IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH, COURT-III

IB-72/ND/2026

Order under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

IN THE MATTER OF:

M/s. Krone Finstock Private Limited
Monarch House, Ishwar Bhuvan Cross Road,
Commerce Six Road, Navarangpura,
Ahmedabad, Gujarat-380009 ..... **Financial Creditor**

Versus

M/s. Krrish Realtech Private Limited
Unit No. 202, Elegance Tower, Plot 8,
Jasola District Centre, New Delhi-110025 ..... **Corporate Debtor**

Pronounced On: 10.08.2026

CORAM:

SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)
SHRI RAVINDRA CHATURVEDI, HON'BLE MEMBER (TECHNICAL)

PRESENT:-

For the Applicant	:	Mr. Arvind Nayyar Sr, Adv., Ms. Sanidhya Kumar, Mr. Anirudh Bhat, Ms. Kanak Bathwal, Mr. Rahul Jain, Ad
For the Respondent	:	Mr. S. S. Ray Sr, Adv., Mr. Abhay Anand Jena, Advs.

ORDER

PER: BACHU VENKAT BALARAM DAS, MEMBER (JUDICIAL)

1. The instant application has been filed under Section 7 of IBC, 2016 by M/s. Krone Finstock Private Limited, the Financial Creditor, seeking initiation of CIRP against M/s. Krrish Realtech Private Limited, the Corporate Debtor for an alleged default amount of Rs. 5,00,00,000/- along with Interest Amount of Rs. 12,53,425/-. The date of default is stated to be 25.10.2024.
2. It is submitted that the Financial Creditor is a company incorporated and registered under the provisions of the Companies Act, 1956, having its registered office at Monarch House, Ishwar Bhuvan Cross Road, Commerce Six Road, Navarangpura, Ahmedabad, Gujarat-380009 (hereinafter referred to as the 'Financial Creditor'). The present application has been filed through its Authorized Representative, Mr. Bankim Shah.
3. The Krrish Realtech Private Limited (hereinafter referred to as the 'Corporate Debtor') is a Real Estate Company engaged in the business of real estate development and sale, having its registered office at Unit No. 202, Elegance Tower, Plot No. 8, Jasola District Centre, New Delhi-110025.
4. It is submitted that the Corporate Debtor was on the brink of being admitted into CIRP in a previous application filed under Section 7 of IBC, 2016 which was filed at the instance of Mr. M.K. Jain, Ms. Neeru Jain and their collective HUF seeking initiation of CIRP against M/s. Krrish Realtech Private Limited for purported default of Rs. 12,30,25,023/-.
5. It is the case of the Applicant/Financial Creditor herein that the Corporate Debtor approach the Applicant/Financial Creditor and entered into a Loan Agreement dated 25.10.2024 for obtaining short-term loan/financial facility of Rs. 5,00,00,000/-.
6. As per Clause 2.2 of the Loan Agreement dated 25.10.2024, the Financial Creditor agreed to disburse Rs. 5,00,00,000/- (Rupees Five Crores only) and that the Loan Amount was to be paid within 3 months from the date of execution at a rate of 15% (fifteen percent) per annum. The Agreement delineated a repayment schedule whereby the Corporate Debtor was to repay the Loan Amount in 3 equal instalments starting from 25.12.2024.

7. The Corporate Debtor issued 3 post-dated cheques of each instalment of the principal amount & 3 postdated cheques of each instalment of the interest amount in favour of the Financial Creditor as a security. The details of the security postdated cheques are as follows:-

Sr.	Date of cheque	Cheque no.	Amount of cheque	Instalment
1.	25.12.2024	003105	1,66,66,667 /-	Principal Loan
2.	25.01.2025	003106	1,66,66,667 /	Principal Loan
3.	25.02.2025	003107	1,66,66,667 /	Principal Loan

8. It is submitted that the above amount of Rs. 5,00,00,000/- was paid through the banking channel and transferred to the bank account of the Corporate Debtor by RTGS on 25.10.2024.

9. The Corporate Debtor defaulted on the payment of its first instalment on 25.12.2024, subsequent to which, the Financial Creditor on 27.12.2024 invoked its first Security post-dated Cheque Nos. 003105 & 003108 for the principal amount and interest amount respectively. In that regard, the aforesaid Cheques were returned unpaid along with a memo by HDFC Bank stating "Funds Insufficient". In order to give a chance to the Corporate Debtor to rectify the aforementioned violation of the Loan Agreement, the Financial Creditor issued a Notice of Default dated 16.01.2025, urging the Corporate Debtor to remit the outstanding payment within 5 working days, failing which the Financial Creditor would invoke its rights under Clause 10 of the Loan Agreement.

10. The Financial Creditor issued a second notice of default dated 10.02.2025 to the Corporate Debtor for failure to repay the loan amount demand the payment within five working days. It is submitted that the Corporate Debtor failed to make any payments towards the outstanding loan amount and therefore, the Applicant/Financial Creditor issued a loan recall notice dated

13.02.2025 by invoking Clause 9.1 of the Agreement. However, the Corporate Debtor neither responded to the said notice nor made any payment.

11. The Respondent/Corporate Debtor has filed reply affidavit broadly denying the contentions and allegations raised in Section 7 application.

12. The Respondent contended in its reply affidavit that though the execution of the Loan Agreement dated 25.10.2024 is not disputed, however in due to certain extraordinary circumstances, judicial orders, and enforcement actions by statutory authorities, the business operations and revenue generation capacity of the Corporate Debtor have been paralyzed because of which the Corporate Debtor is unable to repay the debt.

13. It is submitted that the Corporate Debtor's involvement in the real estate project in Gurugram is rooted in the development of an integrated township project in Sectors 60, 61, 62, 63, and 65, Gurugram, Haryana. The said project was conceived and initiated by Mr. Amit Katyal, who was entrusted with the responsibility of identifying, acquiring, and aggregating parcels of land situated in the revenue estates of Maidawas, Kadarpur, Ullahwas, and Nangli Umarpur, Tehsil Sohna, District Gurgaon, for the purposes of the project. Pursuant to Mr. Amit Katyal's efforts, land aggregating approximately 238.93 acres was acquired/collaborated for the project.

14. It is contended that 60% of the development of the project in question is complete and the licenses have been renewed and hundreds of allottees have been assigned plots under the settlement agreement filed as per the CLB order.

15. We have heard the submissions of Mr. Arvind Nayar, Learned Senior Counsel appearing for the Applicant and Mr. S.S. Ray, Learned Senior Counsel appearing for the Respondent and perused the records.

16. Learned Counsel for the Applicant placed reliance on loan agreement dated 25.10.2024, a copy of the RTGS receipt along with the excerpt of the bank account statement of the Financial Creditor, notice of default dated 16.01.2025 and copy of the notice of default dated 10.02.2025, copies of the Cheque Dishonour Receipts issued by HDFC & copy of the Loan Recall Notice dated 13.02.2025 issued by the Applicant to the Corporate Debtor.

17. Learned Counsel for the Applicant submitted that the amount under the loan agreement dated 25.10.2024 which was disbursed against the consideration for time value of money having a commercial effect of borrowing. Therefore, the amount due to Applicant/Financial Creditor squarely comes within meaning of Financial Debt, as defined in Section 5(8)(f) of the Code. We, therefore, submitted that the debt and default have been established and therefore, prayed for necessary orders to be issued directing initiation of CIRP against the Corporate Debtor.

18. Mr. S.S. Ray, Learned Senior Counsel appearing on behalf of the Respondent/Corporate Debtor did not dispute the execution of the settlement deed and disbursal of the loan amount to the Corporate Debtor. Mr. Ray, Learned Senior Counsel during the course of his arguments drawn our attention to paragraphs 24 to 27 of the reply affidavit filed by the Corporate Debtor. The said paragraphs reproduced hereunder:-

> ***24.*** *It is most respectfully submitted that the combined effect of the DTCP order dated 10.02.2022, the status quo order of the Hon'ble Supreme Court, and the Enforcement Directorate's attachment order has resulted in a complete cessation of all revenue inflow into the Corporate Debtor. The Corporate Debtor has been rendered a body without hands – it possesses a commercially viable project with 60% development completed, but is legally prohibited from taking any step to monetize or deal with its assets. Specifically:*
>
> *a) The DTCP order has prohibited the Corporate Debtor from creating any third-party rights, preventing all new sales, registrations, and conveyances;*
>
> *b) The Sub-Registrars have been directed not to execute any sale/conveyance/lease deeds pertaining to the Krrish allocated land;*
>
> *c) The Supreme Court's status quo order has constrained the Corporate Debtor from undertaking any development activities or dealing with the project land;*

d) The ED attachment has frozen the Corporate Debtor's properties, making it legally impossible to raise any funds against those assets;

e) As a direct and inevitable consequence, the Corporate Debtor has had absolutely no revenue inflow since 2022, and has been unable to service any of its financial obligations.

25. *It is submitted that the loan from the Financial Creditor was obtained in October 2024 at a time when the Corporate Debtor was already facing the aforesaid regulatory and judicial restrictions. The loan of Rs. 5,00,00,000/- was specifically obtained to address the earlier Section 7 proceedings initiated by M.K. Jain & Ors. (involving a default of Rs. 12,30,25,023/-), in order to settle that matter and protect the Corporate Debtor from CIRP. The Financial Creditor was fully aware of the financial distress and operational constraints faced by the Corporate Debtor at the time of extending the loan.*

26. *The Corporate Debtor acknowledges the execution of the Loan Agreement dated 25.10.2024 for a principal amount of Rs. 5,00,00,000/- (Rupees Five Crores Only) at an interest rate of 15% per annum, the issuance of post-dated cheques for repayment, their dishonour, and the receipt of the Notices of Default dated 16.01.2025 and 10.02.2025, followed by the Loan Recall Notice dated 13.02.2025.*

27. *The Corporate Debtor is making every earnest effort to arrange the repayment of the Financial Creditor's dues. Despite the extraordinary circumstances, the Corporate Debtor is:*

a) Actively pursuing legal remedies to challenge the DTCP order dated 10.02.2022 before the Hon'ble High Court of Punjab and Haryana;

b) Pursuing the writ petition as remanded by the Hon'ble Supreme Court for expeditious hearing;

c) Challenging the confirmation of the Provisional Attachment Order before the Appellate Tribunal under PMLA;

d) Exploring all possible avenues for raising funds and settling the Financial Creditor's dues at the earliest possible opportunity.

The Corporate Debtor reiterates its unequivocal commitment to repaying the debt to the Financial Creditor and submits that its inability to do so is purely a temporary situation arising from regulatory and judicial restraints which are beyond its control.

19. Learned Senior Counsel submitted that the Corporate Debtor is committed to repay the amount to the Financial Creditor and its inability to do so is purely a temporary situation which has arisen from regulatory and judicial restraints and are beyond its control.

20. Be that as it may, a perusal of the records and the documents show that the Financial Creditor has established debt and default to which there is no denial by the Corporate Debtor.

21. Corporate Debtor has not disputed disbursal of the loan amount. The Financial Creditor has placed on record the following documents to establish debt owed by the Corporate Debtor to the Financial Creditor and default committed by the Corporate Debtor.

a. Copy of the Loan Agreement dated 25.10.2024 executed and entered in between the Applicant/ Financial Creditor and the Corporate Debtor.
b. Copy of the post-dated cheques issued by the Corporate Debtor in favour of the Financial Creditor.
c. Copy of the RTGS Receipt along with the excerpt of the bank account statement of the Financial Creditor.
d. Copy of the Notice of Default dated 16.01.2025 issued by the Financial Creditor to the Corporate Debtor.
e. Copy of the Cheque Dishonour Receipts issued by HDFC.
f. Copy of the Notice of Default dated 10.02.2025 issued by the Financial Creditor to the Corporate Debtor.
g. Copy of the Loan Recall Notice dated 13.02.2025.

22. At this juncture it is appropriate to refer to the relevant statutory provisions, the term "Default" is defined under sub-section (12) of Section 3 IBC which reads as:

> ***"default"*** *means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and*

is not [paid] by the debtor or the corporate debtor, as the case may be"

Section 5(8) of the Code reads as under:

*"(**8) "financial debt"** means a debt alongwith interest, if any, which is disbursed against the consideration for the time value of money and includes—*

(a) money borrowed against the payment of interest;

(b) any amount raised by acceptance under any acceptance credit facility or its de-materialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;

(e) receivables sold or discounted other than any receivables sold on nonrecourse basis;

(f) any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account;

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;

(i) the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clauses (a) to (h) of this clause;"

23. Hon'ble Supreme Court of India in its recent judgement in the case of *Power Trust (Promoter of Hiranmaye Energy Ltd.) vs Bhuvan Madan (Interim Resolution Professional of Hiranmaye Energy Ltd.) & Ors* CIVIL APPEAL NO(s).2211/2024, dated 18.02.2026 has observed as under :

> *"32….But when the financial creditor initiates the insolvency process for the purposes of admission, the Adjudicating Authority is only to ascertain the existence of a default from the records of the information utility or the evidence furnished by the financial creditor within fourteen days from the receipt of such application. At this stage, neither is a corporate debtor entitled nor is the Adjudicating Authority required to examine any dispute regarding the existence of such debt. This significantly reduces the scope of enquiry at the stage of a time-bound admission of an insolvency process by a financial creditor which has been succinctly summed up in Innoventive (supra):-*
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> > *"30…… 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."*

33. Reiterating the ratio in Innoventive (supra), this Court in ES Krishnamurthy v. Bharath Hi-Tech Builders (P) Ltd.32 held as follows:

> *"34. The adjudicating authority has clearly acted outside the terms of its jurisdiction under Section 7(5) IBC. The adjudicating authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the adjudicating authority must then either admit or reject an application, respectively. These are the only two courses of action*

which are open to the adjudicating authority in accordance with Section 7(5). The adjudicating authority cannot compel a party to the proceedings before it to settle a dispute.”

34. In a similar vein, the Adjudicating Authority is not required to go into the inability of a corporate debtor to pay its debt. This is a clear departure from the scheme of winding up envisaged under Section 433(e) of the erstwhile Companies Act, 1956 which required the Adjudicating Authority to come to a finding with regard to the inability of the company to pay the debt and thereby arrive at a requisite satisfaction whether it is just and equitable to wind up the company. The Code restricts the scope of enquiry for admission of an insolvency process by a financial creditor merely to the existence of default of a debt due and payable and nothing more. The legislative intent behind such prompt and summary intervention is “to ensure revival and continuation of the corporate debtor by protecting the corporate debtor from its own management and from a corporate death by liquidation.

35. The Appellant has heavily relied on Vidarbha (supra) to argue that the Adjudicating Authority has ample discretion to apply its mind to relevant factors including the feasibility of initiation of insolvency process notwithstanding the existence of default on a debt due and payable by the Corporate Debtor. In Vidarbha (supra), this Court observed:

“61. In our view, the Appellate Authority (NCLAT) erred in holding that the adjudicating authority (NCLT) was only required to see whether there had been a debt and the corporate debtor had defaulted in making repayment of the debt, and that these two aspects, if satisfied, would trigger the CIRP. The existence of a financial debt and default in payment thereof only gave the financial creditor the right to apply for initiation of CIRP. The adjudicating authority (NCLT) was required to apply its mind to relevant factors including the feasibility of initiation of CIRP, against an electricity generating company operated under statutory control, the impact of MERC's appeal, pending in this Court, order of Aptel referred to above and the overall financial

health and viability of the corporate debtor under its existing management.

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90. We are clearly of the view that the adjudicating authority (NCLT) as also the Appellate Tribunal (NCLAT) fell in error in holding that once it was found that a debt existed and a corporate debtor was in default in payment of the debt there would be no option to the adjudicating authority (NCLT) but to admit the petition under Section 7 IBC."

36. However, in review, this Court clarified that observations made in Paragraph 90 are restricted to the facts of Vidarbha (supra):-

> *"6. The elucidation in para 90 and other paragraphs [of the judgment under review] were made in the context of the case at hand. It is well settled that judgments and observations in judgments are not to be read as provisions of statute. Judicial utterances and/or pronouncements are in the setting of the facts of a particular case."*

37. Finally, the apparent dichotomy between Innoventive (supra) and Vidarbha (supra) was set at rest in M. Suresh Kumar Reddy (supra), wherein this Court observed:-

> *"14. Thus, it was clarified by the order in review that the decision in Vidarbha Industries was in the setting of facts of the case before this Court. Hence, the decision in Vidarbha Industries cannot be read and understood as taking a view which is contrary to the view taken in Innoventive Industries and E.S. Krishnamurthy. The view taken in Innoventive Industries still holds good." (emphasis supplied)*

38. In light of the ratio in M. Suresh Kumar Reddy (supra) there is no cavil that the ratio in Innoventive (supra) lays down the correct proposition of law and the observations in Vidarbha (supra) were made in the facts of the case and do not operate as binding precedent"

24. Hon'ble Supreme Court in the above quoted judgement has clearly laid down that in order to initiate CIRP under Section 7, the Applicant is required to establish that there is a financial debt and that a default has been committed in respect of that financial debt. The Code requires the adjudicating authority to only ascertain and record satisfaction in a summary adjudication regarding the occurrence of debt and default before admitting the application.

25. Therefore, in our considered view, in the light of above analysis it is clear that Financial Creditor has demonstrated that the instant case the essentials for admission of a Section 7 Application are fulfilled.

26. In light of the above facts and circumstances, it is ordered as follows:

i. The Application bearing **IB-72/2026** filed by the Applicants under Section 7 of the Code read with Rule 4 of the Adjudicating Authority Rules for initiating CIRP against the Respondent is **admitted.**

ii. We also declare a moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flow from the provisions of Section 14(1)(a), (b), (c) and (d) of the Code. Thus, the following prohibitions are imposed:

"(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.

[Explanation -For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;]"

iii. It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the Corporate Debtor in terms of Section 14(3)(b) of the Code.

iv. The Applicants have proposed the name of Waterfall Insolvency Professionals Private Limited as the Interim Resolution Professional ("IRP") having Registration number-IBBI/IPE-0022/IPA-1/2022-2023/50016, address -1204, Maker Chambers V, J B Road, Nariman Point, Mumbai-400021 and Email id as waterfall0421@gmail.com. The Applicants has filed a copy of the Consent Issued for Waterfall Insolvency Professionals Private Limited through designated director, Mr. Gaurang Shah in Form 2, written communication by proposed IRP, as per the requirement of Rule 9(l) of the Adjudicating Authority Rules along with the Certificate of Registration and Authorization for Assignment in Form B.

Accordingly, M/s Waterfall Insolvency Professionals Private Limited is appointed as IRP.

v. In pursuance of Section 13(2) of the Code, we direct the IRP, as the case may be to make a public announcement immediately with regard to the admission of this application under Section 7 of the Code. The expression immediately means within three days as clarified by Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

vi. During the CIRP period, the management of the Corporate Debtor shall vest in the IRP/RP, in terms of Section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this order, in default of which coercive steps will follow. There shall be no future opportunity given in this regard.

vii. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.

viii. 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.

ix. The Financial Creditors shall deposit a sum of Rs 2,00,000/- (Rupees Two Lakh Only) with the IRP to meet the expense to perform the functions assigned to him in accordance with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within one week from the date of receipt of this order by the Financial Creditors. The amount however be subject to adjustment by the Committee of Creditors, as accounted for by IRP and shall be paid back to the Financial Creditors.

x. In terms of Section 7(7) of the Code, the Registry is hereby directed to communicate a copy of the order to the Financial Creditors, the Corporate Debtor, the IRP and the Registrar of Companies, NCT of Delhi and Haryana, by Speed Post and by email, at the earliest but not later than seven days from today.

xi. The Registrar of Companies shall update his website by updating the status of the Corporate Debtor and specific mention regarding admission of this petition must be notified.

xii. The Registry is further directed to send a copy of this order to the Insolvency and Bankruptcy Board of India ("IBBI") for their record.

xiii. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

(RAVINDRA CHATURVEDI)	**(BACHU VENKAT BALARAM DAS)**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**