

IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI, COURT-IV

CP (IB)-557(ND)/2024

Under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy Code, 2016 (Application to Adjudicating Authority) Rules, 2016.

IN THE MATTER OF:

LAXMI PUBLICATIONS PVT. LTD.

CIN: U22219DL1994PTC063326

13, Golden House, Darya Ganj, New Delhi-110002

...Applicant/Financial Creditor

Versus

BLISS INNS PVT. LTD.

Through its director

CIN: U55101DL2010PTC203969

Having its registered office at:

C-351/9, Majlis Park, Adarsh Nagar, New Delhi- 110033

...Respondent/Corporate Debtor

Order Pronounced On: 05.08.2025

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,

HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI,

HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Applicant : Mr. Anurag Mishra, Mr. Ayush Yadav, Mr. Divyanshu Agrawal, Mr. Utkarsh Dwivedi, Advocates.

For the Respondent : Mr. Sachin Mintri, Mr. Sourav Lohani, Mr. Abhishek Gupta, Advocates.

ORDER

PER: ATUL CHATURVEDI, MEMBER (TECHNICAL)

1. This Application has been filed by Laxmi Publications Pvt. Ltd, the Applicant/Financial Creditor (“FC”) before this Adjudicating Authority, under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“IBC” or “Code”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, (“Adjudicating Authority Rules”), for initiating the Corporate Insolvency Resolution Process (“CIRP”), declaring moratorium and for appointment of Interim Resolution Professional (“IRP”), against Bliss Inns Private Limited, the Respondent/Corporate Debtor (“CD”) on the ground that the Corporate Debtor has defaulted in payment towards the acknowledged and admitted financial debt of total Rs. 2,45,57,383/- (Two Crore Forty-Five Lakh Fifty-Seven Thousand Three Hundred Eighty-Three) as on 05.10.2019 along with further interest @24% per annum from 05.10.2019 till actual realization including Principal amount Rs. 1,14,75,427/- (Rupees One Crore Fourteen Lakhs Seventy-Five Thousand and Four Hundred Twenty-Seven Only) as on 05.10.2019 and interest of Rs. 1,30,81,956/- (Rupees One Crore Thirty Lakhs Eighty-One Thousand and Nine Hundred Fifty-Six) calculated@ 24% per annum till date i.e. 04.07.2024.
2. The Corporate Debtor i.e. Bliss Inns Private Limited) is a company registered under the provisions of Companies Act, 1956 with Corporate Identification No. U55101DL2010PTC203969 and is engaged in the business of hotels, camping sites and other provision of short-stay accommodation. It also runs and manages restaurant facilities operated in connection with the provision of lodging. The registered office of the Corporate Debtor is at C-351/9, Majlis Park, Adarsh Nagar, New Delhi, Delhi, Delhi, India, 110033. Since the registered office of the Corporate Debtor is situated in New Delhi, this Tribunal having jurisdiction over the NCT of Delhi is the Adjudicating Authority under sub-section (1) of section 60 of the Code in relation to the prayer for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.

3. SUBMISSIONS OF THE APPLICANT/FINANCIAL CREDITOR:

- i.** The Applicant i.e. Laxmi Publications Private Limited, is a company registered under the provisions of Company Act, 1956 with Corporate Identification No. U22219DL1994PTC063326 and is having its registered office at 113, Golden House, Darya Ganj, New Delhi, Delhi, India - 110002. The said Company is engaged in the business of Printing and service activities since 09.12.1994.
- ii.** Somewhere in June-July, 2017, the Corporate Debtor approached the Applicant for seeking unsecured loan for their business. The Corporate Debtor represented as one of the leading businesses in the Country and therefore, the Applicant after considering the fact that the said company has its existence in the market since 2010, had agreed to provide loan for the business. It was also orally agreed between the parties that the Applicant shall make the payment as per the requirement of Corporate Debtor and the Corporate Debtor will refund the same on and when sought by the Applicant herein.
- iii.** The Corporate Debtor had made a payment of total Rs.1,50,59,862/- and out of the said total amount the Corporate had made only a part payment of Rs.54,89,310/-. However, a principal amount of Rs. 95,70,552 has still not been paid by the Corporate Debtor. It is also important to point that apart from an amount of Rs. 95,70,552, an interest for Rs. 21,16,528 (TDS of 10% on interest amount i.e., Rs. 2,11,653/-) as on 31.03.2019 has also not been paid. The calculation of the same is $\text{Rs. } 95,70,552 + \text{Rs. } 21,16,528 - \text{Rs. } 2,11,653 = \text{Rs. } 1,14,75,427$. Therefore, the total amount of Rs. 1,14,75,427/- is still withheld by the Corporate Debtor towards Applicant Company. The same has also been evident from the audited balance sheets of Corporate Debtor for the financial year 2017-18, 2018-19 and 2019-20.
- iv.** Details of Payment made by the Applicant Company in favour of the Respondent Company are as per the following table:

S. No.	Date of payment	Amount in INR
1.	27.07.2018	Rs. 25,00,000/-
2.	27.07.2018	Rs. 25,00,000/-
3.	30.07.2018	Rs. 1,24,550/-
4.	30.07.2018	Rs. 1,35,312/-
5.	01.08.2018	Rs. 98,00,000/-
Total Rs.1,50,59,862/-		

- v. Details Of Payment received by Corporate Debtor in favour of Applicant Company are as per the following table:

S. No.	Date of payment	Amount in INR
1.	04.10.2018	Rs.2,59,862
2.	05.11.2018	Rs. 6,53,681/-
3.	05.11.2018	Rs. 6,53,681/-
4.	05.11.2018	Rs. 6,53,681/-
5.	30.11.2018	Rs. 6,53,681/-
6.	05.01.2019	Rs. 6,53,681/-
7.	30.01.2019	Rs. 6,53,681/-
8.	28.02.2019	Rs. 6,53,681/-
9.	05.10.2019	Rs. 6,53,681/-
Total Rs.54,89,310/-		

- vi. Several attempts have been made by Financial Creditor to approach the representatives of Corporate Debtor with respect of its outstanding dues however neither any satisfactory response has been received nor the payment has been released by Corporate Debtor. It is pertinent to mention that the Corporate Debtor has also admitted its outstanding debt to tune of Rs. 1, 14, 75,427/- vide Ledger balance reconciliation between Financial Creditor and Corporate Debtor for the period 2018-2019 to 2023-2014. That no steps have been taken till date by Corporate Debtor to clear its outstanding dues. Despite acknowledgment of debt and default the Corporate Debtor has not come forward to settle its entire dues.

- vii.** In view of the above facts and circumstances, the Financial Creditor herein has filed the instant application to initiate CIRP against the Corporate Debtor, seeking rehabilitation of the Corporate Debtor.
- viii.** The Applicant has proposed the name of **Mr. Prashant Sharma** an Insolvency Professional of ICAI (Application, Page No. 437-442, Vol-III) having registration under IBBI/IPA-0001/IP-P00290/2017- 18/10354 as the Interim Resolution Professional. Form 2 along with Form B and Certificate of Registration of the proposed IRP has been placed on record.
- ix.** It is submitted that the Applicant is within the threshold limit as prescribed under the provisions of the Code, 2016. Even the non-payment of a part of debt becoming due and payable will amount to default on the part of a corporate debtor. Reliance was placed on the decision of the Hon'ble Supreme Court in **M. Suresh Kumar Reddy v. Canara Bank (2023) 8 SCC 387** and **Rita Kedia v. Ashika Global Securities (P) Ltd., 2024 SCC OnLine NCLAT 1375**.
- x.** The Applicant submitted that the default is admitted and Respondent failed to make payment. The admission on the part of Respondent had been categorically mentioned in the reply filed by the Respondent. Reliance was placed on **Smart Card IT Solutions Ltd. v. JHP Finvest (P) Ltd., 2022 SCC OnLine NCLAT 2210, Canara Bank v. Sail - SCL Kerala Ltd., 2023 SCC OnLine NCLT 70**.
- xi.** The Applicant submitted that the Application under Section 7 of Insolvency Bankruptcy Code, 2016 is well within the limitation. The date of default in the present case occurred on 05.10.2019. Reliance was placed on **Re, Cognizance for Extension of Limitation (reported in 2022 (3) SCC 117** wherein the Hon'ble Supreme Court has excluded the period from 15.03.2020 to 28.02.2022. This position has also been accepted by the Hon'ble National Company Law Appellate Tribunal in **Indospirit Distribution Ltd. v. Kristal Spirits India (P) Ltd., 2025 SCC OnLine NCLAT 87, Sudhanshu Bhardwaj Vs AIR India Limited, 2023 SCC Online 8177**. Accordingly the limitation in the present case would expire on 17.10.2024 and as the Section 7 Application was filed on 06.08.2024, the Applicant has filed the present Application well within the limitation period.

- xii.** The Applicant has filed the following documents along with the Application in order to prove the existence of financial debt and the amount in default:
- a.** True Copy of Certificate of Incorporation of the Corporate Debtor.
 - b.** True Copy of the Master Data of Corporate Debtor (Bliss Inns Private Limited) obtained from website of Ministry of Corporate Affairs.
 - c.** True Copy of Ledger reflecting the total outstanding due amount.
 - d.** True Copy of Audited Balance Sheet of Applicant Company for the Financial Year 2017-18 showing the entries of loan and advances in Non - Current Assets of Applicant Company.
 - e.** True Copy of Audited Balance Sheet of Applicant Company for the Financial Year 2018-19 showing the entries of loan and advances in Non - Current Assets of Applicant Company.
 - f.** True Copy of Audited Balance Sheet of Applicant Company for the Financial Year 2019-20 showing the entries of loan and advances in Non - Current Assets of Applicant Company along with Audit Report.
 - g.** True Copy of Audited Balance Sheet of Applicant Company for the Financial Year 2020-21 showing the entries of loan and advances in Non - Current Assets of Applicant Company along with Audit Report.
 - h.** True Copy of Audited Balance Sheet of Applicant Company for the Financial Year 2021-22 showing the entries of loan and advances in Non - Current Assets of Applicant Company along with Audit Report.
 - i.** True Copy of Audited Balance Sheet of Applicant Company for the Financial Year 2022-23 showing the entries of loan and advances in Non - Current Assets of Applicant Company along with Audit Report.
 - j.** The Audited Balance Sheet of Corporate Debtor for the Financial Year 2017-18 along with Audit Report.
 - k.** The Audited Balance Sheet of Corporate Debtor for the Financial Year 2018-19 along with Audit Report.
 - l.** The Audited Balance Sheet of Corporate Debtor for the Financial Year 2019-20 along with Audit Report.
 - m.** True Copy of Authorization in favour of Bhagwat Prasad Sharma authorized representative of the Applicant.

- n. Form 2 along with Form B and Certificate of Registration of the proposed IRP.

4. SUBMISSIONS OF THE RESPONDENT/CORPORATE DEBTOR:

- i. The Corporate Debtor was involved in hospitality and tourism industry and was running hotels, camping sites, short-stay accommodations, etc. The Corporate Debtor was doing well in business till the year 2019, however, due to the Covid-19 Pandemic, it suffered a huge loss in business because of which it had to close down majority of its operations.
- ii. The captioned Application under section 7 as filed is without any valid authorisation. The Financial Creditor has filed a defective Authorisation in favour of its Representative/Signatory. The document annexed with the Petition as Annexure-"A-13" @Pg. 436 is defective and invalid. The Petitioner Company has three Directors, namely, Mr. Saurabh Gupta, Mr. Aryaman Gupta, and Ms. Aditi Gupta, as per the MCA Master Data. However, the aforesaid document purported to be an Authorisation in favour of its Representative has been signed only by one Director, namely. Mr. Saurabh Gupta. Hence, the said document is not a valid authorisation. In light of the same, the Petition is liable to be dismissed in limine.
- iii. The Applicant has not issued any demand notice as mandated under the Code upon the Corporate Debtor making a demand of the alleged amount in default.
- iv. It was agreed between the parties that the Petitioner Company would adjust the balance outstanding loan amount against the services availed by its employees in some of the hotels of the Corporate Debtor. The Petitioner Company availed services of the Corporate Debtor, but has failed to adjust the service consideration towards the loan.
- v. Further, the Petitioner Company is well aware of the fact that the Corporate Debtor faced with severe financial crunch after the Covid-19 Pandemic. Corporate Debtor was forced to shut down most of its hotels due to which there was some delay in repayment of the amount. The Corporate Debtor had assured the Petitioner that it would repay the amount once it restart with its operations, however, due to financial crunch in the company and the sole Director not keeping well due to ill health, the Corporate Debtor Company has not been able

to restart its business operations. Despite knowing the situation of Corporate Debtor, the Petitioner has approached this Hon'ble Tribunal with malafide intentions to forcefully have the respondent company to be admitted into insolvency.

- vi.** Principal outstanding amount mentioned in Sr. No. I of Part-IV of the Petition, i.e., Rs. 1,14,75,427/- are admitted, however, the interest amount of Rs. 1,30,81,956/- @24% is vehemently denied. At the time of issuance of loan by the Petitioner, interest @12% was agreed at. However, at this juncture the Petitioner has unilaterally increased the interest amount.
- vii.** The Petitioner despite having annexed a consent form of the proposed Insolvency Resolution Professional, has mentioned in Part-III that it is not proposing any Resolution Professional.

5. ANALYSIS AND FINDINGS:

- i.** We have heard the submissions made by the learned counsel for both the Applicant/Financial Creditor and the Respondent/Corporate Debtor and have carefully perused the documents placed on record.
- ii.** The present Application has been filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor on the basis of an alleged loan of ₹1,14,75,427/-. The Financial Creditor has primarily relied on entries in its books of account, Balance Sheets and the Corporate Debtor's Balance Sheets to establish the existence of a financial debt.
- iii.** However, for an Application under Section 7 to be admitted, the Applicant must establish the existence of a "financial debt" as defined under Section 5(8) of the Code, which necessarily requires disbursement of money against the consideration for the time value of money. This essential element must be supported by cogent evidence.
- iv.** The concept of "time value of money" is central to the definition of financial debt under the Code. It implies that money disbursed must be with an expectation of compensation for the period it remains with the borrower, usually in the form of interest or other forms of financial return. This distinguishes a financial debt from other monetary claims. It is not sufficient for the creditor to merely

establish that money was advanced or reflected in the books; the creditor must demonstrate that such disbursement was made under terms that envisaged repayment with financial consideration over time. In the present case, there is no loan agreement, promissory note, or document to indicate that the parties agreed to any specific interest rate, repayment timeline, or method of accrual. The claimed rate of 24% per annum appears arbitrary and is unsupported by any documentary evidence. As such, the requirement of time value of money, which is a sine qua non for establishing a financial debt, remains unproven.

- v. The reliance placed by the Applicant on its own balance sheets, ledger entries and the alleged acknowledgments in the books of the Corporate Debtor is insufficient in the absence of any documentary evidence to prove the nature of the transaction and that it involved consideration for time value of money. Mere accounting entries or internal ledgers cannot substitute the requirement of proving the existence of a financial debt in absence of documents proving that there was any time value of money involved in the transaction.
- vi. In view of the above facts and circumstances, we are of the considered view that the Applicant has failed to discharge the burden of proving that a “financial debt” exists within the meaning of Section 5(8) of the Code. Since there is no conclusive evidence of disbursement against time value of money, the basic requirement for admission of the Application under Section 7 remains unfulfilled.
- vii. In view of the above discussion, the present Application does not satisfy the prerequisites of Section 7 under the Code and is liable to be rejected.
- viii. Accordingly, the Application i.e. **CP (IB) 557 (ND) 2024** filed by the Applicant under Section 7 of the Insolvency and Bankruptcy Code, 2016 is **dismissed**.
No order as to costs.

-SD/-

ATUL CHATURVEDI
MEMBER (TECHNICAL)

-SD/-

MANNI SANKARIAH SHANMUGA SUNDARAM
MEMBER (JUDICIAL)