



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **30.09.2026** THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER :
PETITION NUMBER : CP(IB)/45/CHE/2024
NAME OF THE PETITIONER(S) : Rajalakshmy Packaging Pvt Ltd
NAME OF THE RESPONDENTS :
UNDER SECTION : Sec 10 Rule 7 of IBC, 2016

ORDER

Present: Ld. Counsel Shri. Chiron Singhi for the Petitioner.

Vide separate order pronounced in Open Court, petition is admitted. Insolvency proceedings are initiated against the Corporate Applicant Rajalakshmy Packaging Private Limited. Ms. E. Santhanalakshmi is appointed as IRP.

Sd/-
(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Date: 30.09.2026

Sd/-
(SANJIV JAIN)
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – I, CHENNAI**

CP(IB)/45(CHE)/2024

*(filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 R/w Rule 7 of IBC
(Application to Adjudicating Authority) Rules, 2016)*

*In the matter of **Rajalakshmy Packaging Private Limited***

Rajalakshmy Packaging Private Limited

Represented by its Director

Rajalakshmi Chinnaswamy,

Having its registered office at:

R.S. No. 92/7, Plot No. 14 & 15, Sri Gokulam Nagar,

Thavalakuppam, Ariyankuppam Commune Panchayat,

Pondicherry, PY – 605007 IN

... Petitioner / Corporate Debtor

Present:

For Petitioner

: Kumarpal R Chopra, Advocate

Chiron Singhi, Advocate

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Order Pronounced on 30th September, 2026



ORDER

(Heard Through Hybrid Mode)

1. This petition under Section 10 of IBC r/w Rule 11 of NCLT Rules, 2016 has been filed by the Corporate Applicant Rajalakshmy Packaging Private Limited for initiating insolvency resolution process.
2. **Part-I** of the petition provides the particulars of the Corporate Applicant Rajalakshmy Packaging Private Limited. It has its registered office at R.S. No. 92/7, Plot No. 14 / 15, Sri Gokulam Nagar, Thavalakuppam, Ariyankuppam, Commune Panchayat, Pondicherry, PY – 605007 within the jurisdiction of this Tribunal. It has two Directors namely Rajalakshmi Chinnaswamy and Vijayalakshmi Srinivasan. It was incorporated on 17.11.2008 with nominal share capital of Rs. 2,75,00,000/- and paid up share capital of Rs. 2,53,44,500/-. In **Part – II** of the petition, it has proposed the name of Ms. E. Santhanalakshmi with IP Reg No. IBBI/IPA-002/IP-N00831/2019-2020/12661 as the IRP to carry out the process.
3. In **Part –III** of the petition, Petitioner has disclosed the total debt raised and the amount in default as Rs. 2,51,97,892.11. It has enclosed copy of



certificate of incorporation, board resolution, statutory manufacturing license, ITR for the assessment years 2018-19 and 2020-21 along with annual reports, outstanding minimum charges imposed by EB Department, copy of notices issued by the Bank, copy of bank statement, list of creditors and debtors, copy of applications filed before the Tribunal by the Operational Creditors, details of cases pending before different Courts against the Corporate Applicant etc.,.

Brief Facts

4. It is averred in the petition that the Corporate Applicant is the manufacturer of plastic products. It has been facing financial difficulties since the Covid 19 lockdown in 2020. Single use of plastic was banned vide Plastic Waste Management Amendment Rules, 2021 which was the primary source of income of the Company. Because of the above, it could not fulfill its obligations and the factory was shut down resulting in loss of its work force. It was unable to generate any revenue, however, its expenses and financial difficulties continued mounting. It was unable to pay its Financial Creditors. It is even unable to pay the GST tax. The Directors of the Company were constrained to use their personal savings to pay to the Financial



Creditors of the Company. They paid around Rs. 18,25,00,000/- from their savings for the repayment of loan taken by the Company after mortgaging the land belonging to the Directors individually. It could not pay to their Operational Creditors and Government Taxes. It is unable to get back on track due to shortage of funds. It is stated that the cash flow of the Company has come to standstill.

5. It is stated that considering the above situation, the Company was constrained to pass a Board Resolution on 11.08.2023 under the IBC for filing a petition for initiating CIRP under Section 10. With the petition, it has filed list of sundry creditors, sundry debtors at page 190 to 209. It has also filed copy of a petition filed by Balaji Trading Enterprises Private Limited and Saudi Basic Industries Corporation - SBIC, the Operational Creditors for initiating CIRP against the Petitioner.
6. It is stated that the Company has a strong brand name and a loyal customer base. The company has a valuable asset. It believes that it can restructure its debt and resume operations. It is unlikely that it will be able to repay to its creditors in full. It has lost a significant portion of its customers due to the ban on single use plastic. The



company needs to find a way to generate revenue to repay its creditors and stay in business.

7. **This Tribunal vide an order dated 30.01.2025** directed the Petitioner to file status of the petition filed by Balaji Trading Enterprises Private Limited to which the Petitioner on 03.03.2025 disclosed that it had only received notice however Balaji Trading has not filed any petition. It was reported by the Registry that the petition filed by Balaji Trading was withdrawn vide an order dated 08.12.2020.
8. On the directions of the Tribunal, the Petitioner filed the balance sheets from the year 2021-2024 vide Sr. No. 5195 dated 23.10.2024 showing the assets and the liabilities. The Petitioner also filed the copy of the Board Resolution dated 08.08.2025 and list of bills payable / bills receivable from 01.04.2019 to 18.08.2025 as Annexure RA-1 and Annexure RA-2 vide Sr. No. 4684 dated 06.11.2025 stating that the Board has approved the initiation of CIRP against the Corporate Applicant due to its inability to meet the financial obligations and continuing default in repayment of debt.



9. The Petitioner on the direction of this Tribunal vide order dated 21.08.2026 has filed the special resolution passed by the Shareholders dated 08.08.2025 in continuation of resolution dated 11.08.2023 whereby the Shareholders approved the initiation of CIRP against the Company due to its inability to meet its financial obligations and continuing default in repayment of debts. It is stated that this decision has been taken after due consideration of the financial position of the Company and in the best interest of all stakeholders.

Arguments and Contentions

10. We have heard Ld. Counsel for the Petitioner and perused the records.
11. Ld. Counsel for the Petitioner submits that the petition filed under Form-6 furnished all the requisite and relevant particulars. The Petitioner has furnished various details regarding the financials, compliances and operations of the Company. He submits that none of the creditors has alleged that the Petitioner is disqualified under Section 11 of IBC. Ld. Counsel referred to the cases of “(1) *Unigreen Pvt. Ltd. V. Punjab National Bank*, 2017 SCC Online NCLAT 566”; (2) *Leo Duct Engineers and Consultant Ltd. V. Canara Bank*, 2017 SCC OnLine



NCLAT 547”; (3) *Go Airlines (India) Limited*, 2023 SCC OnLine NCLT 197; (4) “*SMBC Aviation Capital Ltd. Vs. Interim Resolution Professional of Go Airlines (India) Ltd.*, (2023) 241 Comp Gas 224 (NCLAT; (5) *Krishna Kraftex Pvt. Ltd. Vs. HDFC Bank and Ors.*, [2018] 146 SCL 72; and (6) *JKS the Banyaan Private Limited v. Bank of Baroda*, 2021 SCC OnLine NCLAT 391” to contend that if the Adjudicating Authority is satisfied that there is debt, default has occurred and there is no ineligibility under Section 11, it has to admit the petition under Section 10 of IBC. Non-disclosure of any fact, unrelated to Section 10 or Form-6 cannot be termed as the suppression of facts. What the Adjudicating Authority has to satisfy that there is a debt, default has occurred, the petition is complete in terms of Section 10(2) and 10(3) and the Corporate Debtor is not ineligible under Section 11 of IBC. Ld. Counsel submits that Section 10 of IBC does not provide the Adjudicating Authority to go beyond the records as prescribed under Section 10 and information as required in Form-6 of the Adjudicating Authority Rules. Till date, none of the Creditors has filed any application under Section 65 of IBC, 2016.



Analysis / Findings

12. Section 10 of IBC, 2016 provides as under:

“Section 10. Initiation of corporate insolvency resolution process by corporate applicant.

(1) Where a corporate debtor has committed a default, a corporate applicant thereof may file an application for initiating corporate insolvency resolution process with the Adjudicating Authority.

(2) The application under sub-section (1) shall be filed in such form, containing such particulars and in such manner and accompanied with such fee as may be prescribed.

3) The corporate applicant shall, along with the application furnish the Information relating to-

(a) its books of account and such other documents relating to such period as may be specified; and

(b) the resolution professional proposed to be appointed as an interim resolution professional.

(c) the special resolution passed by shareholders of the corporate debtor or the resolution passed by at least three-fourth of the total number of partners of the corporate debtor, as the case may be, approving filing of the application.

(4) The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order —

(a) admit the application, if it is complete; 2[and no disciplinary proceeding is pending against the proposed resolution professional]; or

(b) reject the application, if it is incomplete: 2[or any disciplinary proceeding is pending against the proposed resolution professional:]

Provided that Adjudicating Authority shall, before rejecting an application, give a notice to the applicant to rectify the defects in his application within seven days from the date of receipt of such notice from the Adjudicating Authority.



(5) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (4) of this section."

13. A perusal of the documents reveals that the Petitioner Company used to manufacture plastic products. Due to ban on single use of plastic in 2021 and Covid 19 pandemic, it suffered a major blow. It failed to pay to its Creditors. The ban resulted in loss of significant portion of its customers. Although, its Directors tried to clear the liabilities of the Company from their personal resources, but the debts continued mounting. Its financial situation became precarious. Many creditors initiated proceedings against the Corporate Applicant. The Company needs a way to generate revenue to repay its Creditors and stay in business. As per the petition, the total amount owed to the Operational Creditors is Rs. 2,51,97,892.11 which is above the threshold of Rs. 1.0 Crores. The Applicant has placed the financials and the documents contemplated under Section 11 and Form 6 including the Board Resolution. This petition has been filed on 16.10.2023.

14. Hon'ble National Company Law Appellate Tribunal (hereinafter, Hon'ble NCLAT), New Delhi in *M/s. Unigreen Global Private Limited vs. Punjab National Bank and others (Company Appeal (AT) (Insolvency)*



81/2017) has held that if an application under Section 10 is complete and in absence of any ineligibility of Corporate Applicant, the Adjudicating Authority is bound to admit the application. The relevant portion of the judgement is reproduced hereunder,

“22. Section 10 does not empower the Adjudicating Authority to go beyond the records as prescribed under Section 10 and the informations 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 informations are provided by an applicant as required under Section 10 and Form 6 and if the Corporate Applicant 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”

15. In the case of *Go Airlines (India) Limited*, CP/IB-264(PB)/2023, which was affirmed by the Hon'ble NCLAT in Company Appeal (AT) [Insolvency] No. 593 of 2023, it was held as under:

34. Further, we are conscious of the fact that hearing each and every Creditor, under Section 10 of IBC 2016, can cause an inordinate delay in the conclusion of the proceeding, which may result in the erosion of the value of the assets and defeat the very purpose of value maximization and ultimately, the revival of the Corporate Applicant, which is not the objective of the IBC. As we have seen above, in the Application to Adjudicating Authority Rules, 2016, even the right to serve a copy of a Section 10 Application is not conferred to the Creditor(s). Hence, in view of the above, we conclude that in Section 10 proceedings, though there is no mandatory requirement of issuing notice to the Creditor(s) at the pre-admission stage, rather giving notice to the Creditor(s) is a matter of discretion to be exercised on a case-to-case basis on valid grounds. Wherever there is a clear apprehension of



deterioration of assets of the Corporate Applicant/Debtor and larger public interest is involved, issuance of notice at the pre-admission stage cannot be claimed as a matter of right.

43. We observe that Section 65 only uses the word “initiates”, and does not make any distinction like the stage of pre-admission or post admission of CIRP, and from the reading of Sub-section (1), it transpires that the provision is applicable not only on the date on which a financial creditor / operational creditor or corporate applicant, as the case may be, makes an application to the Adjudicating Authority for initiating corporate insolvency resolution process but certainly, not limited to and may extend to the period of Liquidation, as the case may be. Needless to say, that fraud vitiates all acts. There could be instances where the fraudulent act is detected much after the commencement of CIRP. If a narrow interpretation of Section 65 of IBC 2016 is taken i.e., limiting its applicability to the pre-admission stage, then Section 65 will have no relevance. Therefore, Section 65 of IBC can be resorted to by an aggrieved party at any stage, be it preadmission or post admission. Accordingly, we conclude that there is no bar in entertaining/considering/adjudicating a Section 65 Application after the initiation of the CIR Process.

44. Further, as we have noted earlier, as of the date of the hearing, there was no Section 65 Application filed/pending/listed before this Adjudicating Authority. Keeping in mind the urgency of the instant case, to protect and maximize the value of the Assets in line with the objectives of IBC, employment involved, and the larger public interest, the judicial propriety demands it will not be apt to wait for the filing of the Section 65 Application. Hence, we would like to proceed ahead with the examination of the Section 10 Application on merits.

16. This Tribunal is satisfied that there is a default in the repayment of debt and the petition filed under Section 10 is complete with all the necessary information. Further, the Corporate Applicant is not



ineligible to make petition as per Section 11 of IBC, 2016. Therefore, we are of the view that this Company petition is required to be admitted u/s 10 of the Code. We order accordingly.

17. The Corporate Applicant has proposed the name of **Ms. E. Santhanalakshmi** having Reg. No. **IBBI/IPA-002/IP-N00831/2019-2020/12661** as the Interim Resolution Professional (IRP). We therefore appoint **Ms. E. Santhanalakshmi** having Reg. No. **IBBI/IPA-002/IP-N00831/2019-2020/12661** (E-mail ID: **irp.santhanalakshmi@gmail.com**) whose AFA is valid till **30.06.2027**, forming part of the Panel of IPs recommended by IBBI in accordance with, “Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2024”. The IRP who is appointed shall take forward the process of Corporate Insolvency Resolution of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15,17,18 of the Code and file his report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a



consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

18. As a consequence of the petition being admitted in terms of Section 10 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor;

a. The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent 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 respondent.



Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance 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, shall not be suspended or terminated 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 or a similar grant or right during moratorium period;

19. However during the pendency of moratorium period in terms of Section 14(2) and 14(3) as extracted hereunder;

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;



(b) a surety in a contract of guarantee to a corporate debtor.

20. The duration of period of moratorium shall be as provided in Section 14(4) of the Code which is reproduced below for ready reference;

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

21. In consequence to the appointment of IRP;

- (i) The term of appointment of Ms. E. Santhanalakshmi shall be in accordance with the provisions of Section 16(5) of the Code;
- ii) 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;

- iii) The Interim Resolution Professional shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government and in accordance with the Code of Conduct governing his profession and as an Insolvency Professional with high standards of ethics and moral;
- iv) The Interim Resolution Professional shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the Corporate Insolvency Resolution Process in terms of Section 13 (1) (b) of the Code read with Section 15 calling for the submission of claims against Corporate Debtor;
- v) It is hereby directed that the Corporate Debtor, its Directors, personnel and the persons associated with the management shall extend all cooperation to the Interim Resolution Professional in managing the affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor;



- vi) 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. A reference is made to the provisions of Section 128(5) of the Companies Act 2013, whereby every company should maintain its books of accounts for not less than 8 financial years immediately preceding a financial year. Minutes and statutory records are the principal documents of the company that should be maintained and preserved since inception.

"As per Rule 7 (f) of Companies (Registered Valuers and Valuation) Rules, 2017, Registered Valuer shall maintain



records of each assignment undertaken by him for at least three years from the completion of such assignment;"

As per the Standard of Auditor (SA-230)

"The retention period for audit engagements is ordinarily no shorter than seven years from the date of auditor's report, or, if later, the date of the group auditor's report."

In view of the above mandatory provisions, the suspended directors of the board will ensure that the books of accounts for the eight previous financial years preceding the date of this order be made available to the IRP/RP within 15 days of the initiation of the CIRP order. The statutory auditor is also directed to share the records maintained by him in the course of the audit of the accounts of the corporate debtor for the period of three years prior to the date of initiation of this CIRP order within the same period of 15 days.

- vii) 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.

viii) The Resolution Professional is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with request 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 CIRP proceedings as per law.

22. The Corporate Applicant is directed to pay a sum of **Rs. 3,00,000/- (Rupees Three Lakhs only)** to the Interim Resolution Professional to meet out the expenses and to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.



23. Based on the above terms, the Petition stands **admitted** in terms of Section 10 of the Code and the Moratorium shall come into effect as of this date. A copy of the Order shall be communicated to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named shall also be furnished with copy of this Order forthwith by the Registry, who will communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

Sd/-
VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

Sd/-
SANJIV JAIN
MEMBER (JUDICIAL)