sent to the ROC for updating the Master Data. ROC shall send compliance report to the Registrar, NCLT.
23. Accordingly, the instant application filed under Section 7 of the Code, 2016 bearing **CP IB/476 (ND)/2024 stands admitted.**
24. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-
(ANU JAGMOHAN SINGH)
MEMBER (TECHNICAL)

Sd/-
(MAHENDRA KHANDELWAL)
MEMBER (JUDICIAL)