

**THE NATIONAL COMPANY LAW TRIBUNAL**

**NEW DELHI, BENCH-II**

(IB)-1672(ND)2019

**IN THE MATTER OF:**

**M/s Alchemist Asset Reconstruction Company Limited  
A-270 1<sup>st</sup> & 2<sup>nd</sup> Floor  
Defence Colony  
New Delhi-110024**

**...Financial Creditor**

**VERSUS**

**M/s Associated Lightning System Private Limited  
17 Community Centre  
New Friends Colony  
New Delhi-110065**

**...Corporate Debtor**

**SECTION: 7 of IBC, 2016**

**Order Delivered on: 21.10.2020**

**CORAM:**

**CH. MOHD. SHARIEF TARIQ, MEMBER (J)**

**SHRI. L. N. GUPTA, HON'BLE MEMBER (T)**

**PRESENT:**

For the Financial Creditor : Ms. Varsha Banerjee, Advocate

For the Corporate Debtor : Ms. Prachi Johri, Advocate

**ORDER**

**PER SHRI L. N. GUPTA, MEMBER (T)**

The present Petition is filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity 'IBC, 2016') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity 'the Rules') by M/s Alchemist Asset Reconstruction Company Limited (for brevity 'Financial Creditor') through its Authorized Representative Mr. Navneet Kumar, who is duly authorized vide Board Resolution dated 28.06.2019, with a prayer to initiate the Corporate Insolvency process against M/s Associated Lighting Systems Private Limited (for brevity 'Corporate Debtor').

2. The Corporate Debtor namely, M/ s Associated Lighting Systems Private Limited is a Company incorporated vide CIN No. U40300DL2008PTC177839 on 08.05.2008 under the provisions of Companies Act. 1956, having its registered office at 17 Community Centre, New Friends Colony, New Delhi-110065.

3. The Authorized Share Capital of the Corporate Debtor is Rs.5,00,00,000 and Paid-up Share Capital of the Company is Rs.4,90,00,000 as per the Master Data annexed.

4. It is submitted by the Financial Creditor that originally, the Karnataka Bank had provided credit facilities to the Corporate Debtor. It is added that subsequently, the Loan account of the Corporate Debtor has been assigned to the Financial Creditor by the Karnataka Bank by way of an Assignment Agreement dated 22.03.2017 by virtue of which, all the rights with respect to the said loan account vests with the Financial Creditor.

5. It is stated by the Financial Creditor that the Credit Facilities were provided to the Corporate Debtor for the purpose of manufacturing of CFL components, Decorative Lamps and other Lightning Products.

6. It is further submitted by the Financial Creditor that in year 2011, total Credit Facilities of Rs. 500 Lakhs were granted to the Corporate Debtor, details of which are reproduced below :

Nature of Facility	Limits (Rs. in Lakhs)
PS Overdraft	400
Import/Inland LC (DP/DA)	100
<b>Total</b>	<b>500</b>



7. It is added by the Financial Creditor that in year 2012 again, total Credit Facilities worth Rs.500 Lakhs were granted to the Corporate Debtor details of which are reproduced below :

Nature of Facility	Limits (Rs. in Lakhs)
PS Overdraft	400
Import/Inland LC (DP/DA)	100
<b>Total</b>	<b>500</b>

8. It is further added by the Financial Creditor that in year 2016 also, total Credit Facilities of Rs.610.03 Lakhs were granted to the Corporate Debtor, details of which are reproduced below :

Nature of Facility	Limits (Rs in Lakhs)
Overdraft	500
BG	110.03
<b>Total</b>	<b>610.03</b>

9. As regards the amount involved in the Default and the Date of default, it is mentioned by the Financial Creditor in the Part IV of their Petition that the total claim amount is Rs.7,77,60,913 only. It is further added by the Financial Creditor that the account of the Corporate Debtor was classified as NPA on 28.09.2016.



10. That the Financial Creditor has annexed various documents viz., Copy of the Hypothecation Agreement of all plant and machinery dated 24.02.2016, Copy of the request letter dated 24.02.2016 for grant of overdraft facility upto a limit of Rs.500 Lakhs, copy of a recall notice dated 03.10.2016 etc., as proof of existence of the Financial Debt.

11. That during the course of the hearings on 27.08.2019 as well as 09.10.2020, the Corporate Debtor had unequivocally admitted its liability.

12. In the light of above facts and circumstances, the Financial Creditor has been successful in establishing the 'default' of the amount above Rs.1,00,00,000 in respect of the Corporate Debtor. This Bench is, therefore, inclined to initiate CIR process against the Corporate Debtor.

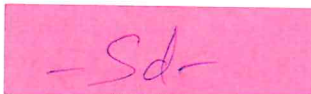
13. In the given facts and circumstances, the present Petition being complete and having established the default in payment of the Financial Debt for the default amount being above Rs.1,00,00,000, the Petition is admitted in terms of Section 7(5) of the IBC and accordingly, moratorium is declared in terms of Section 14 of the Code. As a necessary consequence of the moratorium in terms of Section 14(1) (a), (b), (c) & (d), the following prohibitions are imposed, which must be followed by all and sundry :

- “(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 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.”

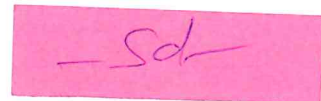
14. As proposed by the Financial Creditor, this Bench appoints Mr. Devendra Singh as an IRP having Registration No. IBBI/IPA-002/IP-N00001/2016-17/10001 (Email: dev\_singh2006@yahoo.com), Mobile number-9810339416, subject to the condition that no disciplinary proceedings are pending against the IRP so named and disclosures as required under IBBI Regulations, 2016 are made by him within a period of one week from this Order. The IRP is directed to take all steps as mandated under the IBC specifically under Section 15, 17, 18, 20 and 21 of IBC, 2016.

15. The Financial Creditor is directed to deposit Rs.2,00,000 (Two Lakh) only with the IRP to meet the immediate expenses. The amount, however, will be subject to adjustment by the Committee of Creditors as accounted for by Interim Resolution Professional and shall be paid.

16. In terms of the above, the Petition stands admitted in terms of Section 7(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of this Order shall be communicated to the Applicant, the Respondent and the IRP mentioned above by the Registry of this Tribunal. In addition, a copy of the Order shall also be forwarded by the Registry to the IBBI for their records.



**(L. N. Gupta)**  
**Member (T)**



**(Ch. Mohd. Sharief Tariq)**  
**Member (J)**