



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT- II**

C.P. (IB) No. 714/MB/2024

*[Under Section 9 of the Insolvency and
Bankruptcy Code, 2016]*

In the matter of

4G Plastics Inc.

...Operational Creditor

V/s.

Unitech International Limited

(CIN: L99999MH1994PLC082810)

...Corporate Debtor

Pronounced: 26.06.2025

CORAM:

**SHRI ANIL RAJ CHELLAN
HON'BLE MEMBER (TECHNICAL)**

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

Appearances: Hybrid

For Operational Creditor : Adv. Nausher Kohli a/w Adv. Simran Kasat &
Adv. Saavi Dhaddha i/b Bathiya Legal

For Corporate Debtor : Adv. K. Shekhawat



ORDER

Per: Anil Raj Chellan, Member (Technical)

1. This is an Application filed on 23.05.2024 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (Code) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (AAA Rules), by **4G Plastics Inc.**, the Operational Creditor, for initiating Corporate Insolvency Resolution Process (CIRP) in respect of **Unitech International Limited**, the Corporate Debtor for the alleged default in operational debt of Rs.3,41,57,998/-.

2. **Factual Background**
 - 2.1 The Operational Creditor is an entity based in the United States of America and is engaged in the business of Plastic and Steel trading. In the year 2021, the Corporate Debtor approached the Operational Creditor for the supply of acrylic raw materials. As per the understanding between the parties, the Operational Creditor dispatched the acrylic raw materials to the Corporate Debtor and raised multiple invoices in US dollars, which remained outstanding till date. Therefore, the Operational Creditor issued a Demand Notice dated 06.05.2024 under Section 8 of the Code read with Rue 5 of the AAA Rules, which the Corporate Debtor also acknowledged.

 - 2.2 Since the debt has not been paid by the Corporate Debtor, the Operational Creditor has filed the instant Application, and the date of default mentioned in Part IV of the Application is 27.11.2022.



3. Submissions of Operational Creditor

3.1 The Operational Creditor submits that 41 invoices were raised by it from 22.04.2022 to 28.08.2022 for the supply of acrylic raw materials to the Corporate Debtor. The amounts under the invoices are payable within three months from the date of issue. The Operational Creditor has produced copy of invoices and the bill of entry to prove the supply of materials to the Corporate Debtor.

3.2 The records of Financial Information in Form-C filed by the Operational Creditor with NeSL show that the date of default is 27.11.2022 and the defaulted amount is 3,41,57,988/-.

3.2 The Operational Creditor submits that the Corporate Debtor failed to make payment despite the issue of notice under Section 8 of the Code and hence requested for initiation of the CIRP against the Corporate Debtor.

4. Contentions of Corporate Debtor

4.1 The Corporate Debtor filed its reply affidavit on 21.01.2025, which denied the averments except those which are specifically admitted therein.

4.2 It is stated that the Corporate Debtor was engaged in the business with the Operational Creditor since 2021 and has regularly made payments for several invoices raised by the Operational Creditor.

4.3 In or around July 2022, the Corporate Debtor faced certain financial constraints owing to a few failed business deals and was unable to make immediate payments to some of the invoices raised by the Operational



Creditor. However, the Operational Creditor was always updated as to the financial position of the Corporate Debtor and had agreed to the delayed payment of the outstanding invoices.

- 4.4 The Corporate Debtor is willing and able to pay all the outstanding dues within a reasonable time frame, which was already verbally agreed by the Operational Creditor.
- 4.5 It is further submitted that prior to issuing the demand notice under Section 8 of the Code, the Operational Creditor has never attempted to recover the alleged outstanding dues from the Corporate Debtor. The Operational Creditor has failed to abide by the mutual understanding between the parties, to harass the Corporate Debtor.
- 4.6 It is well settled that the intent of the Code is insolvency resolution and not recovery. In the present case, the Operational Creditor is attempting to arm-twist the Corporate Debtor and recover its outstanding dues, which is against the spirit of the Code.
- 4.7 The Corporate Debtor has had a thriving business since 1994 and has only recently faced a financial crunch. However, there are no other claims against the Corporate Debtor, and it continues to operate its business smoothly.
- 4.8 It is submitted that the Corporate Debtor is also in the process of raising finance to settle the dues of the Operational Creditor. In the circumstances, the Corporate Debtor sought some time to arrange the required finance and repay the outstanding dues to the Operational Creditor.



5. Analysis and findings

- 5.1 We have heard the Ld. Counsel for the parties and perused the documents on record.
- 5.2 The parties have admitted the business arrangement between them and the supply of goods during the period 2021-22, as evidenced by the invoices attached with the application. In order to establish that the amounts under the invoices remain unpaid, the Operational Creditor has submitted copies of Bank Statements.
- 5.3 The Operational Creditor has issued Statutory Notice under Section 8 of the Code, the receipt of which has been admitted by the Corporate Debtor.
- 5.4 While the Corporate Debtor has admitted that some of the invoices raised by the Operational Creditor are still outstanding, it has not mentioned which of the invoices annexed with the Application have been paid. Thus, this response is vague and cannot be relied upon.
- 5.5 The only argument presented by the Corporate Debtor is that it is facing a financial crunch and requires some more time to raise finance and settle the dues of the Operational Creditor. Further, the Corporate Debtor contends that the proceedings under the Code are being used as a recovery mechanism to recover the dues in respect of the invoices.
- 5.6 Therefore, it is established that the liabilities in respect of the invoices raised during the period between 2021-2022 remain unpaid. The Operational Creditor has duly served the Demand Notice dated



06.05.2024 upon the Corporate Debtor. The Corporate Debtor has not raised any further contentions.

- 5.7 In view of the foregoing findings and discussions, we hold that the debt and default have been satisfactorily established based on the records. Further, we hold that the petition is within limitation and is not barred by Section 10A of the Code. We are also satisfied that the Corporate Debtor has committed a default of well over Rs. 1 crore, thereby meeting the minimum threshold prescribed under section 4 of the Code. We are thus inclined to admit this Application, and it is ordered accordingly in the following terms:

ORDER

In view of the foregoing, this **C.P. No. (IB)/714/MB/2024** filed under Section 9 of the Code by **4G Plastics Inc.**, the Operational Creditor, for initiating CIRP in respect of **Unitech International Limited**, the Corporate Debtor, is hereby **admitted**.

We further declare moratorium under Section 14 of the Code with consequential directions as mentioned below:

- I. We prohibit:
 - a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor, including the 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, and;
- d) the recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
- II. That the supply of essential goods or services to the Corporate Debtor, 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 Tribunal approves the resolution plan under Section 31(1) of the Code or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.
- IV. That the public announcement of the CIRP shall be made in immediately as specified under Section 13 of the Code read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- V. The Operational Creditor had proposed **Mr. Popat Mayur Rajendrakumar**, having Registration No. IBBI/IPA-001/IP-P-01918/2020-2021/13046, as the IRP, e-mail ID mayurpopat2002@gmail.com, having valid Authorisation for Assignment up to 30.06.2025 as the IRP to carry out the functions under the Code.



-
- VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.
- VII. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of the Code. The officers and managers of the Corporate Debtor are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish all information within their knowledge to the IRP/RP within a period of one week from the date of receipt of this Order and shall not commit any offence punishable under Chapter VII of Part II of the Code. Coercive steps will follow against them under the provisions of the Code, read with Rule 11 of the NCLT Rules for any violation of law.
- VIII. That the IRP/IP shall submit to this Tribunal periodical reports with regard to the progress of the CIRP in respect of the Corporate Debtor.
- IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Operational Creditor is directed to deposit a sum of Rs. 5,00,000/- (Five Lakh Rupees) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid back to the Operational Creditor on priority upon the funds becoming available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.



- X. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai, for updating the Master Data of the Corporate Debtor.
- XI. A copy of the Order shall also be forwarded to the IBBI for record, dissemination on their website; and for maintaining data.
- XII. The Registry is directed to immediately communicate this Order to the Operational Creditor, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.
- XIII. Compliance report of the order by the Designated Registrar is to be submitted today.

Sd/-
ANIL RAJ CHELLAN
MEMBER (TECHNICAL)

/S. Dubey/

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