



NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COURT VI

Item No. P2.

CP(IB)/797/MB/2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **12.09.2025**

NAME OF THE PARTIES IN IA: **The Hong Kong And Shanghai
Banking Corporation Limited**
Vs.
**Sanghvi Beauty & Technologies
Private Limited**

Section 7 of IBC

ORDER

1. The case is fixed for pronouncement of the order. The order is pronounced in the open court, *vide* separate order. Detailed order is being uploaded on the NCLT portal today.

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)
(frk)

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH – VI**

CP(IB)/797/MB/2025

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

*In the matter of **THE HONGKONG AND SHANGHAI
BANKING CORPORATION LIMITED.***

**THE HONGKONG AND SHANGHAI
BANKING CORPORATION LIMITED**

1, Queen's Road, Central, Hong Kong,
and 52/60 Mahatma Gandhi Road,
P.O. Box 128, Mumbai 400 001

Branch Address:- The Hongkong and
Shanghai Banking Corporation Limited
2nd Floor, 52/60, Mahatma Gandhi Road,
Fort, Mumbai - 400 001

... Applicant/Financial Creditor

-Vs-

**SANGHVI BEAUTY & TECHNOLOGIES
PRIVATE LIMITED**

Sanghvi House, 105/2, Shivaji
Nagar, Pune, Maharashtra, 411 005.

... Respondent/Corporate Debtor

Order pronounced on 12.09.2025

CORAM :

**SH. NILESH SHARMA, HON'BLE MEMBER (JUDICIAL)
SH. SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)**



APPEARANCE (IN V-C MODE)

For Financial Creditor: Adv. Mr. Shyam Kapadia a/w Adv. Mr. Aayesh Gandhi & Adv. Mr. Abhishek Kumar i/b Wadia Ghandy & Co.

For Corporate Debtor: Adv. Mr. Aayush Kothari a/w Adv. Mr. Arahoot Prabhu i/b Lex Service and Mr. Darpan Sanghavi Director of Respondent.

ORDER

PER: SAMEER KAKAR, MEMBER (TECHNICAL)

1. This is an Application filed under Section 7 of Insolvency and Bankruptcy Code, 2016 by ***The Hongkong And Shanghai Banking Corporation Limited*** (hereinafter referred to as “**the Financial Creditor**”) against ***Sanghvi Beauty & Technologies Private Limited*** (hereinafter referred to as “**the Corporate Debtor**”) seeking commencement of CIRP, appointment of IRP and declaration of moratorium.
2. Perusal of the Part I of the Application reveals that the Applicant is one *The Hongkong And Shanghai Banking Corporation Limited* (hereinafter referred called as “the Financial Creditor” having address a “1, Queen's Road, Central, Hong Kong, and 52/60 Mahatma Gandhi Road, P.O. Box 128, Mumbai 400 001” and having branch address as *The Hongkong and Shanghai Banking Corporation Limited 2nd Floor, 52/60, Mahatma Gandhi Road, Fort, Mumbai - 400 001.*



3. The Application is filed through One Mr. Neelesh Utturkar, Senior Vice President, Authorised Signatory.
4. Part II of the application reveals that the Corporate Debtor is one **Sanghvi Beauty & Technologies Private Limited**. The Corporate Debtor is registered under CIN: U72900PN2015PTC156163 and was incorporated on 12.08.2025. The registered office of the Corporate Debtor is located at Sanghvi House, 105/2, Shivaji Nagar, Pune, Maharashtra, 411 005.
5. Perusal of the Part III reveals that the Applicant has named **Mr. Ravindra Beleyur**, No. 428, 19B Cross Road, Jayanagar 3rd Block, Bengaluru- 560011 Karnataka, Email ID: **ravi@beleyur.com** having **IP Registration No -IBBI/IPE-0 163/IPA-1/2023-24/50073**. The proposed IRP has given his consent in Form No. 2 which is appended at Page No. 135 to 139. The AFA of the proposed IRP is valid till 31.12.2025.
6. It is stated that the Financial Creditor has sanctioned credit facilities towards working capital, over draft and demand loans to the extent Rs. 60,50,00,000/- and USD 1 Million as Letter of Credit only. These limits were sanctioned on 12.12.2022 and were renewed from time to time. The last renewal was on 13.09.2004.
7. It is stated that the Corporate Debtor has availed the disbursement of the above credit facilities from time to time.
8. It is stated that the Corporate Debtor defaulted on 24.12.2024 and the debt due and the amount of default as on the date of default



was Rs.42,62,20,059.17 /- (Rs. Forty-Two Crores Sixty-Two Lakhs Twenty Thousand and Fifty-Nine and Seventeen Paise only). The Applicant further states that it adjusted the fixed deposit of Rs. 24,13,59,083.90/- maintained by the CD with the Applicant and as a result the outstanding amount as on the date of default got reduced by the amount of adjustment.

9. It is stated that in order to secure the repayment, the Corporate Debtor has created the following securities in favour of the Applicant :-

- i. Deposit Under Lien (DUL) of Rs. 24,00,00,000 (Rupees Twenty-Four Crores only) 1st Pari Passu charge on current assets (current & future) – 1st Pari Passu charge on movable fixed assets (current & future) – 1st Pari Passu charge on all ' intangible assets present and future in India and Outside India.
- ii. The Corporate Debtor to avail the above facility had executed Master Loan Agreement dated 29.12.2022 in favour of Petitioner.
- iii. The Corporate Debtor in order to avail the above facilities had executed Addendum Agreement - Supplemental Terms for Working Capital Demand Loan/Overdraft dated 29.12.2022 in favour of the Petitioner.



- iv. The Corporate Debtor in order to secure the above facilities had executed Unattested Deed of Hypothecation dated 29.12.2022 in favour of Petitioner hypothecating all present and future movable properties of the Corporate Debtor, all present and future book debts and all present and future stock in trade.
 - v. The Corporate Debtor has also executed Deed of Lien and Right of Set Off dated 29.12.2022 in favour of Petitioner creating lien on deposits placed with Petitioner up to an aggregate of Rs. 20,00,00,000/- (Rupees Twenty Crores only).
 - vi. The Corporate Debtor also created charge before the Registrar of Companies to secure the abovementioned facility vide certificate dated 29.12.2022 in favour of Petitioner.
10. The Petitioner submits that the Corporate Debtor has violated several terms and conditions of the Facility agreement and Security agreements and have committed material breaches of its obligations, covenants, representations, warranties and undertakings under the Facility agreement and other documents resulting in huge outstanding in the account.



11. The Applicant submits that it has made several requests and sent reminders to the Corporate Debtor for repayment of the amount due.
12. It is stated that the despite requests and reminders, Corporate Debtor has failed to make payment towards the amount outstanding.
13. It is stated that the several meetings were held between the Applicant and the Respondent wherein the Applicant had reiterated demand for payment, however, the Corporate Debtor has failed to meet its repayment obligation.
14. It is stated that due to non payment by the Corporate Debtor the Accounts of the Corporate Debtor were declared NPA by the Applicant herein on 24.03.2025.
15. The Applicant has stated the date of default as 24.12.2024.
16. The Applicant has stated the amount in default as on the dated of default as Rs. 42,62,20,059.17/-.
17. It is stated that the Applicant issued the demand notice dated 09.01.2025 upon the Corporate Debtor demanding payment of the outstanding amount however, the Corporate Debtor failed to clear the outstanding amount. Post issuance of demand notice, the Applicant adjusted the fixed deposits of the CD amounting to Rs. 24,13,59,083.90 and as a result the defaulted amount got reduced by the adjusted amount.



18. The date of NPA is stated as 24.03.2025.

19. The Applicant has claimed outstanding amount of Rs.16,49,73,642.31/- in default as on 30.04.2025. The details of the same are as given below:-

Particulars	Amount(Rs.)
WCDL Principal	14,15,00,000.00
Overdraft Principal	1,78,00,748.38
WCDL Interest	53,83,179.64
Overdraft, Interest	2,89,714.29
Gross Total	16,49,73,642.31

20. The details of the security as given by the Applicant are as under :-

- i. Under the Unattested Deed of Hypothecation dated 29.12.2022, the debt is secured by way of Pari Passu Charge on the Current Assets and Movable Fixed Assets of the Corporate Debtor. The date of creation charge is 29.12.2022.
- ii. Under the Creation of Lien and Right of Set Off dated 29.12.2022 executed in favour of Financial Creditor, the Corporate Debtor has created a lien in respect of the deposits placed with the Financial



Creditor from to time including any interest accrued therein and any renewals thereof from time-to time upto an aggregate amount of INR 20,00,00,000/-.

iii. Under the Creation of Lien and Right of Set Off dated 29.12.2022 executed in favour of Financial Creditor, M/S ST Botanica Beauty Private Limited, which has been merged into the Corporate Debtor, created a lien in respect of the deposits placed with the Financial Creditor from to time including any interest accrued therein and any renewals thereof from time-to time upto an aggregate amount of INR 40,00,00,000/-.

iv. Under the Facility Advise Letter dated 13.09.2024, the facility was further enhanced whereby the lien amount set out in clause (ii) above was revised to INR 24,00,00,000/-.

v. Copy of the Certificates of Registration of the charge dated 29.12.2022 is annexed and marked as ***Exhibit "D" to the petition.***

vi. Copy of the Certificate of Registration for Modification dated 03.01.2023 of the charge dated 29.12.2022 is annexed and marked as ***Exhibit "E" to the petition.***

21. The Applicant is relying upon the following documents: -



- a. Master Loan Agreement dated 29.12.2022', a copy of which is annexed and marked as Exhibit "H" to the petition.
- b. Addendum Agreement dated 29.12.2022, a copy of which is annexed and marked as Exhibit "I" to the petition.
- c. Agreement for Acceptance of Standard Trade Terms dated 29.12.2022, a copy of which is annexed and marked as Exhibit "J" to the petition.
- d. Deed of Hypothecation dated 29.12.2022, a copy of which is annexed and marked as Exhibit "K" to the petition.
- e. Letter of Set off and Lien dated 29.12.2022, a copy of which is annexed and marked as Exhibit "L" to the petition.
- f. Lien and Right of Set Off dated 29.12.2022 executed by MIS ST Botanica Beauty Private Limited in favour of the Financial Creditor, a copy of which is annexed and marked as Exhibit "M" to the petition
- g. Financial Creditor letter dated 13.09.2024, inter alia, extending the credit facilities to the Corporate Debtor, a copy of which is annexed and marked as Exhibit "N" to the petition.

22. The Applicant is further relying upon the following documents: -

- a. Demand Letter dated 09.01.2025 addressed by the Financial Creditor to the Corporate Debtor, a copy of



which is annexed and marked as Exhibit "Q" to the petition

b. Corporate Debtor's letter dated 14.01.2025 inter alia acknowledging its debt to the Financial Creditor, a copy of which is annexed and marked as Exhibit "R" to the petition.

c. Financial Creditor's email dated 13.03.2025 inter alia stating that the Corporate Debtor will be classified as Non-Performing Asset as per extant Reserve Bank of India Regulations on 22.03.2025. A copy of Financial Creditor's email is annexed and marked as Exhibit "S" to the petition.

d. Copy of the Written Communication by the Proposed Interim Resolution Professional is annexed and marked as Exhibit "T" to the petition.

23. It is stated that record of default in Form-D are appended at page no. 25 and 31 as per which the date of default is 24.12.2024 and status of authenticated of default is stated as "Authenticated".

24. It is stated that the Application was first listed before this Tribunal on 19.08.2025 whereat a notice was also issued and the Applicant was also directed to file an Additional Affidavit.

25. The Applicant filed an Additional Affidavit dated 26.08.2025 along with which the Applicant filed the following documents:-

1. *Copy of the Certificate dated 25.08.2025 under the Banker's Books Evidence Act, 1891.*



2. Copy of the Deed of Appointment dated 25.02.2025 of Substitute Attorney.

26. In response to the Application, the Corporate Debtor has filed an affidavit in Reply dated 28.08.2025. The same was affirmed by Mr. Darpan Sanghavi Director of the CD. The main contentions of the CD in the reply are as stated below: -

- a. It is stated that the Deponent to the Petition is not an "authorised representative" as defined under the Code. The said Deponent has filed the present proceedings basis a purported document being substituted Power of Attorney dated 25.02.2025 executed by one Mr. Hitendra Dave in his favor. On a perusal of the purported document, it appears that the said Mr. Hitendra Dave was in tum, authorised to do so by virtue of a General Power of Attorney dated 10.06.2021, allegedly executed by the Petitioner in his favor and which is stated to confer upon him the authority to further delegate his powers. It is submitted, that the alleged General' Power of Attorney dated 10.06.2021 which constitutes the foundational document underpinning the chain of delegation has not been placed on record. In the absence of the said instrument, the authority of Mr. Hitendra Dave to act on behalf of the Financial Creditor, let alone to delegate such authority to the present Deponent, remains wholly



unsubstantiated. Accordingly, it is respectfully submitted that the Deponent does not possess the requisite locus standi or due authorisation to initiate the present proceedings on behalf of the Financial Creditor. The present Petition, therefore, is vitiated by a fundamental defect in authorisation and is liable to be dismissed in limine by this Hon'ble Tribunal.

- b. Without Prejudice to the aforesaid and assuming whilst denying that the purported document being Substituted Power of Attorney dated 25.02.2025 executed in favour of the Deponent is still valid, it is respectfully submitted that the said instrument does not confer any specific authority upon the Deponent to initiate proceedings under the Code qua the Respondent. In the absence of such explicit and particularised authorisation, the foundational basis for instituting the present proceedings is wholly misconceived, and cannot be sustained in law. Accordingly, the purported Substituted Power of Attorney dated 25.02.2025 being vague, general, and lacking in the requisite specificity mandated under law, is legally insufficient for the purposes of maintaining the present Petition. On this ground as well, the Petition is liable to be dismissed in limine by this Hon 'ble Tribunal.



- c. It is stated that the Corporate Debtor is registered on 15.06.2021 as a Small Enterprises under Micro, Small and Medium Enterprises Development Act, 2006. A copy of the Corporate Debtor's Udyam Registration Certificate is annexed hereto as "Exhibit - A".
- d. Admittedly, this Respondent was regular in making payments till November 2024, however, inter alia on account of increasing business competition coupled with the fact that the Petitioner withheld release of funds lying in the subsidiary bank account, led to default in payments. Though this Respondent undertook several efforts to regularise the payment including without limitation sale of certain brands and securing primary infusion of funds into the company etc., the same did not yield any result, which further worsened the financial condition of the Corporate Debtor. Further, as stated in the response dated 14.01.2025 (Exhibit R @ pg. 133 to the Petitions to the Demand Notice dated 09.01.2025 (Exhibit Q @pg. 130 to the Petition), the Petitioner herein has already appropriated, this Respondent's fixed deposits aggregating to Rs.24,13,59,083.90 (Rupees Twenty-Four Crore Thirteen Lakh Fifty-Nine Thousand and Eighty-Three and paise Ninety Only) lying with them. Pursuant to the said appropriation, a sum of Rs.17,00,27,795.09



(Rupees Seventeen Crore Twenty-Seven Lakh Seven Hundred Ninety Five and paise Nine Only) was due, which despite best efforts, this Respondent was unable to make payment.

- e. It is stated that the Respondent is even presently constantly undertaking efforts to procure funds so as to revive its business operations and clear the outstanding debt of its creditors (including the claim of the Petitioner). I say that it is a settled law that the Code is a beneficial legislation. The primary focus of the Code is to ensure revival and continuation of the Corporate Debtor by protecting it from undergoing liquidation. The Applicant by resorting to the Code is arm twisting this Respondent in repayment of its alleged dues by threatening it of liquidation.

27. Meanwhile the Applicant filed an IA(I.B.C.)/4078(MB)2025 which was listed before this Tribunal on 08.09.2025. We made the following directions vide order dated 08.09.2025:-

“1. Ld. Counsel Mr. Ayush Kothari appears on behalf of the Respondent and states that the Applicant has since served the copy of the Application to the Respondent.

2. Let this matter be listed tomorrow.



3. *We direct that at least one Director or the Key Managerial Personal of the Corporate Debtor should be available physically in this Court to answer some critical questions.”*

28. The above IA was then again considered on 09.09.2025 and an Interim order dated 09.09.2025 passed by this Tribunal records as under:-

1. In response of the order dated 08.09.2025, today Mr. Darpan Sanghavi, Director of the Company is physically present before us along with the Ld. Counsels.
2. Mr. Sanghavi states that some of the lenders of the company tried to sell the brands of the company, however, as of today the brands are intact and are in the custody and ownership of the company.
3. He further states that none of the brands have so far been sold to anybody. Mr. Sanghavi further stated that the operations of the company are closed since the last two months and that the company was in the business of purchasing goods from various suppliers and selling the same through online platform.
4. He states that the company is facing a lot of pressure from the financial and operational creditors regarding payment of their dues.



5. Ld. Counsel Mr. Shyam Kapadia, thereafter, stated that the creditors of the company are in the process of selling certain brands. In this regard, the company has also put up one notice on its website, a copy of which was presented to us across the bar today. The publication of the said material on the website of the company is confirmed by the Respondent.
6. Ld. Counsel Mr. Shyam Kapadia further stated that in all likelihood a run by the lenders on the assets of the company is likely, leading to a situation where the company's assets may be distributed prior to commencement of CIRP. He further mentions that there are several petitions pending against the same company.
7. He requested, thereafter, that moratorium be imposed, as requested by the Applicant in IA No. 4078 In CP 797/2025. He further requested that CP 797/2025 be heard and decided at the earliest.
8. The prayers made in IA are as follow:
 - a) *"Pending the hearing and final disposal of the captioned Company Petition, this Hon'ble Tribunal be pleased to restrain the Corporate Debtor, its directors, officers, servants, agents and / or any person claiming through or under it, from in any manner transferring, alienating, disposing of, parting possession of or otherwise*



- dealing with any of its assets, including but not limited to its brands, in any manner whatsoever;*
- b) Pending the hearing and final disposal of the captioned Company Petition, this Hon'ble Tribunal be pleased to restrain the Corporate Debtor from in any manner discussing, negotiating, entering into any agreement, term sheet, arrangement or transaction, of any kind whatsoever, with any third party, entity and / or creditor, which involves any transfer, sale, disposal, encumbrance, alienation of the Corporate Debtor's assets, without the prior written consent of the Applicant;*
- c) This Hon'ble Tribunal be pleased to direct the Corporate Debtor to maintain status quo in relation to all its assets, pending the disposal of the captioned Company Petition;*
- d) Ad-interim reliefs in terms of prayer clauses 9 (a) to (c); and*
- e) This Hon'ble Tribunal be pleased to pass such further and other orders or directions as this Hon'ble Tribunal may deem just, fit and proper in the facts and circumstances of this case."*



9. Ld. Counsel for the Applicant states that out of the several prayers as made in this application he is pressing today for the prayer “C”.
10. Ld. Counsel for the Respondent states that he has no objection if prayer “C” and IA 4071/2025 is allowed.
11. At this stage, we are guided by the decision of Hon’ble NCLAT in **Company Appeal (80) (Insolvency) 664/2019 NUI Pulp and Paper Industries Pvt. Ltd. Vs. M/s. Roxcel Trading GMBH**, in which Hon’ble NCLAT has approved the order passed by NCLT, Chennai imposing interim moratorium before deciding the final application for commencement of CIRP by the order dated 17.07.2019. The said order was later on confirmed by Hon’ble Supreme Court in Civil Appeal No. 6697/2019 vide order dated 11.09.2019.
12. In view of the typical situation and the circumstances as explained above, this Tribunal is of considered opinion that interim moratorium is necessary at this stage. Accordingly, prayer “C” of the IA is allowed. The same shall continue till the final order under Section 7 in CP (IB) 797/2025 is pronounced by this Bench. **In view of the above direction IA 4078/2025 is hereby disposed of.**
13. **C.P.(IB)/797(MB)2025** We have heard both the Ld. Counsels today, **reserved for orders.**



29. Affidavit in rejoinder has been filed by the Applicant which is dated 04.09.2025. The said affidavit states as below :-

- a. It is stated that a perusal of the Reply makes it apparent that the Corporate Debtor has nowhere denied, and has, in fact, admitted that it has availed the credit facilities up to the tune of INR 60.5 crores towards overdraft, working capital demand loan and USD 1 million as letter of credit facilities and that due to wrongful financial management, it has not been able to repay its debts.
- b. The Corporate Debtor's sole and purported defense to the instant Petition is the alleged lack of authority of the authorized signatory who has filed the instant Petition. This allegation is untenable and has no merit whatsoever.
- c. It is stated that by and under a General Power of Attorney dated 10.06.2021, Mr. Hitendra Dave, inter alia is authorized to act or on behalf the Financial Creditor. Moreover, as per clause 24 of the said Power of Attorney, Mr. Dave, is inter alia authorized to nominate and appoint one or more substitute or substitutes Attorney or Attorneys for any purposes mentioned in the said Power of Attorney.
- d. It is stated that in exercise of powers granted by the aforesaid General Power of Attorney, Mr. Dave has by and under a Deed of Appointment of Substitute Attorney dated 25.02.2025,



authorized the deponent, i.e. Mr. Neelesh Utturkar, to act on behalf of the Financial Creditor.

- e. It is stated that clauses 8 and 9 of the said Deed of Appointment of Substitute Attorney confer sufficient authority upon the Deponent to initiate proceedings under the Code. It is, therefore, submitted that the captioned Petition has been filed by a competent person. Annexed hereto and marked as Exhibits “A” and “B” are copies of the General Power of Attorney in favor of Mr. Hitendra Dave dated 10.06.2021 and the Deed of Appointment of Substitute Attorney dated 25.02.2025.

ANALYSIS AND FINDINGS: -

30. It is the case of the Applicant that they have sanctioned and disbursed working capital facilities to the Respondent (Corporate Debtor) aggregating to Rs. 60.50 Crores and Letter of Credit facilities of USD 1 million by a sanction letter dated 12.12.2022.
31. The said facilities were disbursed from time to time and the Applicant has provided the details thereof in the application.
32. Applicant states that these facilities were renewed from time to time and the last of such renewal was on 13.09.2024.
33. The Corporate Debtor has executed various documents for the security of the various loans granted by the Applicant.



34. Applicant has stated that the Corporate Debtor defaulted in its repayment obligations and the date of default is stated as 24.12.2024.
35. Applicant has placed the Records of Default which are at Page 25 and 31 of the application and are in “Authenticated” status.
36. The account of the Corporate Debtor was declared as NPA by the Applicant on 24.03.2025.
37. Applicant has recalled the entire loan wide a demand notice dated 09.01.2025.
38. The Corporate Debtor in response to the notice issued has filed reply through an affidavit dated 28.08.2025. In reply, the Corporate Debtor has admitted that they obtained financial assistance by way of loans from the Applicant.
39. The Respondent in its reply is not denying the existing of debt and default, however Respondent has raised technical objection regarding the authority of the person who has executed the present application.
40. Applicant thereafter has filed rejoinder through an affidavit dated 04.09.2025 and has placed before us necessary documents through which the authority was given to one Mr. Neelesh Utturkar, Senior Vice President and Authorised Signatory of the Applicant. We are satisfied that the said person was legally authorized to institute the present petition and as such the objection raised by the applicant is not sustainable.



41. We are of the considered view that the Applicant has proved beyond doubt that there exists a debt of more than Rs. 1 crore which is in default by the Corporate Debtor herein.
42. Further, the Hon'ble Supreme Court in the case of **Innoventive Industries Limited v. ICICI Bank Limited**, (Civil Appeal Nos. 8337-8338 of 2017) (2017) 8SCR 33 has discussed extensively the scope of the power of the Adjudicating Authority under section 7 of the IBC and has held that the same is limited to assessing the records provided by the financial creditor to satisfy itself that the default has occurred. The relevant portion of the said Judgment is reproduced below:

“28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the explanation to Section 7(1), a default is in respect of a financial debt owed to any financial creditor of the corporate debtor – it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in part III, particulars of the financial debt in part IV and documents, records and evidence of default in part V. Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application. It is at the



stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the “debt”, which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be.

.....

.....

30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise”.

43. In view of the facts as stated supra and also in view of the ‘financial debt’ which is proved by the Financial Creditor and the ‘default’ being committed on the part of the Corporate Debtor, this Tribunal is left with no other option than to proceed with the present case and initiate the Corporate Insolvency Resolution Process in relation to the Corporate Debtor. We also notice that the Application is complete as all the required details and documents are provided/attached. We also find that against the IRP proposed to



be appointed under the Application, as per the consent form attached, no disciplinary proceedings are pending.

44. As a consequence of the above discussion, the present Application being **CP(IB)/797/MB/2025** is being admitted in terms of Section 7 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor.

45. In view of the forgoing, we order for commencement of Corporate the Insolvency Resolution Process against the Corporate Debtor herein.

i. The Respondent/Corporate Debtor- ***The Hongkong And Shanghai Banking Corporation Limited*** is admitted in the Corporate Insolvency Resolution Process under Section 7 of the IBC, 2016.

ii. As a consequence, thereof, the moratorium under Section 14 of the IBC, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the IBC, 2016:

- 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;
 - e. The provisions of sub-section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to 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 liquidation of Corporate Debtor under Section 33 of the IBC, 2016, as the case may be.
- iv. It is further directed that the supply of essential goods/services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the



moratorium period as per provisions of sub-sections (2) and (2A) of Section 14 of IBC, 2016.

- v. Since the Applicant has named an IRP, we hereby appoint **Mr. Ravindra Beleyur**, having registration no **IP Registration No -IBBI/IPE-0 163/IPA-1/2023-24/50073**. as the IRP of the Corporate Debtor.
- vi. The IRP shall perform all his functions as contemplated, inter-alia, under Sections 17, 18, 20 & 21 of the IBC, 2016. It is further made clear that all personnel connected with the Corporate Debtor, its Promoters or any other person associated with the management of the Corporate Debtor are under legal obligation under section 19 of the IBC, 2016 for extending assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.
- vii. This Adjudicating Authority directs the IRP to make a public announcement for the initiation of CIRP and call for the submission of claims under Section 15, as required by section 13(1)(b) of the IBC, 2016.



- viii. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever.
- ix. The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- x. The IRP shall be under 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, to the extent possible, as a part of obligation imposed by Section 20 of the IBC, 2016.
- xi. **The Financial Creditor is directed to pay an advance of Rs. 3,00,000/-** (Rupees Three Lakhs Only) to the IRP within a period of 7 days from the date of this order **to meet the cost of CIRP** arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- xii. The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the IRP and the concerned Registrar of Companies, after completion of necessary formalities, within seven working days and upload the same on the website immediately after the pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the



Corporate Debtor in MCA portal specifically mentioning regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

- xiii. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

46. **Accordingly, CP(IB)/797/MB/2025** stands admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)
(frk)

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)