IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

CP (IB) NO.120/ALD/2024

(Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 R/w Rule 4 of the Insolvency and Bankruptcy Rules, 2016)

IN THE MATTER OF:

UNITY SMALL FINANCE BANK LTD.
Through Its Authorized Representative

Having Office At:
40, Basant Lok, Vasant Vihar, New Delhi
Email ID:ashokkumar.manda@unitybank.co.in,
vijaya.kumar@unitybank.co.in

Also At:
5th Floor, Centrum House,
CST Road, Vidyanagari Marg,
Kalina, Santacruz (E) Mumbai 400098

Also At:
Office At 1st Floor,
Vinay Bhavya Complex, CST Road,
Kalina, Mumbai - 400098

...............Financial Creditor

Versus

BRIGHT WESTECH SOLUTION PVT. LTD.

Having Its Regd. Office At:
150/3, Daulatpur Pandeypur Near Awas Vikash Park,
Varanasi, Uttar Pradesh-221001
Email ID: premkishan@bwsindia.co.in

Also At:
C-23, Sector-85, NOIDA, Gautam Buddha Nagar,
Uttar Pradesh-202140

..........Corporate Debtor

Order pronounced on: 08.07.2026

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Coram:

Sh. Praveen Gupta : Member (Judicial)

Sh. Ashish Verma : Member (Technical)

Appearances:

Ms. Varsha Banerjee, Adv. : For the Financial Creditor

Sh. Rajan Kumar Dwivedi, Adv. : For the Corporate Debtor

ORDER

1. This Application has been filed on 05.07.2024 under Section 7 of the Insolvency and Bankruptcy Code, 2016(hereinafter referred as the "***IBC/Code***"), by Unity Small Finance Bank Limited (hereinafter referred to as "***Applicant/Financial Creditor***") seeking to initiate Corporate Insolvency Resolution Process (hereinafter referred as "***CIRP***") against M/s Bright Westech Solution Private Limited (hereinafter referred to as 'Respondent/Corporate Debtor').

2. In Part I of the Application, it is averred that Applicant is a company incorporated on 25.08.2021, having CIN U65990DL2021PLC385568.

3. Part II of the application contains the details of the Corporate Debtor, and it is averred that the Corporate Debtor was incorporated on 13.12.2017. The Registered office of the Corporate Debtor is at 150/3, Daulatpur Pandeypur near Awas Vikash park, Varanasi, Uttar Pradesh, India, 221001. Therefore, as per Section 60(1) of the Code, the present application is under the

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jurisdiction of this Tribunal.

4. In Part III of the application, the Applicant has proposed Mr Sapan Mohan Garg having IBBI Registration No. IBBI/IP A-002/IP-N00315/2017-2018/1093, to act as the Interim Resolution Professional.

5. In Part-IV of the Application, the applicant stated that the amount in default is Rs. 17,78,63,140.23/- along with interest of Rs. 3,32,541.00/- and penal charges of Rs. 24,750/-, total amounting to Rs. 1,82,20,431.23/-. The Date of Default is mentioned as 21.01.2024.

6. In Part V of the application, the following documents are referred to substantiate the debt disbursed to the Corporate Debtor.

   a) Deed of Personal Guarantee executed by Mr. Prem Kishan Singh and Mr. Dhananjay Singh

   b) Demand Promissory Note executed by the Corporate Debtor

   c) Continuity of Demand Promissory Note

   d) Notice issued by the Financial Creditor to the Corporate Debtor under Section 138 of the Negotiable Instrument Act, 1881

   e) Undated Cheques in favor of Unity Small Finance Bank

   f) Copy of Record of default as available with the Credit Information Company

7. It is submitted that the Corporate Debtor had approached the Applicant for sanction of a term loan to the tune of Rs. 2,80,00,000/-. Pursuant to the Sanction Letter, the parties entered into a Vendor Finance Facility Agreement

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dated 27.12.2022, setting out the terms and conditions of the loan facility, repayment, and execution of various security documents.

8. Under the said Facility Agreement, the Applicant agreed to discount the invoices raised by the Corporate Debtor to SYSKA LED Lights Private Limited (“SYSKA”/ “Anchor”) on a recourse basis, whereby, in the event of failure on the part of SYSKA to make payment, the Corporate Debtor was liable to repay the amount.

9. In view of the agreed terms, the Applicant disbursed a total sum of Rs. 1,74,33,891/- to the Corporate Debtor on various dates. However, owing to the non-repayment of the debt facility by SYSKA, the Corporate Debtor failed to discharge its repayment obligation. Consequently, the Applicant issued a demand letter dated 05.12.2023 seeking payment of the outstanding amount of Rs. 2,02,80,669.223/- (inclusive of interest up to 04.12.2023), failing which the account would be classified as a Non-Performing Asset (NPA), and the account of the Corporate Debtor was declared NPA on 21.01.2024.

10. The Applicant further submits that the Corporate Debtor had also entered into an unsecured business loan agreement dated 24.02.2022 for an amount of Rs. 25,00,000/-. It is submitted that upon the Vendor Finance Facility being declared as NPA, the said term loan account was also classified as NPA. Accordingly, penal charges amounting to Rs. 24,750/- as on

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16.05.2024 became due and payable under the said loan agreement and have been included in the total defaulted amount.

REPLY FILED BY THE CORPORATE DEBTOR

11. The Corporate Debtor, in its reply dated 05.06.2025, contested the submissions of the Applicant, contending that the Vendor Finance Agreement contains an arbitration clause and, therefore, the disputes arising thereunder ought to be referred to arbitration. It was further submitted that the alleged default occurred on account of non-payment of the invoices by SYSKA and, therefore, the liability to make payment rests with SYSKA. The Corporate Debtor further submitted that it has issued a demand notice seeking recovery of the outstanding amount of Rs. 4.13 crores from SYSKA. It was also submitted that SYSKA is undergoing the CIRP process pursuant to the order dated 07.05.2024 passed by the Coordinate Bench of this Tribunal at Mumbai, and that the Corporate Debtor is filing its claim before the Interim Resolution Professional of SYSKA.

REJOINDER FILED BY THE APPLICANT

12. The Applicant, also filed a rejoinder dated 28.07.2025, denying the contentions raised by the Corporate Debtor and, at the outset, submitted that the Corporate Debtor has not denied the debt disbursed by the Applicant. It was further submitted that the present Application has been filed under Section 7 of the Code, wherein the twin requirements of debt and default

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alone are required to be established, both of which stand duly satisfied in the present case. It was submitted that, in terms of the Facility Agreement dated 27.12.2022, the Corporate Debtor undertook to supply goods to SYSKA (Anchor) and, upon approval of the invoices, the Applicant agreed to discount the bills receivable by disbursing amounts to the Corporate Debtor up to a maximum limit of Rs. 2.80 Crores. It was further submitted that the discounted bills were to be cleared by SYSKA within 90 days from the date of disbursal in terms of Clause 5 of the Facility Agreement.

13. However, clause 7.4 of the said Agreement provides recourse to the Financial Creditor against the Corporate Debtor in the event of default by SYSKA in making payment, and stipulates that "*in the event of non-payment by the Anchor, all payments of the Facility and other charges and moneys due under this Agreement shall be payable by the Borrower [i.e., the Corporate Debtor herein] to the Bank.... In the event of the Borrower making any default in payment of the Facility or any other charges or monies due and payable by the Borrower to the Bank under this Agreement, Delayed Payment Charges shall be payable by the Borrower at the rate/s as specified in the Schedule(s) on such Defaulted amounts.*" Even clause 17 of the said Agreement similarly provides for recourse against the Corporate Debtor in case of non-payment by SYSKA.

14. Accordingly, the Applicant submitted that the Agreement clearly provides

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that, in the event of default on the part of SYSKA, the Corporate Debtor is liable to make payment of the outstanding amount. Therefore, the initiation of CIRP against SYSKA has no bearing on the present case, and the contention raised by the Corporate Debtor on this ground is liable to be dismissed. In view of admitted liability by the Corporate Debtor, the present matter is liable to be admitted by this Tribunal and CIRP be initiated against the Corporate Debtor.

15. In compliance with the order dated 22.10.2024, the Applicant filed an affidavit dated 29.10.2024 placing on record the Record of Default (Form-D) issued by the NeSL portal, which has been taken on record. For ready reference, the relevant excerpts from the Form-D are reproduced below:

FORM D
RECORD OF DEFAULT(RoD)

(Issued By information utility under sub- regulation (4) of regulation 21 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017)

This Record of Default is issued to the Financial Creditor M/s UNITY SMALL FINANCE BANK LIMITED in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s UNITY SMALL FINANCE BANK LIMITED
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s BRIGHT WESTECH SOLUTION PRIVATE LIMITED
(d) Unique Debt Identifier Number:	AACCU9065C_C22001328
(e) Registered Address:	40, Basant Lok Vasant Vihar,South West Delhi, New Delhi
(f) Total Outstanding Amount:	18478062.23
(g) Default Amount:	18478062.23
(h) Date of Default:	31-03-2023
(i) Status of Authentication of Default:	AUTHENTICATED
(j) Date of Last Acknowledgement of Debt (AoD):	Not Available
(k) Fraud:	No
(l) Wilful Defaulter:	No

Filing of Default(Submission ID No.)	Submitted on	Status of Authentication(Authenticated /Disputed/Deemed to be authenticated)	Authentication completed on
(1)	15-05-2024 18:54:53	[redacted] Colour Code :GREEN	11-06-2024 00:05:36

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FINDINGS AND ORDER

16. We have heard the Ld. Counsels of both parties and also perused the records and examined the pleadings filed before us.

17. At the outset, we deem it appropriate to examine whether the present Application is within the prescribed period of limitation. Upon perusal of the record, it is evident that the date of default is 21.01.2024, whereas the present Application came to be filed on 05.07.2024. Accordingly, the Application has been instituted well within the prescribed period of limitation of three years.

18. Having satisfied ourselves on the aspect of limitation, we now proceed to examine the existence of financial debt and default. From the material placed on record, it is evident that the Corporate Debtor entered into a Vendor Finance Agreement dated 27.12.2022 with the Applicant for a sanctioned facility of up to Rs. 2.80 Crores. In terms of the said arrangement, the Applicant agreed to discount the invoices raised by the Corporate Debtor in respect of supplies made to SYSKA (Anchor), and amounts were disbursed by the Applicant against such invoices. The record further reflects that the Facility Agreement provided for recourse against the Corporate Debtor in the event of non-payment by the Anchor, thereby fastening the repayment obligation upon the Corporate Debtor in such circumstances. The documents placed on record, including the Facility

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Agreement and the Statement of Accounts, prima facie establish the existence of a financial debt within the meaning of the Code.

19. Insofar as the occurrence of default is concerned, the Applicant has placed on record the Record of Default (Form-D) issued by the Information Utility, statement of accounts, demand promissory note executed by the Corporate Debtor in favor of the Applicant, demand notice dated 05.12.2023 and notice issued under Section 138 of the Negotiable and Instruments Act, 1881.

20. In this regard, Explanation II to Section 7(5) of the Code clarifies that where a record of default in respect of a financial debt owed to a financial institution, as recorded with the Information Utility, has been furnished along with the application, such record shall be considered sufficient for the Adjudicating Authority to ascertain the existence of default. In the present case, the authenticated Record of Default (Form-D), reproduced in the preceding paras, establishes the existence of both the financial debt and the default. Therefore, without delving further into the rival submissions advanced by the parties in greater detail, we are satisfied that the twin requirements of debt and default stand established. Consequently, the present Application merits admission under Section 7 of the Code.

21. Accordingly, this Tribunal admits this petition and orders to initiate the CIRP against the Corporate Debtor i.e., M/s Bright Westech Solution

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Private Limited.

22. We note that the Applicant has proposed the name of Insolvency Professional Mr Sapan Mohan Garg, having Registration No. IBBI/IPA-002/IP-N00315/2017-2018/10903, Email ID: sapan10@yahoo.com as the Interim Resolution Professional ("IRP") who has also filed his consent in Form – 2. The Law Research Associate of this Tribunal, Ms. Kriti Kaushal, has checked the credentials of Mr. Sapan Mohan Garg, and found that there are no disciplinary proceedings pending against the proposed Insolvency Professional and also there is nothing adverse against him. Upon verification from the website of IBBI, it is found that Insolvency Professional holds valid authorization till 31.12.2026. After considering these details, we appoint Mr. Sapan Mohan Garg having registration No. IBBI/IPA-002/IP-N00315/2017-2018/10903 as IRP.

23. Accordingly, this application is admitted u/s 7 of the Code, 2016, under the following terms and conditions.

i. The Application filed by the Financial Creditor under Section 7 of the Insolvency & Bankruptcy Code, 2016 for initiating the CIRP against the Corporate Debtor i.e., M/s Bright Westech Solution Private Limited is hereby admitted.

ii. We hereby declare a moratorium and public announcement in accordance with Sections 13 and 15 of the Code.

iii. This Adjudicating Authority hereby appoints Mr. Sapan Mohan Garg

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to act as the IRP under Section 13(1)(c) of the Code as decided by us in para 22 above.

iv. The IRP shall cause a public announcement for the initiation of the CIRP against the Corporate Debtor and call for the submission of claims under Section 15. The public announcement referred to in clause (b) of sub-section (1) of Section 15 of the Insolvency & Bankruptcy Code, 2016 shall be made immediately.

v. Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016 has commenced from the date of this order prohibiting the following:

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 (54 of 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.

vi. Apart from above prohibitions in respect of the corporate debtor, it is further directed that the supply of essential goods or services to the

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corporate debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period.

vii. 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.

viii. The order of moratorium shall have effect from the date of this order till 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.

ix. The IRP is directed to take steps as mandated under section 13 and 15 of the IBC 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 IBC, 2016.

x. 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 and to constitute a Committee of Creditors (hereinafter referred as "COC") and shall file a report certifying the constitution of 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 the constitution of the COC.

xi. As the IRP appointed herein is proposed by this Tribunal, he will ensure that his written consent in Form-2 shall be duly submitted before this Tribunal.

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xii. The COC in its first meeting shall appoint a Resolution Professional (hereinafter referred as "RP") as per the provision of section 22(2) and file an application before this Tribunal for confirmation of the appointment of the RP.

xiii. The Suspended Board of Directors of the corporate debtor is directed to give to IRP/RP 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 IRP/RP 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.

xiv. 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.

xv. The IRP/RP is directed to take custody and control of all the records of information relating to assets of the Corporate Debtor, its Books of Account in physical form or the computer systems storing the electronic records at the earliest in accordance with the provision of Regulation 3A of IBBI (Insolvency Resolution Process for Corporate

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Persons) Regulations, 2016 (hereinafter referred to as "CIRP Regulations, 2016").

xvi. The Financial Creditor shall also provide necessary assistance to IRP/RP in obtaining the necessary information about the Corporate Debtor as envisaged in Regulation 4(3) of the CIRP Regulations, 2016.

xvii. In case of any non-cooperation by the Suspended Board of Directors or the Statutory Auditors, IRP/RP 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 the retrieval of relevant information from the systems of the corporate debtor.

xviii. The IRP/RP may take the assistance of Digital Forensic Experts empanelled with this Bench/IBBI/MCA for this purpose.

xix. 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.

xx. The IRP/RP is also directed to make a specific mention of noncompliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP. The IRP/RP 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.

xxi. The IRP/RP is directed to approach all the concerned Government Departments and authorities as discernible from the books of account

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of the Corporate Debtor requesting them to file claims if any amount is outstanding against the Corporate Debtor.

xxii. The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the IRP/RP to enable him to conduct the CIR Proceedings as per law.

xxiii. The IRP/RP shall collate the data obtained from (a) the claim(s) made before it and (b) information gathered from the records including those maintained by the Corporate Debtor.

xxiv. The IRP/RP is further directed to send regular progress reports to this Tribunal every month.

24. We direct the Financial Creditor 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 CoC as accounted for by the IRP on the conclusion of CIRP.

25. A certified copy of the order shall be communicated to both the Applicant/Financial Creditor and the Respondent/Corporate Debtor. The learned counsel for the Applicant/Financial Creditor shall deliver a certified copy of this order to the IRP forthwith. The Registry is also directed to send a certified copy of this order to the IRP at his e-mail address forthwith.

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26. Accordingly, CP (IB) No. 120/ALD/2024 stands admitted for initiating CIRP against the Corporate Debtor i.e., M/s Bright Westech Solution Private Limited.

27. List the matter on 11.08.2026 for filing of the progress report/further proceeding.

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(Ashish Verma)	**(Praveen Gupta)**
Member (Technical)	**Member (Judicial)**

Date: 08.07.2026