



**THE NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, Court-I, CHANDIGARH
(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)**

**RCP(IBC)/2(CH)/2024
Under Section 7 of IBC, 2016**

In the matter of RCP(IBC)/2(CH)/2024

**Punjab Venture Capital Limited
(Through its Director Mr. GP. Gupta)**

Registered Address:

Udyog Bhawan, 18, Himalaya Marg

Sector 17, Chandigarh

CIN: CIN U65999CH1998SGC022010

...Petitioner/Financial Creditor

Vs.

**M/S SM Lawdigest Comp Ltd
(Through its Managing Director)**

Having its Registered Address at:

23 Netaji Park, Jalandhar

Punjab

...Respondent/Corporate Debtor

Judgment delivered on: 09.10.2025

**Coram: HON'BLE MR. KHETRABASSI BISWAL MEMBER (JUDICIAL)
HON'BLE MR. SHISHIR AGGARWAL, MEMBER (TECHNICAL)**

Present:

For the Financial Creditor: Mr.Ajaypal Singh, Advocate

**For the Corporate Debtor: Ex-parte vide order dated
07.01.2025**

**Per: Sh.Khetrabassi Biswal, Member (Judicial)
Sh.Shishir Aggarwal, Member (Technical)**

JUDGMENT

1. The present petition has been filed by **Punjab Venture Capital Limited**, (hereinafter referred to as the "**Petitioner**" or the "**Financial Creditor**"), under



Section 7 of the Insolvency and Bankruptcy Code, 2016, (hereinafter referred to as the “**IBC**” or the “**Code**”) seeking initiation of Corporate Insolvency Resolution Process (hereinafter referred to as “**CIRP**”) against **M/s SM Lawdigest.com Ltd**, (hereinafter referred to as the “**Respondent**” or the “**Corporate Debtor**”), claiming default of Rs. 1,02,35,847.02/- (Rupees One Crores Two Lakhs Thirty-Five Thousand Eight Hundred and Forty-Seven only) committed by the Corporate Debtor.

2. Brief facts of the case, as stated in the application are as follows:

- i. The Corporate Debtor approached the Financial Creditor for financial assistance/short term loan and vide the below captioned Loan Agreements, a total sum of Rs. 41,21,000/- was sanctioned in favor of the Corporate Debtor by the Financial Creditor:

Loan 1: Rs. 12.21 lakhs were sanctioned on 23.12.2003.

Loan 2: Rs. 25 lakhs were sanctioned on 15.04.2005.

Loan 3: Rs. 4 lakhs were sanctioned on 05.10.2007.

- ii. The above sanctioned amount was disbursed to the Corporate Debtor, who undertook to pay the loan amount as per the schedule set forth in the Loan Agreements but failed to repay the loan amount.
- iii. The Corporate Debtor issued a letter vide dated 15.12.2010 to the Senior Executive Director and Company Secretary of Punjab Information and Technology Corporation, whereby it admitted its liability to pay the amount as aforesaid and desired that some more time be granted to meet the financial obligations towards the Financial Creditor.



- iv. On the above assertions, a Civil Suit was instituted before the Chandigarh District Courts by the Financial Creditor. The Corporate Debtor Company failed to contest the said civil suit despite service and was therefore proceeded against ex-parte. The suit was decreed in favor of the Financial Creditor by an Order and Decree dated 12.03.2013 passed by the Court of Sh. Tej Partap Singh Randhawa, Civil Judge (Junior Division), Chandigarh. The judgment was duly communicated to the Corporate Debtor. However, the Corporate Debtor failed to comply with the same.
- v. The debt due to the Financial Creditor stands merged in the decree of the civil court. The Financial Creditor communicated a notice for winding up dated 23.01.2016 upon the Corporate Debtor, which was delivered to the Corporate Debtor on 27.01.2016.
3. The Financial Creditor has filed written submissions dated 12.07.2024 by reiterating various averments made in the Application and also relied upon the decisions of Hon'ble NCLAT rendered in the cases of **Base Realtors Private Limited vs. Grand Realcon Private Limited, Company Appeal (AT) (Ins.) No. 882 of 2022** and **Mr. Prashat Agarwal, Member of Suspended Board of Bombay Rayon Fashions Limited, Versus. Vikash Parasrampuriah & Ors, Company Appeal (AT) (Ins) No. 690 of 2022** wherein it was held that the total amount for maintainability of claim will include both principal debt amount as well as interest on delayed payment which was clearly stipulated in the invoice.



2. The Corporate Debtor, has failed to appear before this Tribunal despite service of notice. Therefore, the Respondent has set ex-parte vide order dated 01.08.2024.
3. We have heard Mr.Ajaypal Singh, Advocate, Learned Counsel for the Petitioner and none for the Respondent, have carefully all the pleadings placed on record, the extant provisions Code and the settled position of law on the issue.
4. The following issues arise for determination:
 - i. Whether the Appellant, as a Decree Holder, qualifies as a "Financial Creditor" under the IBC?
 - ii. Whether the date of decree could be considered as the date of default?
 - iii. Whether the debt is above the threshold limit as prescribed under the IBC?
5. Since issues (i) and (ii) are intertwined, we'll discuss them together:
 - i. We note that 'Creditor' is defined under Section 3(10) in Part I of the Code as follows:

"(10) "creditor" means any person to whom a debt is owed and includes a financial creditor, an operational creditor, a secured creditor, an unsecured creditor and a decree-holder;"

(emphasis supplied)

In accordance with the definition of "Creditor" under the Code, the Petitioner is a financial creditor. This status arises from a loan the Petitioner disbursed to the Corporate Debtor, on which the latter defaulted. The default is further substantiated by the decree passed by the Court of Civil Judge, Chandigarh, on 12.03.2013. Also, the Hon'ble Supreme Court in ***Dena Bank (now Bank of Baroda) vs. C. Shivakumar***



Reddy & Anr., Civil Appeal No.1650 of 2020, held that a Decree Holder falls within the purview of a "Financial Creditor" under the IBC, if the decree is based on a financial debt. The relevant extracts of the judgment which deals with this issue and also the issue of limitation and a Decree Holder are as follows:

143. Moreover, a judgment and/or decree for money in favour of the Financial Creditor, passed by the DRT, or any other Tribunal or Court, or the issuance of a Certificate of Recovery in favour of the Financial Creditor, would give rise to a fresh cause of action for the Financial Creditor, to initiate proceedings Under Section 7 of the IBC for initiation of the Corporate Insolvency Resolution Process, within three years from the date of the judgment and/or decree or within three years from the date of issuance of the Certificate of Recovery, if the dues of the Corporate Debtor to the Financial Debtor, under the judgment and/or decree and/or in terms of the Certificate of Recovery, or any part thereof remained

unpaid.”

(emphasis supplied)

- ii. Further, as noted by the Hon'ble Supreme Court in the judgment cited above, a fresh cause of action would accrue to the Financial Creditor to initiate proceedings against the debtor within three years from the date of the judgment and/or decree or, if the dues of the Corporate Debtor to the Financial Debtor, under the judgment and/or decree or any part thereof remained unpaid.
- iii. In given facts and circumstances, a fresh cause of action accrued to the Financial Creditor from 12.03.2013 to initiate proceedings against the Corporate Debtor.
- iv. The Financial Creditor filed a winding-up petition in the Punjab & Haryana High Court, in February, 2016, whereby the High Court vide its order



dated 27.05.2022, transferred the case to this Adjudicating Authority.

Hence, the petition is filed within the limitation period.

v. Thus, both the questions are answered in affirmative.

6. The next issue for consideration is ***Whether the debt disbursed by the Financial Creditor is above the threshold limit as prescribed under the IBC?***

i. The Financial Creditor sanctioned Rs. 12.21 lakhs on 23.12.2003, Rs. 25 lakhs on 15.04.2005 and Rs. 4 lakhs on 05.10.2007 which were to be paid by 25.12.2005, 31.03.2008 and 30.06.2010. The above-mentioned loans carried interest to be paid quarterly on the principal amount to the short-term loan outstanding at the rate equivalent to PLR of SIDBI plus 1% per annum. On default of repayment, further interest at the rate of 3% had to be paid as per the loan agreement.

ii. Financial Creditor has established that a Financial Debt was disbursed to the Corporate Debtor and the Corporate Debtor defaulted in payment of the same, which is also supported by the order dated 12.03.2013 passed by the Court of Sh. Tej Partap Singh Randhawa, Civil Judge (Junior Division), Chandigarh.

iii. Further, the debt of Rs. 1,02,35,847.02/-, inclusive of interest, as claimed by the Financial Creditor meets the threshold requirement as prescribed under Section 4 of the IBC.

7. The present petition made by the Financial Creditor is complete in all respects as required by law and has been filed within the period of limitation. The Petition established that the Corporate Debtor is in default of a financial 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. The Financial Creditor has proposed the name of Mr. Deepankur Sharma, Registration No. IBBI/IPA-001/IPP-02236/2020-2021/13419 to be appointed as an Interim Resolution Professional (IRP) of the Corporate Debtor. The proposed IRP has filed his Written Communication dated 18.07.2025 in Form B as required under Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Upon verification from the IBBI website, it is seen that the said person holds valid Authorization for Assignment till 30.06.2026. He is hereby appointed as an Interim Resolution Professional (IRP) for the Corporate Debtor.

8. In light of the above facts and circumstances, and in terms of Section 7(5) (a) of the Code, the instant petition **R.C.P. (IB) No. 2/2024** filed under Section 7 of the Code read with Rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016, is hereby admitted by initiating CIRP against **M/s SM Lawdigest.com Ltd with the following consequential directions:**

- 1) We also declare a 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. IBC 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.
- f. It is made clear that the provisions of moratorium shall not apply to transactions, agreements or other arrangements, 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 IBC (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.

- g. The order of moratorium shall have effect from the date of this order till the completion of the corporate insolvency resolution process 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.
- 2) In terms of Section 17 of the Code, from the date of this appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs shall vest with the Interim Resolution Professional and the officers and the managers of the Corporate Debtor shall report to the Interim Resolution Professional, who shall be enjoined to exercise all the powers as are vested with Interim Resolution Professional and strictly perform all the duties as are enjoined on the Interim Resolution Professional under Section 18 and other relevant provisions of the Code, including taking control and custody of the assets over which the Corporate Debtor has ownership rights recorded in the balance sheet of the Corporate Debtor, etc. as provided in Section 18 (1)(f) of the Code. The Interim Resolution Professional is directed to prepare a complete list of the inventory of assets of the Corporate Debtor.
- 3) 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, and shall:

- i. In pursuance of Section 13(2) of the Code, make a public announcement immediately (within 3 days) as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016) with regard to admission of this petition under Section 7 of IBC.
 - ii. Prepare the Audited Financial Statements as on date of the CIRP and shall submit before the CoC for consideration.
 - iii. Ensure that all the assets appearing in the Financial Statements on the CIRP date have been considered in the valuation report and shall send a communication along with a copy of public announcement made under Regulation 6A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, to all the creditors as per the last available books of accounts of the corporate debtor through post or electronic means wherever the information for communication is available.
 - iv. Protect and preserve the value of the property of the 'Corporate Debtor' as a part of his obligation imposed by Section 20 of IBC.
- 4) 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.

- 5) The Suspended Board of Directors is directed to give complete access to the Books of Accounts of the corporate debtor maintained under Section 128 of the Companies Act. In case the books are maintained in the electronic mode, the Suspended Board of Directors are to share with the Resolution Professional all the information regarding Maintaining the Backup and regarding Service Provider kept under Rule 3(5) and Rule 3(6) of the Companies Accounts Rules, 2014 respectively as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the Service Provider and its location, and also address of the location of the Books of Accounts maintained in the cloud. In case accounting software for maintaining the books of accounts is used by the corporate debtor, then IRP/RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs. The statutory auditor is directed to share with the Resolution Professional the audit documentation and the audit trails, which they are mandated to retain pursuant to SA-230 (Audit Documentation) prescribed by the Auditing and Assurance Standards Board ICAI. The IRP/Resolution Professional is directed to take possession of the Books of Account in physical form or the computer systems storing the electronic records at the earliest. In case of any non-cooperation by the



Suspended Board of Directors or the statutory auditors, he may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/RP in implementing this order for retrieval of relevant information from the systems of the corporate debtor, the IRP/RP may take the assistance of Digital Forensic Experts empanelled with this Bench for this purpose. The Suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the corporate debtor, particularly for government portals, for various compliances. The Interim Resolution Professional is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.

- 6) The Resolution Professional is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with requests for information/documents available with those authorities/ institutions/ others pertaining to the corporate debtor which would be relevant in the CIR proceedings. The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the Resolution Professional to enable him to conduct the CIR Proceedings as per law.
- 7) The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the operational position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying the constitution of the



Committee 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 Committee within seven days of filing the report of the constitution of the Committee.

- 8) The Interim Resolution Professional is directed to send a regular progress report to this Tribunal every fortnight.
- 9) The Financial Creditor is directed to deposit Rs.1,00,000/- (Rupees One Lakh) only with the IRP to meet the immediate expenses in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The amount, however, will be subject to adjustment by the Committee of Creditors as to be duly accounted for by IRP on the conclusion of CIRP.
- 10) The Registry is directed to forward a copy of this order to the Financial Creditor, Corporate Debtor and IRP above named also to IBBI for its records. The Financial Creditor is also directed to provide a copy of the complete paper book to the IRP.
- 11) The Registry is directed to post the case after 4 weeks for progress report of IRP.

Sd/-
(Shishir Agarwal)
Member (Technical)

October 09, 2025
ASG

Sd/-
(Khetrabasi Biswal)
Member (Judicial)