



**THE NATIONAL COMPANY LAW TRIBUNAL  
CHANDIGARH BENCH, CHANDIGARH  
(Exercising powers of Adjudicating Authority under  
the Insolvency and Bankruptcy Code, 2016)**

**CP (IB) No. 190/Chd/Chd/2021**

**Under Section 7 of the  
Insolvency & Bankruptcy  
Code, 2016**

**In the matter of:**

**NPT Packaging LLP  
through Designated Partner Narinder Kumar Garg**

having its Registered office at:  
363, Second Floor, Masjid Moth,  
New Delhi-110049

....Petitioner-Financial Creditor

Vs.

**Limeswood Developers Private Limited  
Through Directors**

having its Registered Office at:  
SCO-59, Top Floor, Sector-32C,  
Chandigarh-110033

...Respondent-Corporate Debtor

**Judgment delivered on: 08.06.2023**

**Coram: HON'BLE MR. HARNAM SINGH THAKUR, MEMBER (JUDICIAL)  
HON'BLE MR. SUBRATA KUMAR DASH, MEMBER (TECHNICAL)**

**Present:**

For the Petitioner-Financial Creditor : Mr. P.K. Sachdeva, Advocate

For the Respondent-Corporate Debtor : Mr. Satikshan Sood, Advocate

**PER: HARNAM SINGH THAKUR, MEMBER (JUDICIAL)**

**JUDGMENT**

The present petition has been filed by **NPT Packaging LLP** (hereinafter referred to as 'Petitioner/Financial Creditor') through its designated partner,



Narinder Kumar Garg under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'Code') read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 to initiate the Corporate Insolvency Resolution Process ('CIRP') against **Limeswood Developers Private Limited** (hereinafter referred to as 'Respondent/Corporate Debtor'). The petition is signed by Narinder Kumar Garg with the affidavit verifying the contents of the application appended thereto.

2. The Corporate Debtor is stated to be incorporated on 01.06.2015. The company having its registered address at Sector-32C, Chandigarh. Therefore, the jurisdiction lies with this Bench of the Tribunal. The master data of the corporate debtor is stated to be filed as Annexure-A5 of the petition.

3. The brief facts of the case are that the Financial Creditor granted a loan of Rs. 1,10,00,000/- (Rupees One Crore Ten Lakhs only) to Corporate Debtor during 28.11.2019 to 10.01.2020 at 11% p.a. on the basis of a loan agreement executed on 28.11.2019. The Financial Creditor wrote a letter dated 21.06.2021 to Corporate Debtor to repay the loan but not later than 20.07.2021. However, Corporate Debtor failed to repay the loan till 20.07.2021.

4. It is stated in Part-IV of Form No.1 that the petitioner has provided a loan amount of Rs. 1,28,31,801/- (Rupees One Crore Twenty Eight Lakhs Thirty One Thousand Eight Hundred and One Only) (principal) an interest @ 11% thereon till 30.06.2021 and date of default is 20.07.2021 i.e.when the corporate debtor was asked to repay the loan not later than 20.07.2021. Copy of the Loan Agreement dated 28.11.2019 (Annexure A1), letter dated 10.07.2021 (Annexure A2), and Statement of Bank Account (Annexure A3, A4) are attached with the petition.



5. The notice of this petition was issued to the respondent corporate debtor to show cause as to why this petition be not admitted. The reply was filed vide Dairy No. 00926/01 dated 08.06.2022 wherein it is stated that the company raised funds from the petitioner and other companies to pay off debts. The company started sourcing for implementing a multi-story residential complex in the vicinity of Chandigarh Tricity. Due to Corona pandemic in 2019, the plans could not be implemented and short-term loans became due for payment. As on date the company has no source for repayment of loans and interest. However, efforts are being made to raise fresh capital/loans and repay the existing loans until company finds new land for developing a multi-storey residential complex. However, company has the capacity and willingness to pay all the debts in the medium term. The short written submissions are filed by the petitioner-financial creditor vide Dairy No. 00926/3 dated 26.10.2022 and by the respondent by Dairy No. 00926/4 dated 02.11.2022.

6. We have heard the learned counsels for the petitioner as well as the respondent and have also perused the record carefully.

7. Section 7(5)(a) of the Code is as follows:-

*“5) Where the Adjudicating Authority is satisfied that—  
(a) a default has occurred and the application under sub-section (2) is complete, and there is no disciplinary proceedings pending against the proposed resolution professional, it may, by order, admit such application.”*

8. The issue for consideration is whether the present application is filed within limitation. It can be seen from the records that the date of default is 20.07.2021 i.e.when the corporate debtor was asked to repay the loan not later than 20.07.2021. The present petition is filed vide Dairy No. 00926 dated 04.08.2021



and was refiled on 08.08.2021. Therefore, the present petition is filed within limitation.

9. Another issue for consideration is whether there is default in payment or not. It is observed from the record that in the present case, the default is evidenced by the Loan Agreement dated 28.11.2019 (Annexure A1), a letter dated 10.07.2021 (Annexure A2), and a Statement of Bank Account (Annexure A3, A4). The corporate debtor in its reply has stated that due to Corona pandemic in 2019, the plans could not be implemented and short-term loans became due for payment and efforts are being made to raise fresh capital/loans and repay the existing loans until the company finds new land for developing a multi-storey residential complex. The company has the capacity and willingness to pay all the debts in the medium term. Therefore, this is the case of admitted liability. As per the financial records, it is evident that an amount of Rs. 1,28,31,801/- (Rupees One Crore Twenty Eight Lakhs Thirty One Thousand Eight Hundered and One Only) (principal) an interest @ 11% thereon till 30.06.2021 is still pending which amounts to default when the corporate debtor avoided the payment of outstanding amount despite repeated requests by the petitioner-financial creditor. Accordingly, the petitioner proved the debt and the default, which is above threshold limit.

10. The application filed in the prescribed Form No.1 is found to be complete. Another condition is that there are no disciplinary proceedings pending against the proposed Resolution Professional. In the present case, in Part III of Form 1, Mr. Bhim Sain Goyal has been proposed as Interim Resolution Professional (IRP). Form B dated 11.11.2022 wherein his AFA Certification is valid upto 10.11.2023 has been submitted. The Law Research Associate of this Adjudicating Authority has checked the credentials of Mr. Bhim



Sain Goyal and there is nothing adverse against him. In view of the above, we appoint Mr. Bhim Sain Goyal, Registration No. IBBI/IPA-002/IP-N00726/2018-2019/12216, Email: bsgoyal1@gmail.com, Mobile No.9811081491, the Interim Resolution Professional with the following directions:-

- i.) The term of appointment of Mr. Bhim Sain Goyal 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 morals;

- 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. 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. The IRP/Resolution Professional is directed to take possession of the Books of Account in physical form or the computer systems storing the electronic records at the earliest. 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.

- vii.) 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 CIR Proceedings as per law.
- viii.) The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the operational position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying the constitution of the Committee 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 Committee within seven days of filing the report of the constitution of the Committee; and
- ix.) The Interim Resolution Professional is directed to send a regular progress report to this Tribunal every fortnight.

11. In the given facts and circumstances, the present petition being complete and having established the default in payment of the Financial Debt for the default



amount being above the threshold limit, the petition is admitted in terms of Section 7(5) of the IBC and accordingly, also direct moratorium in terms of sub-section (1) of Section 14 of the code to take effect as below:

- 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 Operational Assets and Enforcement of Security Interest Act, 2002; and
- 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.
- e) It is further directed that the supply of essential goods or services to the corporate debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period. 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 operational sector regulator and to a surety in a contract of guarantee to a corporate debtor.
- f) 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.

12. We direct the Financial Creditor to deposit a sum of ₹1,00,000/- (Rupees One Lakh Only) with the Interim Resolution Professional, to meet out the expense 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 Committee of Creditors as accounted for by the Interim Resolution Professional on the conclusion of CIRP.

13. A copy of the order shall be communicated to both parties. The learned counsel for the petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith. The Registry is also directed to send a copy of this order to the Interim Resolution Professional at his e-mail address forthwith.

14. This petition is admitted accordingly.

Sd/-  
(Subrata Kumar Dash)  
Member (Technical)

Sd/-  
(Harnam Singh Thakur)  
Member (Judicial)

June 08, 2023

VN/TB