THE NATIONAL COMPANY LAW TRIBUNAL

CHANDIGARH BENCH (COURT-I), CHANDIGARH

CP(IBC) No. 69/Chd/Hry/2023

(Under Section 10 of the Insolvency and Bankruptcy Code, 2016)

In the matter of:

Sidhraj Transinfra Private Limited
Village Tikri, Tehsil Gurgaon, Gurgaon, Hr122001, Cin: U63000hr2015ptc055354
Email: Sidhrajtransinfra@Gmail.Com.

… Petitioner/Corporate Debtor

Order delivered on: 19.08.2026

Coram: **SH.VINAY GOEL, HON'BLE MEMBER (JUDICIAL)**
SH. SHISHIR AGARWAL, HON'BLE MEMBER (TECHNICAL)

Appearances:

For the Applicant/RP	: Mr. Jeevesh Mehta, Advocate
For the Financial Creditor/ Hinduja Leyland Finance Ltd	: Mr. Gulshan Kumar Sachdeva

O R D E R

1. This Petition has been filed by M/s. Sidhraj Transinfra Private Limited (hereinafter referred to as the 'Corporate Debtor'/'Petitioner') under Section 10 of the Insolvency & Bankruptcy Code, 2016 (hereinafter referred to as 'Code') for initiation of Corporate Insolvency Resolution Process ("CIRP") in respect of M/s. Sidhraj Transinfra Private Limited. The prayer made is to

admit the Application, to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor, declare moratorium, issuance of the public announcement inviting claims from creditors, and appoint an Interim Resolution Professional.

The Brief Facts of the case are as follows:

2. The Corporate Debtor, Sidhraj Transinfra Private Limited (CIN: U63000HR2015PTC055354), is a private company incorporated under the Companies Act, 2013, having an authorized share capital of Rs.1,00,000/- and a paid-up share capital of Rs.1,00,000/-. The Corporate Debtor is engaged in the business of transportation and allied activities. Owing to a substantial decline in demand for its transportation services, particularly following the outbreak of the COVID-19 pandemic from the beginning of the year 2020, the Corporate Debtor suffered severe financial losses, resulting in acute liquidity constraints and its inability to service its financial and operational liabilities.

3. It is averred that the Corporate Debtor exhausted its available financial resources and was left without sufficient capital or realizable assets to continue its business operations or discharge its outstanding debts. Consequently, the Board of Directors resolved that the only viable course available was to seek initiation of the Corporate Insolvency Resolution Process under Section 10 of the Code.

4. In pursuance thereof, an Extraordinary General Meeting of the shareholders was convened on 15.12.2022, wherein a special resolution was passed authorising the Board of Directors to file the present application under Section 10 of the Code. The Corporate Debtor also proposed the appointment of Mr. Nitin Narang, Registration No. IBBI/IPA-002/IP-N00828/2019-20/12629, as the Interim Resolution Provisional, and his consent in Form-2 along with the registration certificate was placed on record.

5. The Corporate Debtor disclosed that it had availed both secured and unsecured financial facilities from various financial institutions, including Hinduja Leyland Finance Ltd., Shriram Transport Finance Co. Ltd., Daimler Financial Services India Pvt. Ltd., Kotak Mahindra Bank Ltd., Kotak Mahindra Prime Ltd. and HDB Financial Ltd. The borrowings were primarily secured by hypothecation of motor vehicles and MSME loan facilities. Certificates of registration of charges issued by the Registrar of Companies evidencing creation of security interests were annexed with the petition, reflecting charges created on 19.08.2020, 20.08.2020, 23.12.2020 and 01.04.2022 in favour of Hinduja Leyland Finance Ltd. and Shriram Transport Finance Co. Ltd. over the hypothecated vehicles.

6. As on 31.10.2022, the Corporate Debtor disclosed total outstanding liabilities of Rs.5,58,57,652/-, comprising secured financial debt of Rs.2,34,18,158/-, unsecured MSME loans of Rs.21,76,106/-, operational debt of Rs.22,47,867/-, trade creditors amounting to Rs.1,06,86,782/-, unsecured loans from directors/relatives aggregating Rs.1,50,98,602/-, and current liabilities and provisions of Rs.22,30,157/-. A certificate issued by the Chartered Accountant setting out the details of debt, date of borrowing and outstanding liabilities as on 31.10.2022 is placed on record.

7. The Petitioner further disclosed that the Corporate Debtor had defaulted in repayment of its liabilities to the financial creditors and operational creditors. Copies of the relevant loan and hypothecation agreements with Shriram Transport Finance Co. Ltd. and Daimler Financial Services India Pvt. Ltd., notices issued in arbitration proceedings initiated by Hinduja Leyland Finance Ltd., legal notice under Section 138 of the Negotiable Instruments Act issued by Shriram Transport Finance Co. Ltd., demand notices issued by Shriram Transport Finance Co. Ltd., bank statements for the relevant period, audited financial statements for the financial years ending 31.03.2020, 31.03.2021 and

31.03.2022, provisional balance sheet as on 31.10.2022, and the MSME registration certificate dated 26.05.2020 were also filed in support of the petition.

8. The Corporate Debtor asserted that it had candidly admitted its liabilities and was no longer in a position to repay the debts or continue its business operations. On the aforesaid grounds, the Corporate Debtor prayed for admission of the application under Section 10 of the Code, commencement of the Corporate Insolvency Resolution Process, and appointment of the proposed Interim Resolution Provisional.

The Hinduja Leyland Finance Limited/Financial Creditor filed its reply affidavit stating the following: -

9. The Financial Creditor submitted that the application was misconceived, mala fide and constituted an abuse of the process of law, filed solely with the intention of obtaining the benefit of the moratorium under the Code and frustrating the recovery proceedings already initiated by the secured creditors.

10. The Financial Creditor further submitted that the Corporate Debtor had approached it for grant of various vehicle loan facilities and, based on the loan applications, documents furnished and assurances regarding repayment, the Financial Creditor sanctioned multiple vehicle loans between 18.12.2017 and 30.09.2020. The aggregate amount financed under the said facilities was Rs.2,29,36,860/-, comprising eight loan accounts bearing Loan Contract Nos. DHDLJP01031, DHDLJP01033, DHDLJP01032, DHDLDE00341, DHDLDE00342, DHGUGU01253, DHDLJP01765 and DHGUGU01252. It is contended that under the respective Loan-cum-Hypothecation Agreements, the financed vehicles stood exclusively hypothecated in favour of the Financial Creditor as security for due repayment of the loan amounts.

11. According to the Financial Creditor, the Corporate Debtor was under a contractual obligation to repay the loan amounts by way of monthly instalments within the stipulated time and, in the event of default, was liable to pay compensation and other charges in accordance with the terms of the loan agreements. However, the Corporate Debtor repeatedly failed to honour its repayment obligations, defaulted in payment of instalments and thereby committed breaches of the terms and conditions of the loan agreements. Despite repeated requests, reminders and efforts to amicably resolve the matter, the Corporate Debtor neither regularised the loan accounts nor discharged its outstanding liabilities. Demand notices were also issued, but the Corporate Debtor failed to comply with the demands raised therein.

12. The Financial Creditor further pleaded that although the Corporate Debtor had surrendered the hypothecated vehicles, which were thereafter sold by the Financial Creditor in exercise of its contractual rights, the sale proceeds were insufficient to liquidate the outstanding liabilities under the respective loan accounts. Consequently, as on 19.09.2024, a total amount of Rs.2,96,27,060/- remained outstanding against the Corporate Debtor under the aforesaid eight loan accounts, particulars whereof were placed on record along with the claim statement annexed to the reply.

13. It is further submitted that recovery proceedings had already been initiated by the Financial Creditor and arbitration proceedings in respect of the defaulted loan facilities were pending between the parties. According to the Financial Creditor, admission of the present Section 10 petition would result in the imposition of the moratorium under Section 14 of the Code, thereby stalling the pending recovery proceedings and preventing the Financial Creditor from enforcing its security interest, causing serious prejudice and irreparable loss to the secured creditors.

14. The Financial Creditor accordingly contended that the present petition had been filed with the ulterior motive of availing the benefit of the moratorium under the Code, that admission thereof would seriously prejudice the rights of the financial creditors and impede the recovery proceedings already initiated by them, and accordingly prayed for dismissal of the application.

Analysis & Findings: -

15. We have heard the learned Counsel for the Petitioner and the learned Counsel appearing for the Financial Creditor. The present application has been filed under Section 10 of the Insolvency and Bankruptcy Code, 2016. It is gathered from the records that the Applicant/Corporate Debtor was incorporated on **07 05.2015** and is engaged in the business of transportation and allied activities. It is the case of the Corporate Debtor that it was carrying on its business successfully until the outbreak of the COVID-19 pandemic; however, due to the outbreak of COVID-19, there was a significant decline in demand for its transportation services. From the beginning of the year 2020, the Corporate Debtor suffered severe financial losses, resulting in acute liquidity constraints and an inability to service its financial and operational liabilities.

16. The Corporate Debtor has annexed the audited balance sheets of the Corporate Debtor for the years ending **31.10.2020, 31.10.2021, and 31.10.2022**, and the provisional balance sheet for the period **01.04.2022 to 31.10.2022**, as annexures.

17. The relevant extract of the Provisional balance sheet as at 31.10.2022 is reproduced herein for reference:

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SIDHRAJ TRANSINFRA PRIVATE LIMITED
WW-10, Malibu Town, Gurgaon, Haryana-122001
PROVISIONAL BALANCE SHEET AS AT 31st OCTOBER, 2022

Particulars	Note No.	Figures as at the end of current reporting period on 31.10.2022	Figures as at the end of current reporting period on 31.03.2022
		(Amount In Rs.)	(Amount In Rs.)
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	100,000	100,000
(b) Reserves and Surplus	2	- 31,608,261	- 39,779,110
(c) Money received against share warrants		-	-
		- 31,508,261	- 39,679,110
(2) Share Application money pending allotment		-	-
		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	3	44,252,486	5,38,85,602
(b) Deferred Tax Liabilities (Net)			
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
		44,252,486	5,38,85,602
(4) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	4	10,686,782	13,375,631
(c) Other Current Liabilities	5	543,762	90,000
(d) Short-Term Provisions	6	1,686,395	1,237,084
		12,916,939	14,702,715
Total Equity & Liabilities		25,661,164	28,909,207
II. ASSETS		(Amount In Rs.)	(Amount In Rs.)
(1) Non-Current Assets			
Property Plant and Equipment			
(i) Tangible Assets	7	6,637,691	8,625,907
(ii) Intangible Assets		-	-
(iii) Capital Works-in-Progress		-	-
(iv) Intangible Assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		4,794,055	4,794,055
(d) Long term loans and advances		-	-
(e) Other non-current assets	8	-	-
		11,431,746	13,419,962
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories	9	-	-
(c) Trade receivables	10	8,955,330	11,345,125
(d) Cash and cash Equivalents	11	142,252	278,886
(e) Short-term loans and advances	12	2,667,768	1,112,509
(f) Other current assets	13	2,464,068	2,752,725
		14,229,418	15,489,245
Total Assets		25,661,164	28,909,207

For and on behalf of the board,
Sidhraj Transinfra Private Limited

Dilip K Grover	Raman Grover
Director	Director
DIN No.: 01168641	DIN No.: 07388512

18. So, from the balance sheet, it appears that the present Petitioner Company is not able to sustain itself due to the imbalance between its liabilities and income.

19. Since the Corporate Debtor has come with a prayer to admit the Corporate Insolvency Resolution Process, holding it as an insolvent company. The Petitioner has submitted information relating to its books of accounts and other documents as discussed above. Special resolution passed by the shareholders of the Corporate Debtor to file an application for the initiation of the Insolvency Process.

20. As per the provisions of IBC,2016, such an application can be rejected only on the ground that the application is incomplete.

21. At the relevant time, there was a provision for proposing an Interim Resolution Provisional, but now that provision has been amended, and as such, we would like to go with the amended provision.

22. We have gone through the records of this case; there was a debt due and there was a default of the same. The Petitioner has placed on record the demand notices issued by the different Financial Creditors. We find no reason to disbelieve the material produced by the applicant, once the Counsel for the Financial Creditor has failed to dispute the factum of default. Learned counsel appearing for Hinduja Leyland Finance Ltd. submitted, during the course of the hearing, that the said Financial Creditor had taken possession of all the vehicles and had already auctioned them. This disclosure made at the time of the hearing fortifies the claim of the Petitioners as made in this application. Further, other Financial Creditors have raised an objection that this application has been filed to hinder the recovery process, including proceedings pending compliance under the Negotiable Instruments Act. So, in the backdrop of the above submissions, we can gather that whatever the Petitioner has stated in its application about financial crunch, debt and default remains unrebutted.

23. At this juncture, it will be advantageous to consider what the requirements are for admitting an application under section 10 of the Code, 2016. For this purpose, it is useful to refer to the judgment of ***the Hon'ble NCLAT in***

Unigreen Global Pvt. Ltd. VS. Punjab National Bank & Ors. CA (AT) (INS. 81/2017) wherein it was held that:-

> *"20. Under both Section 7 and Section 10, the two factors are common i.e. the debt is due and there is a default. Subsection (4) of Section 7 is similar to that of sub-section (4) of Section 10. Therefore, we hold that the law laid down by the Hon'ble Supreme Court in "Innoventive Industries Ltd. (Supra) is applicable for Section 10 also, wherein the Hon'ble Supreme Court observed as "The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the Petitioner to rectify the defect within 7 days of receipt of a notice from the adjudicating authority".*
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> *22. Section 10 does not empower the Adjudicating Authority to go beyond the records as prescribed under Section 10 and the information as required to be submitted in Form 6 of the Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules, 2016 subject to ineligibility prescribed under Section 11. If all information is provided by a Petitioner as required under Section 10 and Form 6 and if the Corporate Debtor is otherwise not ineligible under Section 11, the Adjudicating Authority is bound to admit the application and cannot reject the application on any other ground.*
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> *23. Any fact unrelated or beyond the requirement under 1 & B Code or Forms prescribed under Adjudicating Authority Rules (Form 6 in the present case) are not required to be stated or pleaded. Non-disclosure of any fact, unrelated to Section 10 and Form 6 cannot be termed to be suppression of facts or to hold that the Corporate Debtor has not come with clean hands except the application where the 'Corporate Debtor' has not disclosed disqualification, if any, under Section 11. Nondisclosure of facts, such as that the 'Corporate Debtor' is undergoing a corporate insolvency resolution process; or that the 'Corporate Debtor' has completed corporate insolvency resolution process twelve months preceding the date of making of the application; or that the Corporate Debtor has violated any of the terms of resolution plan which was approved twelve months before the date of making of an application under the said Chapter; or that the Corporate Debtor is one in respect of whom a liquidation order has already been made can be a ground to*

reject the application under Section 10 on the ground of suppression of fact/not come with clean hand.

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25. Similarly, if any action has been taken by a 'Financial Creditor' under Section 13(4) of SARFAESI Act, 2002 against the Corporate Debtor or a suit is pending against Corporate Debtor under Section 19 of DRT Act, 1993 before a Debt Recovery Tribunal or appeal pending before the Debt Recovery Appellate Tribunal cannot be a ground to reject an application under Section 10, if the application is complete."

24. Accordingly, we are of the view that the existence of debt and default is established, and no winding up proceedings are pending against the Corporate Debtor, and the Corporate Debtor is not covered by the ineligibilities provided under Section 11 of the Code, 2016. We are satisfied that the Corporate Debtor is entitled to move an application under Section 10 of the Code in view of the admitted outstanding financial debt as well as operational debt, and default of the same by the Corporate Debtor.

25. In view of the aforesaid observations, we hereby **admit** the petition and pass the following Orders: -

A. The petition bearing CP(IBC) No. 69/Chd/Hyr/2023, by M/s. Sidhraj Transinfra Private Limited, the Corporate Debtor under Section 10 of the Code read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate Insolvency Process in respect of the Corporate Debtor is **ADMITTED.**

B. The moratorium under section 14 of the IBC, 2016 is declared for prohibiting all of the following, in terms of section 14(1) of the IBC, 2016.

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 Securitisation 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.

C. The moratorium under section 14 of the Code shall come to effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 of the IBC 2016, as the case may be.

D. However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the Corporate Debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period.

E. Public announcement of the Corporate Insolvency Resolution Process shall be made immediately as specified under section 13 of the Code read with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations 2016.

F. Accordingly, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2026, the corporate Petitioner cannot propose the IRP. Therefore, this Adjudicating Authority appoints **Mr. Dinesh Kumar,** Insolvency Professional, Registration No. **IBBI/IPA-001/IP-P00860/2017-2018/11442** as an Interim Resolution Professional of the Corporate Debtor, **Email:** dkgc2004@yahoo.com; **Address:** Room No. 7, First Floor, Chatarbhuj Leelawati Trust Building, Geeta Mandir Road, Panipat, Haryana-132103, having a valid AFA, Certificate No. AA1/11442/02/300627/109326, valid up to 30.06.2027, from the available list of panels of Resolution Professionals as maintained by the IBBI. The aforementioned appointed IRP, Mr. Dinesh Kumar, IBBI/IPA-001/IP-P00860/2017-2018/11442, shall submit his written consent in the format prescribed under Form 2 of the Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority) Rules, 2016 within 5 days from the date of receipt of this Order. The IRP must take any additional actions in this regard that are mandated by the law, more specifically Sections 15, 17, and 18 of the Code. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the Corporate Insolvency Resolution Process in relation to the Corporate Debtor in terms of the provisions of the Code. The fee is payable to the IRP or as the case may be the Resolution Professional shall comply with such Regulations, Circulars, and Directions as may be issued by the Insolvency and Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by Sections 15 to 21 of the Code.

G. During the Corporate Insolvency Resolution Process period the management of the Corporate Debtor shall vest with the IRP or, as the case may be, the Resolution Professional in terms of section 17 of the Code. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this order, in default of which coercive steps will follow.

H. The IRP/Resolution Professional shall submit to this Adjudicating Authority periodical reports concerning the progress of the Corporate Insolvency Resolution Process in respect of the Corporate Debtor.

I. The Corporate Debtor shall deposit a sum of Rs. Two Lakhs with the IRP to meet the expenses arising out of issuing publication and inviting claims. These expenses would be subject to approval by the Committee of Creditors (COC). The Petitioner would be liable to bear the entire expense of the CIRP process in accordance with the law and the proceeding.

J. In terms of Section 7 (7) (a) of the Code, the Registry is hereby directed to communicate a copy of this Order to the Corporate Debtor, financial creditors, and IRP by Speed Post & e-mail immediately, and in any case, not later than two working days from the date of this order.

K. Additionally, the Corporate Debtor shall serve a copy of this Order on the IRP and the Concerned Registrar of Companies, by all available means for updating the Master Data of the Corporate Debtor. The Registrar of Companies shall send a compliance report in this regard to the Registry of this Tribunal within seven days from the date of receipt of a copy of this order

26. The Registry is hereby directed to send e-mail copies of this order forthwith to all the parties and their counsel for information and to take necessary steps.

27. Let the certified copy of this order be issued upon compliance with the requisite formalities.

SD/-
SHISHIR AGARWAL
MEMBER (TECHNICAL)

SD/-
VINAY GOEL
MEMBER (JUDICIAL)

Steno A