IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI

COURT - IV

C.P. (IB) No. 957/MB/2024

Under Section 7 of the Insolvency and Bankruptcy Code, 2016

In the matter of

Canara Bank

(CIN: U67190KA1906PLC001069)

…Financial Creditor

v/s.

Indiana LED Lighting LLP

(LLPIN: AAI-5051)

…Corporate Debtor

Pronounced: 03.12.2025

CORAM:

SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)

SHRI K. R. SAJI KUMAR
HON'BLE MEMBER (JUDICIAL)

Appearances: Hybrid

For the Financial Creditor : Adv. Gajendra A. Rajput.

For the Corporate Debtor : Adv. Smit Shah.

ORDER

1. This Company Petition was filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 (Code) on 20.08.2024 by Canara Bank (Applicant/Financial Creditor (FC). The Applicant seeks initiation of the Corporate Insolvency Resolution Process (CIRP) in respect of Indiana LED Lighting LLP, the Corporate Debtor (CD) for the total debt and default of Rs.25,13,44,408.85/- due and payable to the FC. The date of default, as mentioned in Part IV of the Application, is 29.06.2023.

2. Submissions of Financial Creditor

2.1. The FC states that the CD is a Limited Liability Partnership and a borrower. Shri Sudhir U. Deshkhaire and Smt. Manisha S. Deshkhaire are its partners and personal guarantors for the credit facilities sanctioned by the FC. The FC further states that the M/s. Sindhraj Cashew Industries stood as the Corporate Guarantor for the said facilities granted to the CD.

2.2. The FC states that the CD, through its partners, approached the FC for sanction of business loan facilities aggregating Rs.1,80,00,000/- comprising (i) OCC/ODBD of Rs.80,00,000/- and (ii) Term Loan I of Rs.1,00,00,000/-. The FC sanctioned the said facilities *vide* Sanction Letter dated 18.04.2017, which was duly accepted by the CD, who executed necessary security documents on 21.04.2017.

2.3. The FC submits that to secure the said loans, Shri Sunil U. Deshkhaire, Partner of the CD created a Letter Evidencing Deposit of Title Deeds (LEDTD) dated 07.07.2017, in favour of the FC. The CD also executed the Acknowledgement of Debt and Security dated 26.02.2018, thereby admitting its liability.

2.4. Subsequently, the CD sought enhancement and fresh facilities aggregating Rs.8,42,00,000/-, sanctioned *vide* Sanction Letter dated 07.02.2018, and duly accepted by execution of security documents on 26.02.2018. To secure the

enhanced limits, the partners of the CD executed and extended LEDTDs dated 26.02.2018; 22.03.2018; and 28.06.2018, in favour of the FC.

2.5. The FC submits that the CD availed a further loan of Rs.10,00,000/- for purchase of a vehicle, which was sanctioned on 26.06.2018 and secured by documents executed on 29.06.2018, with liability acknowledged on 29.03.2019.

2.6. The CD obtained additional enhancement aggregating Rs.11,54,00,000/- sanctioned on 11.03.2019, and executed necessary securities and LEDTDs dated 29.03.2019 and 20.09.2019, along with Acknowledgement of Debt and Security dated 21.09.2019.

2.7. The FC states that the third-party security was created by Smt. Snehalata A. Galinde and Shri. Sharad S. Galinde by a Deed of Simple Mortgage dated 23.09.2019, registered at Baramati Sub-Registrar, and by further LEDTDs dated 04.06.2020 and Notice of Intimation dated 10.06.2020 by M/s. Sindhraj Cashew Industries.

2.8. The CD subsequently availed Guarantee Emergency Credit Line (GECL) under Emergency Credit Line Guarantee Scheme (ECLGS) for Rs.3,00,00,000/-, sanctioned *vide* Sanction Letter dated 13.07.2020, secured through Memoranda of Equitable Mortgage and multiple LEDTDs dated 30.07.2020 and 31.07.2020, and supplemented by a Supplemental Simple Mortgage Deed dated 07.10.2020 and LEDTDs dated 13.10.2020.

2.9. The FC renewed facilities of Rs.20,00,00,000/- *vide* Sanction Letters dated 04.03.2021 and executed related securities on 10.05.2021. A CFITL facility of Rs.1,12,00,000/- was restructured on 19.06.2021.

2.10. The CD's facilities were renewed again on 25.06.2022, and Acknowledgements of Debt and Security were executed on 25.01.2023 and 25.05.2023, admitting liability.

2.11. The CD's accounts became irregular and were classified as Non-Performing Assets (NPA) on 29.06.2023. The CD made the last payments under various facilities between 29.05.2023 and 01.12.2023, thereby acknowledging outstanding dues.

2.12. The FC issued Recall Notice dated 06.01.2024 and Demand Notice dated 13.02.2024 to the CD and guarantors. Despite service, the CD failed to discharge its outstanding liabilities. Hence, the present Application.

3. Contentions of CD

3.1. Although the CD filed Vakalatnama through the designated Partner, Mr. Sudhir Udhavrao Deshkhaire, records reveal that no reply has been filed in the matter. On 19.02.2025, the CD through Counsel sought time for filing reply. It was ordered that if no reply was filed, their right to file reply would be forfeited. Since no reply was filed, the CD's right to file reply was forfeited on 06.05.2025. Therefore, the matter is being disposed of on the basis of the available documents on record and upon hearing the Ld. Counsel for the FC.

4. Analysis and Findings

4.1 The present Application has been filed under Section 7 of the Code seeking initiation of the CIRP against the CD on account of default in repayment of financial debt.

4.2 On perusal of the records, it is evident that the FC has placed on record sufficient documentary evidence in support of its claim, including the sanction letters, loan and security documents, acknowledgements of debt, and recall/demand notices issued to the CD. These documents establish the existence of financial debt as defined under Section 5(8) of the Code and the occurrence of default as contemplated under Section 3(12) of the Code. There is nothing to show that the CD has repaid the outstanding debt despite the recall notice issued by the FC.

4.3 It is further noted that the CD, through its partners, has from time to time executed Acknowledgements of Debt and Security documents in favour of the FC, expressly admitting its liability towards the outstanding amounts under the loan facilities. The acknowledgements, executed on various dates, reaffirm the CD's subsisting liability. This continuous admission of debt by the CD substantiates the FC's contention that the default is ongoing and undisputed.

4.4 The date of default, as stated in Part IV of the Application, is 29.06.2023. The present Application, having been filed on 20.08.2024, is, therefore, well within the period of limitation. The amount of debt exceeds the threshold limit of One Crore Rupees as prescribed under Section 4 of the Code.

4.5 The Financial Creditor has, thus, successfully established the existence of debt and default by the CD. The Application is complete in all respects and there is no disciplinary proceeding pending against the proposed resolution professional. Therefore, we find it to be a fit case for admission under Section 7 of the Code.

ORDER

The above **Company Petition No. (IB) 957/(MB)/2024** is hereby **admitted,** and initiation of the Corporate Insolvency Resolution Process (CIRP) is ordered against **Indiana LED Lighting LLP**.

We further declare moratorium under Section 14 of the Code, with consequential directions as follows:

I. We prohibit-

a) the institution of suits or continuation of pending suits or proceedings against the CD 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 CD 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 CD 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 possession of the CD.

II. That the supply of essential goods or services to the CD, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.

III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Bench approves the resolution plan under section 31(1) of the IBC or passes an order for the liquidation of the CD under section 33 thereof, as the case may be.

IV. This Bench hereby appoints **Mr. Mayank Rameshchandra Jain**, an Insolvency Professional having Registration No: IBBI/IPA-001/IP-P01055/2017-2018/11748 as the Interim Resolution Professional (IRP) having his address at - A 1001, Samarpan, Near Spectra Motors, Western Express Highway, Borivli (West), Mumbai City, Maharashtra, 400066, Email id: **jainmayankr@gmail.com** to carry out the functions as mentioned under the Code.

V. That the public announcement of the CIRP shall be made immediately as specified under section 13 of the Code.

VI. During the CIRP period, the management of the CD shall vest in the IRP or the RP, as the case may be. The officers, directors and employees of the CD shall provide all documents in their possession and furnish every information

in their knowledge to the IRP/RP, within a period of one week from the date of receipt of this Order, in default of which coercive steps shall be taken.

VII. In exercise of the powers under Rule 11 of the NCLT Rules, we order the FC to deposit an amount of Rs.3,00,000/- (Three Lakh Rupees) towards the initial CIRP cost on issuing public announcement, inviting claims, etc., to the IRP, if demanded by him, immediately upon communication of this Order. The amount so deposited shall be interim finance and paid back to the FC on priority upon the funds available with IRP/RP. The expenses incurred by the IRP out of this fund shall be subject to approval by the CoC.

VIII. Registry shall send a copy of this order to the concerned Registrar of Companies, Mumbai for updating the Master Data of the Corporate Debtor.

IX. The Registry is hereby directed to communicate this order to both the parties and to IRP immediately.

X. A copy of the Order may also be sent to the Insolvency and Bankruptcy Board of India for information and record.

Sd/-
ANIL RAJ CHELLAN
MEMBER (TECHNICAL)

Sd/-
K. R. SAJI KUMAR
MEMBER (JUDICIAL)