

**NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH, COURT-I, CHANDIGARH**

**CP (IB) No.314/Chd/J&K/2023
(Dismissed on 08.01.2025)
(Revived on NCLAT Directions)**

IN THE MATTER OF:

J And K Integrated Textile Park Limited
I.I.D. Centre, Hatli Morh
Kathua-184101
PAN: AACCCJ6919L
Email: jandktextiles@gmail.com
M: 95967-98105

..... Financial Creditor

VERSUS

J AND K SYNTHETIC PRIVATE LIMITED
IIDC, Govindsar, Industrial Area Hatli Morh,
Kathua-184152
Email: Syntheticjandk@gmail.com
M: 9070498119

.....Corporate Debtor

Order delivered on: 01.07.2026

**Coram: SH. KHETRABASI BISWAL, HON'BLE MEMBER (JUDICIAL)
SH. SHISHIR AGARWAL, HON'BLE MEMBER (TECHNICAL)**

Present:

For the Petitioner : Mr. Vishav Bharti Gupta, Advocate
For the Respondent : Mr. Viren Sharma, Advocate

ORDER

This **CP (IB) No.314/Chd/J&K/2023** has been filed by J and K Integrated Textile Park Limited (hereinafter referred to as the "Financial Creditor") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"), seeking initiation of Corporate Insolvency Resolution Process ("CIRP") against J AND K SYNTHETIC PRIVATE LIMITED (hereinafter referred to as the "Corporate Debtor").

BRIEF FACTS OF THE CASE

2. The brief facts averred in the original Petition are summarised as follows:

- (i) The Financial Creditor, J&K Integrated Textile Park Limited, is a Special Purpose Vehicle incorporated to implement the Scheme for Integrated Textiles Park ("SITP") launched by the Government of India, Ministry of Textiles, in 2005. Under the said Scheme, J&K State Industrial Development Corporation Limited ("JKSIDCO") granted a lease of 200 Kanals of land at Industrial Estate, Kathua, in favour of the Financial Creditor by Lease Deed dated 22.03.2012, for a period of 90 years, towards which the Financial Creditor paid a premium of Rs. 3,00,00,000/- along with advance ground rent. A Memorandum of Agreement was thereafter executed with the Government of India for development of the project.

- (ii) In furtherance of the Scheme, the Financial Creditor allocated sites to nine industrial units, including the Corporate Debtor. Tripartite Agreements were executed in May 2017 among JKSIDCO, the Financial Creditor, and each Corporate Debtor, followed by Loan Agreements executed in 2018, whereunder the Financial Creditor extended unsecured loans to each Corporate Debtor for construction of factory buildings, carrying interest as per the terms of the respective agreements.
- (iii) The Corporate Debtor failed to discharge its obligations towards lease rent, interest, and principal under the Loan Agreement. The Financial Creditor issued recall notices demanding the outstanding dues, in response to which the Corporate Debtor tendered post-dated cheques that were subsequently dishonoured, giving rise to proceedings under Section 138 of the Negotiable Instruments Act. The Corporate Debtor had also defaulted on separate financial facilities availed from Punjab National Bank, which initiated recovery proceedings under the SARFAESI Act. Despite repeated demand notices, the dues remained uncleared, and the Financial Creditor accordingly filed the present Section 7 petition in December 2023.
3. This Adjudicating Authority, vide its Order dated 08.01.2025, rejected the Petition, holding, inter alia, that the transaction between the parties did not give rise to a financial debt within the meaning of Section 5(8) of the Code.

4. The Financial Creditor challenged the said Order before the Hon'ble National Company Law Appellate Tribunal, Principal Bench, New Delhi, in **Comp. App. (AT) (Ins) No. 339 of 2025**.
5. The Hon'ble NCLAT, vide its common Judgment dated 19.05.2026 passed in a batch of 18 appeals arising from the nine connected Section 7 petitions, set aside the Order dated 08.01.2025, held that debt and default were duly proved. The Adjudicating Authority was accordingly required to admit the Section 7 applications, and directed this Adjudicating Authority to pass a consequential order admitting the present Petition into CIRP within 30 days from the date of production of the said Judgment. The penalties imposed under Section 65 of the Code on both the Financial Creditor and the Corporate Debtor were also set aside.
6. In compliance with the aforesaid directions, the Financial Creditor filed IA No. 787/2026 before this Adjudicating Authority, placing on record the Judgment dated 19.05.2026 along with the consent in Form-2 of the proposed Interim Resolution Professional. The said Application was allowed and disposed of vide Order dated 08.06.2026, whereby the Judgment of the Hon'ble NCLAT and the consent Form-2 of the proposed IRP were taken on record, and the Company Petition was listed on 11.06.2026 for hearing.
7. We have heard the Learned Counsel for both the parties.

8. In view of the directions of the Hon'ble NCLAT in Comp. App. (AT) (Ins) No. 339 of 2025, and there being nothing further to be adjudicated insofar as the existence of debt and default is concerned, we admit the present Petition into CIRP with the following directions:

(i) The Corporate Debtor, viz., J And K Synthetic Private Limited, having its registered office at IIDC, Govindsar, Industrial Area, Hatli Morh, Kathua – 184152, Email: Syntheticjandk@gmail.com, Mobile: 9070498119, is hereby admitted into the Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code, 2016.

(ii) The moratorium under Section 14 of the Code is declared for prohibiting all of the following, in terms of Section 14(1) of the Code:

(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 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 the possession of the Corporate Debtor.

(iii) The Order of moratorium shall have effect from the date of this Order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for the liquidation of the Corporate Debtor Company under Section 33 of the Insolvency & Bankruptcy Code, 2016, as the case may be.

(iv) We hereby appoint Mr. Rajeev Sharma, as proposed, having Registration Number IBBI/IPA-001/IP-P-02004/2020-2021/13142, AFA valid upto 30.06.2027, having his address at H. No. 58, Shivalik City, Sector-127, Kharar, Sahibzada Ajit Singh Nagar, Punjab – 140307, Email: rsrajeevsharmaca@gmail.com and Mobile No. 9855618446, to act as Interim Resolution Professional (IRP) under Section 13(1)(c) of the Insolvency and Bankruptcy Code, 2016. It is certified that no disciplinary proceedings are pending against him. He shall conduct the CIRP as per the provisions of the Code read with the Regulations made thereunder.

(v) The IRP shall perform all its functions as contemplated, inter alia, by sections 17, 18, 20 & 21 of the Insolvency and Bankruptcy Code, 2016. It is further made clear that all personnel connected with Corporate Debtor, its Promoter, or any other person associated with the management of the Corporate Debtor are under legal obligation under Section 19 of the Insolvency and Bankruptcy Code, 2016, to extend every

assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter, or any other person, is required to assist or co-operate with the IRP, do not assist or co-operate, the IRP is at liberty to make an appropriate Application to this Adjudicating Authority with a prayer for passing an appropriate Order.

(vi) This Adjudicating Authority directs the IRP to make a public announcement of the initiation of the CIRP and call for submission of claims under Section 15 of the Code, as required by Section 13(1)(b) of the Code.

(vii) It is further directed that the supply of goods or services to the Corporate Debtor, if continuing, shall not be terminated, suspended, or interrupted during the moratorium period. The IRP shall be under a duty to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern as part of the obligation imposed by Section 20 of the Insolvency and Bankruptcy Code, 2016. The Financial Creditor is directed to pay an advance of Rs. 2,00,000/- (Rupees two lakhs only) to the IRP within 2 (two) weeks from the date of receipt of this order for the purpose of smooth conduct of the Corporate Insolvency Resolution Process, and the IRP is directed to file proof of receipt of such amount before this Adjudicating Authority along with the First Progress Report. Subsequently,

the IRP may raise further demands for interim funds, which shall be provided as per the Rules.

(viii) The Interim Resolution Professional shall send a communication, along with a copy of the public announcement made under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations (CIRP Regulations), 2016, to all statutory authorities likely to have claims against the Corporate Debtor. Such authorities shall include the Income Tax Department, GST Authorities, State Trade Tax Department, Provident Fund Organisation, and any other concerned departments, as well as the trade unions and employees' associations of the Corporate Debtor. The purpose of such communication shall be to duly inform them of the admission of the Corporate Debtor into the CIRP and to ensure that they are apprised of its commencement in a timely manner.

(ix) The Registry is directed to communicate a copy of this Order to the Financial Creditor, Corporate Debtor, and the Interim Resolution Professional and the concerned Registrar of Companies, after completion of the necessary formalities, within seven working days, and upload the same on the website immediately after pronouncement of the Order.

9. Accordingly, **CP (IB) No.314/Chd/J&K/2023** is **allowed** and the Corporate Debtor, J AND K SYNTHETIC PRIVATE LIMITED, is hereby **admitted** into the Corporate Insolvency Resolution Process (CIRP).

Sd/-

(SHISHIR AGARWAL)
MEMBER (TECHNICAL)

Yuvraj

Sd/-

(KHETRABASI BISWAL)
MEMBER (JUDICIAL)