IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/ VC Mode (Hybrid)]

SPECIAL BENCH

ITEM No.27
C.P (IB) No.119/BB/2025

IN THE MATTER OF:

M/s Arvind Interiors Pvt Ltd … Petitioner

Petition under Section 10 of I & B Code, 2016

Order delivered on: 09.07.2026

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI. BANWARI LAL MEENA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Petitioner : Shri Gokul .R

ORDER

1. Heard Ld. Counsel for the Petitioner.
2. The matter has been listed on receipt of an email from the IRP ***Ms. N.G Varshitha*** on 01.07.2026 expressing her inability to take up the assignment as she has already surrendered her registration certificate to IBBI. A Memo has also been filed by the Petitioner vide Dy.No. 7242 dated 03.07.2026 in this behalf and requesting to appoint another Insolvency Professional as the IRP to proceed with the CIRP of the Corporate Debtor.
3. Accordingly, we hereby appoint **Shri Gururaj K.,** having registration No. IBBI/IPA-002/IP-N01330/2025-2026/14581, Address: No.3, SBI Officers Colony, Basaveshwaranagar, Bangalore, 17th Cross, Near Ayodhya Sagar Hotel, Bangalore, Karnataka-560079 email:

gkashi1234@gmail.com from the Panel of IPs for this Bench received from IBBI as the **Insolvency Resolution_Professional of the Corporate Debtor**. The IRP shall file his consent with credentials within one week from the date of receipt of order.

4. The Petitioner is directed to serve the copy of this as well as the main order to the Interim Resolution Professional by all modes. **Registry to also forward a soft copy of two orders to the new IRP**.
5. Let the matter come up on **19.08.2026** as already fixed.

-Sd-	**-Sd-**
BANWARI LAL MEENA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

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IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No. 02
C.P (IB) No.119/BB/2025

IN THE MATTER OF:

Arvind Interiors Pvt. Ltd. …Corporate Applicant/Petitioner

Order u/s 10 of the I & B Code, 2016

Order delivered on: 19.06.2026

CORAM:

SHRI. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Petitioner : Shri Gokul R.

ORDER

1. Heard Ld. Counsel for the Petitioner.
2. **The Company Petition is admitted enjoining the Corporate Applicant to undergo CIRP, by separate order and moratorium is imposed.**.
3. List the matter on **19.08.2026** for RP report.

-Sd/- **-Sd/-**

RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)

CP (IB) No.119/BB/2025
Application U/s. 10 of the Insolvency & Bankruptcy Code, 2016 read with Rule 7 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016

IN THE MATTER OF:

ARVIND INTERIORS PRIVATE LIMITED
112/31, 1st Floor,
6th Cross SSI Area, Rajajinagar,
Bangalore- 560010. … Petitioner/Corporate Applicant

Order delivered on: 19.06.2026

CORAM: 1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

O R D E R

1. The present Petition has been filed on 22.05.25 by Arvind Interiors Private Limited ('Petitioner/Corporate Applicant') under section 10 of IBC, 2016 read with Rule 7 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for voluntary initiation of Corporate Insolvency Resolution Process as it failed to discharge the obligations to pay **INR 6,17,13,063/-** (Rupees Six Crore Seventeen Lakh Thirteen Thousand and Sixty-Three Only) to the Creditors, whose details are attached as *Annexure 3, at pg. no. 56a, 56b and 56c* of the Petition.

2. Brief facts of the case leading to the filing of petition are as follows:
   (i) The Corporate Applicant is a Company incorporated on 23.09.2009 with CIN U36101KA2009PTC051009. The main object of the Company was interior designs and furnishers. The Authorised and Paid-up capital of the Company is Rs.30,00,000/- comprising each share Rs.100/-.

(ii) Corporate Applicant had taken a loan of INR 5 crores from **Tumkur Grain Merchants Co. Operative Bank Ltd.** against sanction letter dated 23.09.2013. The loan was disbursed on multiple occasions such as 27.09.2013 - INR 2.5 crores, 09.01.2014 - INR 1.25 crores and 30.03.2014 - Rs.1.25 crores. The Corporate Applicant serviced the loan initially with the last payment of INR 12,33,162/-being made on 15.03.2014.

(iii) Owing to the Company's financial distress, it defaulted in repayment of loan from 2019 onwards due to various issues such fall in business, rise in competitors, heavy finance cost, covid impact. In view of the foregoing and taking into consideration the Corporate Applicant's inability to sustain its operations and its debts far outweighing the revenue generation, which was impacting its ability to service its debts, the board of directors of the Corporate Applicant, after considering the overall situation recommended commencement of CIRP for the Corporate Applicant to its shareholders.

(iv) The shareholders considered these aspects and passed a special resolution at an Extraordinary General Meeting held on 28.12.2024, approving the filing of the present application under Section 10 of the Insolvency and Bankruptcy Code, 2016, for initiation of CIRP of the Corporate Applicant. Hence, this Petition.

3. Vide order dated 19.08.2025 the Corporate Applicant was directed to serve notice on all Creditors whose dues are more than INR 5 lakh keeping in view the large number of creditors with lesser dues. In compliance of the same, the Corporate Applicant has filed proof of service vide affidavit dated 07.10.2025 with postal receipts and tracking reports. None of the Creditors has been sent notice through e-mail.
4. Except Acme Enterprises, Balaji Paints & Hardware and Granolite Marketing other 13 Creditors falling in the criteria have duly been served through Regd. Post between 15.09.2025 and 17.09.2025. None of the Creditors of Corporate Applicant however has appeared or filed reply/objections/consent in the matter till date.

5. We have heard Learned Counsel for the Corporate Applicant and carefully perused the material on record besides examining the relevant legal proposition. It is worth noticing that Insolvency and Bankruptcy Code has been amended in between and many of its provisions have been enforced by the Central Government.

6. The audited financials for the year 2023-2024 & 2024-2025 are filed by the Corporate Applicant with the petition as *Annexure 4 & 10*. It is seen that the Corporate Applicant had stopped business activities in April 2019 and was having substantial losses. The affidavit dated 19.03.2025 filed in memo dated 11.06.25 states that there are no pending actions or suits against the Corporate Debtor that could bar the initiation of the resolution process.

7. A careful examination of the facts of the case clearly shows the existence of debt and default. Since there is a debt due beyond the statutory threshold and there has been default in payment thereof, the requirements under Section 10 stand satisfied. It is also observed that the Petitioner was not earning sufficient profits to repay its debts. Further, the Petition is supported with the Special Resolution passed by the shareholders of the Corporate Applicant in its EGM dated 28.12.2024. The Corporate Applicant satisfies the conditions for initiating an Application U/s 10 of the Code viz. there is an existence of debt, there is a default and the Corporate Applicant is not disqualified U/s 11 of the Code. An affidavit dated 19.03.2025 in this behalf is filed.

8. In view of the above facts and circumstances of the case and the settled position of law on the subject, **CP (IB) 119/BB/2025 is hereby admitted and Corporate Insolvency Resolution Process is initiated in respect of Corporate Applicant, Arvind Interiors Private Limited**, thereby triggering Moratorium under Section 14(1) of the Code, in following terms for compliance by all concerned: -
   a. The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, 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.

9. The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until approval of the resolution plan under sub-section (1) of Section 31 or passing of an order for liquidation of Corporate Debtor under Section 33, as the case may be.

10. The Applicant has proposed the name of Mr. ***Raghunathan Krishnasamy***, Registration No. IBBI/IPA-002/IP-N00419/ 2017-18/11200, email id: ***cmaraghu@gmail.com***, to be appointed as the Interim Resolution Professional of the Corporate Debtor. However, in view of the amendment in Section 10 of the Code as per the Insolvency and Bankruptcy Code (Amendment) Act, 2026 and the same being in operation from 26.05.2026, the IRP proposed by the Corporate applicant cannot be appointed as the Interim Resolution Professional of the Corporate Debtor. In view of the same from the Panel of Bengaluru based Insolvency Professionals provided by the Insolvency & Bankruptcy Board of India, **Ms. N G Varshitha** having Registration No IBBI/IPA-002/IP-N01337/2025-2026/14541 Registered address: Yajamanara Beedi ,Nelamangala Talluk Bangalore, -562123 Contact No: 8971445336, e- mail: ip.varshithang@gmail.com is appointed as Interim Resolution Professional(IRP) of the Corporate Debtor with the following directions: -
    a. The term of appointment shall be in accordance with the provisions of Section 16(5) of the Code;

b. In terms of Section 17 of the Code, from the date of appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs of Corporate Applicant shall vest in the Interim Resolution Professional and the officers and the managers of the Corporate Debtor shall report to the Interim Resolution Professional, who is enjoined to exercise all powers as are vested with the Interim Resolution Professional and strictly perform the duties as such 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 or retrieved documents etc. as provided in Section 18 (1) (f) of the Code. The Interim Resolution Professional is directed to prepare a complete list of inventories of assets of the Corporate Debtor;
c. 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 morals.
d. 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.
e. It is hereby directed that the Corporate Debtor, its Directors, personnel and the persons associated with management shall extend all cooperation to the Interim Resolution Professional in managing the affairs of the Corporate Debtor and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor;
f. The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying of the constitution of the Committee to this

Authority on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days of filing the report of constitution of the Committee; and

g. The IRP shall be entitled to fee as per the provisions of IBBI Regulations/Circulars/Directions issued on this behalf. However, The Corporate Applicant shall deposit a sum of **INR 5,00,000/-** (Rupees Five Lakh Only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses shall be subject to approval by the Committee of Creditors as per Regulation 33 of the CIRP Regulations, 2016.
h. The IRP shall separately & individually intimate the concerned PF Department, Employee State Insurance Corporation, Income Tax Department, Inspector of Factories, GST/VAT/Commercial Tax authorities, Registrar of Companies, Karnataka and other relevant statutory authorities about the commencement of CIRP of the Corporate Debtor and specify the mode and date of service of intimation to abovementioned statutory authorities in 1st progress report.
i. The Interim Resolution Professional is directed to submit ***monthly*** progress reports to this Authority regularly, along with inside & outside photographs of office, warehouse, installations, equipment etc. of the Corporate Debtor. On taking control of assets and management of Corporate Debtor, the IRP/RP shall affix a Board outside the premises of CD specifying that the CD is undergoing CIRP with number and title of this case; complete name and particulars including contact details of IRP/RP to enable stakeholders to make enquiry and/or to lodge their claims, if any, within specified timelines.
j. The IRP shall file her written consent within one week from the date of receipt of order.

11. It has been experienced that even in voluntary CIRP matters Resolution Professionals are filing non-cooperation and avoidance transaction applications, which should not be the case going by objective for which an opportunity is accorded to distressed units to present an honest picture for seeking to find ways

for revival of the company. Such cases are consuming lot of time in retrieval of records/information/ confidential data from the Ex promoters/directors which gradually causes erosion in its asset value and in order to curtail spending time in such exercise and to overcome perceived hurdles and ensure that all records/information are made available during the process, the following directions are issued to the Corporate Applicant for compliance on affidavit

a. To file audited financial statements of Corporate Applicant for the 05 years prior to the month of institution of petition.
b. To stack all the account books, tally data, records, returns, audit reports at the Regd. Office of CD with complete list. Forensic/Transaction audit reports, valuation reports, if conducted in the last five years. Photographs of all the records kept in office should be filed.
c. A detailed list of all receivables of CD with specification whether the claims are still within the period of limitation along with documentary proofs thereof be submitted
d. Details of Title documents of all owned/leasehold/mortgaged properties of CD and the person/authority in actual custody thereof be specified.
e. Details of all the Bank accounts of Corporate Applicant with latest statements of account. Also disclose the details of all financial facilities, if any availed therefrom with or without mortgage/hypothecation of CD properties.
f. Documentary proof of residence and PAN details of Directors of Corporate Applicant with copies of their last 02 years ITR's and disclosure as to whether any of them is/are also Guarantors in respect of the debts availed by the Corporate Applicant.
g. Details of the properties of CD/Guarantors mortgaged/ hypothecated in favour of creditors along with details of all related party transactions in two years prior to the date of filing of petition.
h. Whether CD is a going concern and if it is partially functioning, furnish details of its extent.
i. Disclosure of complete details of all the litigations pending/ensuing, including legal notices, if any received, against the CD and its Guarantors.

j. An affidavit of Directors that they will fully co-operate during the CIRP and will keep the Creditors and RP informed of all relevant information.
k. An undertaking to bear CIRP cost including Fee/remuneration of IRP under Regulation 33 (1) of CIRP Regulations, 2016.

12. A copy of this order shall be communicated to all the parties. Learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional and the Creditors forthwith. **The Registry shall immediately forward a soft copy of this order to the RoC, Karnataka**, IBBI and the **Interim Resolution Professional, at her email id:** ***ip.varshithang@gmail.com***

-Sd/-	**-Sd/-**
RADHAKRISHNA SREEPADA **MEMBER (TECHNICAL)**	**SUNIL KUMAR AGGARWAL** **MEMBER (JUDICIAL)**