NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT VI

Item No. P-1

C.P.(IB)/1201(MB)2025

CORAM

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING DATED **22.07.2026**

NAME OF THE PARTIES **:** **Jayashree Manilal Lapasia**

Vs

Shah Laxmichand Versi Masalawala LLP

Under Section 7 of the IBC, 2016.

ORDER

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/-
NILESH SHARMA
MEMBER (JUDICIAL)

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI

C.P. (IB)/1201/MB/2025

[Under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016]

Ms Jayshree Manilal Lapasia

PAN CARD NO: ABWPV4032A

Address at: 3, Sanghvi Chambers, Dr. Dalvi Road,

Kandivali West, Mumbai - 400067, Maharashtra

…Financial Creditor

V/s

Shah Laxmichand Versi Masalawala LLP

Address at: Unit 29/2, Midc Turbhe,

TIC Industrial Estate,Thane Maharashtra, Sanpada,

Thane,Thane, Maharashtra, India, 400703

...Corporate Debtor

Pronounced: 22.07.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant: Adv. Mr. Samant Satiya i/b Adv. Mr. Smit Shah.

For Respondent: Adv. Mr. Navin Arora.

ORDER

[PER: CORAM]

1. BACKGROUND

1.1. This is an Application filed under Section 7 of Insolvency and Bankruptcy Code, 2016 by **Ms Jayshree Manilal Lapasia,** (hereinafter referred to as "the Financial Creditor") against **Shah Laxmichand Versi Masalawala LLP,** (hereinafter referred to as "the Corporate Debtor") seeking commencement of CIRP, appointment of IRP and declaration of moratorium upon the Respondent.

1.2. A perusal of Part I of the Application reveals that the Applicant is **Ms. Jayshree Manilal Lapasia** (hereinafter referred to as the "Financial Creditor"), having her address as 3, Sanghvi Chambers, Dr. Dalvi Road, Kandivali (West), Mumbai – 400067, Maharashtra. The present Application has been filed through her Authorised Representative, Mr. Smit Shah, having his office at A-11, Gagan CHS, Damodar Wadi, Ashok Nagar, Kandivali (East), Mumbai – 400101, who is duly authorised in this regard. His mobile number is **9890960809**, email address is **smitshahoffice@gmail.com**, and enrolment number is **MAH/15613/2016**.

1.3. Part II of the application reveals that the Corporate Debtor is one **Shah Laxmichand Versi Masalawala LLP.** The Corporate Debtor is registered under CIN: ACL - 9838 and was incorporated on 17.02.2025. The registered office of the Corporate Debtor is located at: Unit 29/2, Midc

Turbhe, TIC Industrial Estate, Thane Maharashtra, Sanpada, Thane, Thane, Maharashtra, India, 400703.

1.4. Perusal of the Part III reveals that the Applicant has named Mr. Dakshesh Pravinchandra Choksi, Agarwal & Choksi, 303-305 Vrajbhumi Complex, Nr. Prarthana Flats, B/H Shilp Bldg, Off C G Road Navrangpura, Ahmadabad, Gujarat, 380009, Email ID: ca.dakshesh@gmail.com having IP Registration No IBBI/IPA-001/IP-P00718/2017-2018/11300. The proposed IRP has given his consent in Form No. 2, which is appended at Page No. 24 to 25. The AFA of the proposed IRP is valid till 30.06.2027.

1.5. As per Part IV of the Application, the amount claimed to be in default is Rs. 3,66,33,335/ - (Three crore sixty-six lakh thirty-three thousand three hundred and thirty-five rupees).

1.6. The date of default is **05.07.2023** as mentioned in Part IV of the Application.

2. CONTENTIONS OF APPLICANT (FC)

2.1. It is stated that the total amount of Debt of Rs 2,00,00,000/- (Two Crore Only) towards Principal and Rs. 1,66,33,335/- (One Crore Sixty-Six Lakhs Thirty-Three Thousand Three Hundred Thirty-Five Only) against interest component is due and outstanding as on 31st March 2025.

2.2. The Petitioner/Financial Creditor is an individual residing at 3, Sanghvi Chambers, Dr. Dalvi Road, Kandivali West, Mumbai - 400067, Maharashtra. The Petitioner respectfully submits that she was earlier known as Ms. Jayshree Sanjay Vora. However, her name has since been legally changed to Ms. Jayshree Manilal Lapasia through a notification published in the Official Gazette. The Financial Creditor is a related party to the Corporate Debtor. A certified copy of the Gazette Notification evidencing the said name change along with Pan Card of the Financial Creditor is annexed and marked as **Annexure C.**

2.3. It is stated that the Respondent/Corporate Debtor is a Limited Liability Partnership incorporated under the provisions of Companies act, 2013 having its registered office at Unit 29/2, Midc Turbhe, TIC Industrial Estate, Thane Maharashtra, Sanpada, Thane, Maharashtra, India, 400703. The Corporate Debtor was initially operating as a partnership firm. However, it has come to the knowledge of the Financial Creditor that the said partnership firm has been converted into a Limited Liability Partnership under the name and style of Shah Laxmichand Versi Masalawala LLP.

2.4. It is stated that pursuant to the request made by Corporate Debtor, the Financial Creditor agreed to grant a Loan of an aggregate amount of Rs. 2,00,00,000/- (Rupees Two Crore Only) proposed to be repayable on the terms and conditions as explicitly stated in the loan agreement dated 5th July 2016. Copy of Agreement for Loan dated 5th July 2016 is annexed as Annexure D.

2.5. As per the terms agreed upon between the parties under the Loan Agreement:

i. The loan amount was to be repaid in full on or before 5th July 2021, along with all accrued interest;

ii. The loan carried interest at the rate of 1.25% per month, calculated on the outstanding principal;

iii. Interest was payable on a six-monthly basis, with the first interest payment due on a date falling six months from the Effective Date (i.e., the date of disbursement – 7th July 2016), and subsequent interest payments due every six months thereafter until full and final repayment of the loan.

2.6. The Financial Creditor states that In terms of the agreement the aforesaid loan amount totalling Rs. 2,00,00,000/- (Rupees Two Crore Only) was disbursed to the Corporate Debtor on 7th July 2016. A copy of the Bank Statement of the Financial Creditor evidencing disbursement of the loan amount of Rs. 2,00,00,0001- to the Corporate Debtor is annexed and marked as **Annexure E**.

2.7. The Financial Creditor states that Corporate debtor has made the payments towards the interest on the dates as follows: -

Payment	**Payment Description**	**Amount**
27-Mar-17	INTEREST FROM 01.10.2016 TO 31.03.2017 TOTAL 182 DAYS 1.25%	13,65,000.00
3-oct-17	INTEREST FROM 01.04.2017 TO 30.09.2017 TOTAL 183 DAYS @ 1.25% ON RS.2 CR	13,72,500.00
28-Mar-18	INTEREST FROM 01.10.2017 TO 31.03.2018 TOTAL 182 DAYS @ 1.25% PM	13,65,000.00
1-oct-18	INTEREST FROM	13,72,500.00

	01.04.2018 TO 30.09.2018 TOTAL 183 DAYS @ 1.25% ON RS. 2CR	
27-Mar-19	INTEREST FROM 01.10.2018 TO 31.03.2019 TOTAL 182 DAYS @ 1.25% ON RS.2 CR	13,65,000.00
3-oct-19	INTEREST FROM 01.04.2019 TO 30.09.2019 TOTAL 183 DAYS @ 1.25% ON RS. 2 CR	13,72,500.00
16-12-20	PART PAYMENTS ADUSTED TOWARDS INTEREST	**1,00,000**

2.8. The Financial Creditor states that the Corporate Debtor was making timely interest payments from the year 2016 onwards. However, in the year 2020, Mr. Hiren Karani, partner of the Corporate Debtor personally met the Financial Creditor and also requested seeking an extension of the loan repayment tenure by a further period of two years. The Corporate Debtor cited the COVID-19 pandemic as the reason for its failure to make timely interest payments in 2020, stating that the pandemic had severely impacted its business operations.

2.9. It is stated that the Financial Creditor and the Corporate Debtor entered into a Supplementary Loan Agreement dated 5th July 2021 , whereby the repayment period was extended, while all other terms and conditions remained the same as those specified in the Original Loan Agreement dated 5th July 2016.

A copy of the Supplementary Loan Agreement dated 5th July 2021 is annexed and marked as **Annexure F.**

2.10. It is stated that under the supplementary loan agreement the Corporate Debtor had provided a security cheque bearing cheque number 001811 drawn on DCB Bank, Imamwada Branch, Mumbai, for an amount of Rs. 2,00,00,000/- (Rupees Two Crores Only) dated 5th July 2023 in favour of the Financial Creditor as security for the repayment of the loan. Copy of security cheque Number 0018 11, for an amount of Rs. 2,00,00,0001- (Rupees Two Crores Only) in favour of the Financial Creditor is annexed and marked as Annexure G.

2.11. It is stated that in terms of the Supplementary loan agreement the loan was to be repaid on or before 5th July 2023 . However, the Corporate Debtor failed to repay the said loan within the stipulated time. Consequently. the Financial Creditor, vide its letter dated 8th September 2023, recalled the entire outstanding loan amount along with applicable interest. A copy of the recall notice dated 8th September 2023 issued by the Financial Creditor is annexed hereto and marked as Annexure H.

2.12. The Financial Creditor states that she has been regularly meeting and consistently following up with one Mr. Hiren Karani, partner of the Corporate Debtor regarding the outstanding payment. However, the Corporate Debtor has repeatedly sought additional time under the pretext of false assurances and commitments, thereby failing to honor the repayment obligations.

2.13. The Corporate Debtor last paid interest amounting to Rs. 1,00,000/- on 16-12-2020. Thereafter, the Principal Amount along with interest has continued to remain outstanding, as shown in the working calculation prepared for the period by the Financial Creditor from 07-06-2016 to 31-03-2025. A detailed working calculation of the amount in default is annexed and marked as Annexure I.

2.14. The Financial Creditor further states that the Corporate Debtor had sent confirmation of accounts for the period 1st April 2019 to 31st March 2020. A copy of the Confirmation of Accounts sent by the Corporate Debtor for the period 1st April 2019 to 31st March 2020 is annexed and marked as Annexure J.

2.15. The, TDS on interest has been duly deposited with the tax authorities by the Corporate Debtor, and the same is reflected in Form 26AS for the Financial Year 2016-17, 2017-18,2018-19,2019-20. A copy of Form 26AS of the Financial Creditor for the financial year 2016-17, 2017-18, 2018-19,2019-20 is annexed and marked as Annexure K

2.16. The Corporate Debtor in its letter dated 27th March 2025, requested to the Financial Creditor, additional time and assured repayment of the loan along with applicable interest. A copy of the letter dated 27th March 2025 is annexed and marked as Annexure L.

2.17. The last payment amounting to Rs. 1,00,000/- was made by the Corporate Debtor on 16th Dec 2020. Thereafter, not even a single payment has been made towards discharge of the outstanding liability.

2.18. The while the said payment has been duly adjusted against the outstanding dues, Rs 2,00,00,000/- (Two Crore Only) towards principal and Rs. 1,66,33,335/- (One Crore Sixty-Six Lakhs Thirty-Three Thousand

Three Hundred Thirty-Five Only) against interest component is due and outstanding as on 31st March 2025.

2.19. It is stated that the Financial Creditor has maintained a ledger account for the period 01.04.2016 to 31.03.2021. The said ledger account evidences the financial transactions between the parties. A copy of the ledger account for the period 01.04.2016 to 31.03.2021 is annexed and marked as Annexure M.

2.20. It is stated that the Financial Creditor issued a notice on 8th May 2025, calling upon the Corporate Debtor to repay the principal along with the outstanding interest. A copy of the letter dated 8th May 2025, along with postal receipt is annexed and marked as Annexure N.

2.21. It is stated that at the time of execution of the Loan Agreement and the initial disbursement of funds, the Respondent N.H. Foods was operating as a partnership firm. However, it has come to the knowledge of the Financial Creditor that the said partnership firm has been converted into a Limited Liability Partnership under the name and style of Shah Laxmichand Versi Masalawala LLP.

2.22. It is stated that the Financial Creditor respectfully submits that, in accordance with Section 58(4)(b) of the Limited Liability Partnership Act, 2008, all liabilities and obligations of the erstwhile partnership firm shall stand vested in the LLP upon such conversion, and the LLP shall be deemed to have undertaken and be liable for all obligations of the former partnership firm. A true copy of the Certificate of Conversion of the partnership firm into a Limited Liability Partnership, as available on the

MCA Portal under "View Public Documents", is annexed and marked as Annexure O.

2.23. It is stated that based on the documents placed on record, it is sufficiently established that the Corporate Debtor has failed to repay the said loan in accordance with the agreed terms. The continued default, despite repeated notices and acknowledgments, leads to the clear inference that the Corporate Debtor has become commercially insolvent and is unable to discharge its financial obligations. Thus, a clear case of "debt" and "default" exists within the meaning of Section 3(11) and Section 3(12) of the Insolvency and Bankruptcy Code, 2016. Accordingly, the present petition is being filed before the Adjudicating Authority under Section 7 of the Insolvency and Bankruptcy Code, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor.

2.24. It is stated that the total amount of Default is Rs. 3,66,33,335/- (Three Crores Sixty-Six Lakhs Thirty-Three Thousand Three Hundred and Thirty-Five), which is comprising of Principal of Rs. 2,00,00,000/- (Two Crore) and interest of Rs. 1,66,33,335/- (One Crore Sixty-Six Lakhs Thirty-Three Thousand Three Hundred and Thirty-Five).

2.25. It is stated that the Date of Default is 05.07.2023, being the date on which the principal repayment became due and remained unpaid in accordance with the terms of the Supplementary Loan Agreement dated 5th July 2021.

3. **<u>The Applicant has relied upon the following documents:</u>**

   i. Copy of Master Data of the Corporate Debtor extracted from MCA portal.

ii. Copy of Form- 2 i.e. written consent of Interim Resolution Professional.

iii. A certified copy of the Gazette Notification evidencing the said name change along with Pan Card of the Financial Creditor.

iv. Copy of Agreement for Loan dated 5th July 2016.

v. Copy of the Bank Statement of the Financial Creditor evidencing disbursement of the loan amount of Rs. 2,00,00,000/- to the Corporate Debtor.

vi. A copy of the Supplementary Loan Agreement dated 5th July 2021.

vii. Copy of security cheque Number 001811, for an amount of INR 2,00,00,000/- (Rupees Two Crores Only) in favour of the Financial Creditor.

viii. A copy of the recall notice dated 8th September 2023 issued by the Financial Creditor.

ix. A detailed working calculation of the amount in default.

x. Copy of the Confirmation of Accounts sent by the Corporate Debtor for the period 1st April 2019 to 31St March 2020.

xi. A copy of Form 26AS of the Financial Creditor for the financial year 2016-17, 2017-18, 2018-19, 2019-20.

xii. A copy of the letter dated 27th March 2025.

xiii. A copy of the ledger account maintained by the Financial Creditor for the period 01.04.2016 to 31.03.2021.

xiv. A copy of the letter dated 8th May 2025, along with postal receipt

xv. A true copy of the Certificate of Conversion of the partnership firm into a Limited Liability Partnership, as available on the MCA Portal under "View Public Documents.

xvi. Record of Financial Information - Form C

3.1. **<u>AFFIDAVIT IN COMPLIANCE WITH THE ORDER DATED 12.01.2026</u>**

3.2. Affidavit in compliance dated 09.02.2026 was filed by the Applicant.

3.3. The said affidavit states that the Petition filed under Section 7 of the Insolvency and Bankruptcy Code, 2016' was listed before this Hon'ble Tribunal on 12.01.2026, and vide Order of the said date, this Hon'ble Tribunal was pleased to direct the Financial Creditor herein to submit NeSL Form-D upon generation of the same.

3.4. The affidavit further states that the NeSL Form-D is annexed and marked as Annexure “A", and the same may kindly be taken on record and read as part of the present Petition. The NeSL Form-D reflects the status of authentication of default as “DEEMED TO BE AUTHENTICATED” outstanding amount of Rs. 3.66 crores and date of default as 05.07.2023.

3.5. **<u>ANOTHER AFFIDAVIT IN COMPLIANCE WITH THE ORDER DATED 12.01.2026</u>**

3.6. Affidavit in compliance dated 17.03.2026 was filed by the Applicant.

3.7. It stated that the Petition filed under section 7 of the Insolvency and Bankruptcy Code, 2016, was listed before this Hon'ble Tribunal on 12.01.2026. On the said date of hearing, this Hon'ble Tribunal was pleased to allow the Petitioner herein to submit the renewed AFA Certificate of the proposed IRP.

3.8. It further stated that renewed AFA Certificate is annexed and marked as **"Annexure - A",** and the same may kindly be taken on record and read as part of the present Petition. The said AFA is in respect of the IP Mr. Dakshesh Pravinchandra Choksi having registration No. IBBI/IPA-001/IP-P00718/2017-2018/11300, who has been proposed as the IRP in the matter and that AFA of the said IP is valid upto 30.06.2027.

3.9. **<u>REPLY BY CORPORATE DEBTOR RIGHT OF THE CD TO FILE REPLY WAS CLOSED</u>**

3.10. Notice was issued to the Corporate Debtor by this Tribunal vide order dated 12.01.2026.

3.11. Interim order dated 10.02.2026 records that as under: -

i. Pursuant to the order dated 12.01.2026, an affidavit of service dated 06.02.2026 has been e-filed by the Applicant and physical copies have been tendered across the Bar today. The affidavit of service reflects that the speed post service was made upon the Respondent on 24.01.2026 and email service was made on 06.02.2026. Proofs of the same have been attached in the AOS.

ii. Ld. Counsel Ms. Geeta Lundwani appears on behalf of the Respondent and confirms receipt of the notice along with application. She seeks 7 days' time for filing of reply. However, it is observed that the service upon the Respondent was made on 24.01.2026 and vide order dated 12.01.2026, 7 days' time was granted to the Respondent to file reply. However, the Respondent has failed to file the reply even though more than approximately 3 weeks' time has passed. Ld. Counsel for the Respondent seeks condonation of delay. We impose a cost of Rs. 50,000/- upon the Respondent, which is to be deposited in the Prime Minister's National Relief Fund (PMNRF) within a period of 7 days. Subject to the same, the extension of 7 days is granted for filing of reply. Proof of deposit of the cost will be attached along with the reply.

iii. A rejoinder may, thereafter, be filed within a further period of 10 days after receipt of reply.

3.12. Interim order dated 19.03.2026 records that as under: -

i. Cost of Rs.50,000/- was levied upon the Respondent vide order dated 10.02.2026. No compliance of the said order dated 10.02.2026 is placed before us by the Respondent's Counsel. No Reply has been filed by the Respondent so far.

ii. In view of the disobedience of the orders of this Tribunal qua the cost and qua filing of reply, right of the Respondent to file Reply is hereby closed.

iii. Both sides are directed to file written submissions, along with citations, if any, not exceeding 3 pages, after exchanging the same with each other, well before the next date of hearing.

3.13. On 24.04.2026, it was recorded that the written submissions had already been filed and the matter was directed to be listed before the Regular Bench for final arguments.

3.14. The matter was heard and ***Reserved for Orders*** on 11.06.2026.

4. WRITTEN SUBMISSIONS BY FINANCIAL CREDITOR

4.1. The Financial Creditor has relied on the judgment of Hon'ble Supreme Court in Innoventive Industries Ltd. v. ICICI Bank & Anr. In Civil Appeals Nos. 8337-38 of 2017 dated 31.08.2017.

5. WRITTEN SUBMISSIONS BY CORPORATE DEBTOR

5.1. Written submissions had been filed by the Corporate Debtor on 24.04.2026. The issues raised by the Corporate Debtor in the said written submissions are reproduced hereunder:-

i. *The present Petition is not maintainable either in law or on facts and is liable to be dismissed. The Petition has been filed in gross abuse of the provisions of the IBC, without satisfying the foundational requirements prescribed under Sections 7, 5(7), and 5(8) thereof, as on the date of filing of the Petition.*

ii. *The Financial Creditor has claimed a total sum of Rs ₹3,66,33,335/- (Rupees Three Crores Sixty-Six Lakhs Thirty-Three Thousand Three Hundred Thirty-Five Only) as on 31.03.2025. The Corporate Debtor submits that the said claim is grossly inflated and misleading, as it has been enhanced by loading excessive and unjustified interest. A substantial portion of the claimed amount consists of alleged "interest", without disclosure of the applicable rate, period, or method of computation. The interest claimed is arbitrary, excessive and unsupported by any contractual or legal* *provision, and seeks to impose an unjustified financial liability upon the Corporate Debtor.*

iii. *That the Financial Creditor is seeking to enforce a claim alleged to arise from a Loan Agreement dated 5th July 2016. The present claim, being sought to be enforced in the year 2025, is ex facie barred by limitation. The alleged claim is barred by limitation under the Limitation Act, 1963.*

iv. *The Financial Creditor has failed to place on record any document to demonstrate that, at the time of the alleged disbursement, the original lender was carrying on the business of lending or was authorised to grant loans. That the original lender did not fall within the definition of a "financial institution" under Section 5 (7) of the IBC, nor was it authorised or regulated to carry on the business of lending.*

v. *Without prejudice to the above, the Corporate Debtor states that one of the partners of the Corporate debtor had passed away, as a result of which the business operations have been adversely affected, leading to financial distress. Notwithstanding the same, the Corporate Debtor has, at all times, expressed its bona fide intention to settle the outstanding dues of the Financial Creditor.*

vi. *The Financial Creditor has invoked the present proceedings solely as a recovery mechanism and as a pressure tactic to recover the alleged dues from the Corporate Debtor. It is trite law that the Insolvency and Bankruptcy Code is not a substitute for recovery proceedings, nor is this Hon'ble Tribunal a forum for recovery of* *money. The conduct of the Financial Creditor clearly demonstrates a mala fide intent to misuse the provisions of the Code to pressurise the Respondent, which is impermissible in law.*

vii. *The Respondent relies on the recent judgement passed by Hon'ble Supreme Court in Vidarbha Industries Power Limited vs. Axis Bank Limited wherein it is held that the object of the Code isn't to penalize solvent companies which defaulted as to its financial debts but to revive the company. This discretion has been vested by the Code itself vide a conjoint application of Section 7(5)(a) of the Code read with Rule 11 of the National Company Law Tribunal Rules, 2016 which grant inherent powers to the tribunal to act in furtherance of meeting the ends of justice.*

viii. *In view of the above the Corporate debtor has requested the dismissal of the present Application.*

6. <u>ANALYSIS AND FINDINGS</u>

6.1. We have perused the documents as placed before us and have heard the Ld. Counsel for the Applicant. Our findings in the matter are as under:-

6.2. This application has been filed by Ms. Jayshree Manilal Lapasia, earlier known Ms Jayshree Sanjay Vora, under Section 7 of the IBC 2016. A certified copy of the Gazette notification evidencing the change in name of the applicant has been attached as annexure C to the Application.

6.3. The Corporate Debtor was initially operating as a partnership firm however, the partnership was subsequently converted into a Limited Liability

Partnership (LLP) under the name and style of “Shah Laxmichand Versi Masalawala LLP”. The Applicant has, on page No. 52 of the Application, attached the Certificate of Registration on Conversion of “N.H. Foods India” to “Shah Laxmichand Masalawala LLP” dated 17.02.2025 issued by Ministry of Corporate Affairs, Government of India.

6.4. Vide Agreement for Loan dated 05.07.2016, the financial creditor agreed to grant loans of an aggregate amount of Rs. Two crores, repayable on the terms and condition as provided in the said loan agreement, to the Corporate Debtor.

6.5. As per the terms agreed upon between the parties under the loan agreement:-

i. The loan amount was to be repaid in full on or before 5th July 2021, along with all accrued interest;

ii. The loan carried interest at the rate of 1.25% per month, calculated on the outstanding principal;

iii. Interest was payable on a six-monthly basis, with the first interest payment due on a date falling six months from the Effective Date (i.e., the date of disbursement - 7th July 2016), and subsequent interest payments due every six months thereafter until full and final repayment of the loan.

6.6. In terms of the Agreement, loan amount totalling Rs. Two crore was disbursed by the Financial Creditor to the Corporate Debtor on 07.07.2016. A copy of the Bank statement of the Financial Creditor evidencing disbursement of the loan of Rs. Two crore is attached as Annexure E to the Application.

6.7. The Corporate Debtor thereafter made total payment of interest amounting to Rs. 88.57 lakh to the Financial Creditor during the period from 03.10.2016 till 16.12.2020.

6.8. In the year 2020, Mr. Hiren Karani, partner of the Corporate Debtor personally met the Financial Creditor and requested seeking an extension of the loan repayment tenure by a further period of two years on the ground that due to severe impact of Covid-19 on the business operation of the Corporate Debtor, there has been failure on the part of the Corporate Debtor to make payment of interest

6.9. The Financial Creditor and the Corporate Debtor thereafter entered into a Supplementary Loan Agreement dated 05.07.2021, whereby the repayment period was extended by a further period of two years, while all other terms and conditions remained the same as specified in the loan agreement dated 05.07.2016. A copy of the said Supplementary Loan Agreement (SLA) is attached as Annexure F to the Application.

6.10. Pursuant to the SLA, the Corporate Debtor provided a security cheque bearing cheque No. 00181811 dated 05.07.2023 drawn on DCB Bank, Imamwada Branch, Mumbai for an amount of Rs. Two crore, in favour of the Financial Creditor.

6.11. As per the SLA, the loan along with interest was to be paid on or before 05.07.2023, however the Corporate Debtor failed to repay the same within the stipulated time. Accordingly, the Financial Creditor vide its letter dated 08.09.2023 recalled the entire outstanding loan amount along with applicable interest. The said recall notice is attached as Annexure H to the Application.

6.12. The Financial Creditor has stated that she has been regularly meeting and consistently following up with Mr. Hiren Karani, partner of the Corporate Debtor for the payment however, the corporate debtor repeatedly sought additional time under the pretext of false assurances and commitments thereby failing to honour the repayment obligation.

6.13. The financial creditor has placed on record the Agreement for loan dated 05.07.2016, a copy of bank statement of the financial creditor evidencing disbursement of the loan amount of Rs. Two crore to the corporate debtor, a copy of Supplementary Loan Agreement dated 05.07.2021 extending the repayment period to 04.07.2023, a copy of security cheque for an amounting to Rs. Two crore issued by the Corporate debtor in favour of the Financial Creditor, a copy of recall notice dated 08.09.2023 issued by the Financial Creditor, a copy of confirmation of account sent by the Corporate Debtor for the period from 01.04.2019 to 31.03.2020, a copy of the Form-26AS of the Financial Creditor for the Financial year 2016-2017 till financial year 2019-2020 establishing deduction of TDS on interest and deposit of the same by the Corporate Debtor in respect of interest actually paid during the above referred period by the Corporate Debtor, a copy of the ledger account maintained by the Financial Creditor for the period from 01.04.2016 to 31.03.2021 and recall notice dated 08.05.2025 issued by the Financial Creditor to the Corporate Debtor demanding the entire outstanding amounting to Rs. 3.66 crores including principal amount of Rs. Two crore and interest amounting to Rs. 1.66 crore as outstanding as on 31.03.2025. The said documents clearly establish disbursement of loan by the Financial Creditor to the Corporate Debtor to the extent of Rs. Two Crore and default by the Corporate Debtor in payment of the principal outstanding along with unpaid interest.

6.14. The Financial Creditor has vide its Affidavit in Compliance dated 09.02.2026 placed on record NeSL record of default in Form-D, as per which the status of authentication of default is reflected as "**DEEMED TO BE AUTHENTICATED**", defaulted amount as Rs. 3.66 crores and date of default as 05.07.2023.

6.15. In view of the above, it is clear that the Corporate Debtor has defaulted in making payment of financial debt amounting to Rs. 3.66 crores, which is more than the threshold of Rs. One crore as prescribed as per Section 4 of IBC, 2016.

6.16. As the date of default is 05.07.2023, the Application which has been filed on 25.09.2025 is well within the limitation of three years as per the provisions of Limitation Act,1963.

6.17. This Tribunal has relied upon the judgment of Hon'ble Supreme Court in the matter of Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan, IRP of Hiranmaye Energy Ltd. and Ors. Civil Appeal No(s). 2211/2024 wherein the Hon'ble Supreme Court has *while examining the* *validity of the admission of the Corporate Debtor to CIRP has laid down as under :-*

B. Validity of CIRP Admission

28. The other aspect on which the Appellant has heavily relied is the acceptance of various sums of money paid by the Corporate Debtor purportedly under the 1st and 2nd restructuring proposals, which according to them amounts to deemed approval of such proposal. As discussed earlier, such argument flies in the face of the fact that the 2nd Respondent had resolutely maintained and rightly so, that the restructuring proposals were underpinned on pre-implementation conditions which the Corporate Debtor had failed to fulfil. Under such circumstances, receipt of various sums of money would not amount to acceptance of the restructuring proposals, thereby novating the earlier loan agreement. Neither would such part payments constitute full satisfaction of the existing debt so as to render the Section 7 application inadmissible.

29. It has also been vociferously contended that the Corporate Debtor is an ongoing concern and does not lack the ability to repay the debt. It has a subsisting PPA for 25 years with WBSEDCL, and has raised bills of Rs. 906 crore from 01.11.2024 to 31.03.2025. It also has a continuous fuel supply arrangement with Mahanadi Coalfields Ltd. under the SHAKTI scheme and had earned EBIDTA of Rs. 20 crore per month during the CIRP. These facts though attractive at first blush, do not yield either legal or factual justification to rebut the admission of the Section 7 application.

30. On the legal score, one must bear in mind the scope and purpose for which IBC was promulgated. The main objective of its enactment was to create a complete code for easy, prompt and seamless resolution of insolvency process and thereby ensure that the net worth of the Corporate Debtor is not dissipated and the entity is salvaged from corporate death through a viable resolution plan accepted by its CoC. <u>The Code prescribes whenever a Corporate Debtor defaults on a debt that is due and payable, an insolvency process may be initiated. Section 3(12) defines "default" as non payment of a debt which has become due and payable, and includes default in respect of a part or instalment thereof.</u> Such insolvency process may be initiated either by the Corporate Debtor itself, or by its creditors who are classified as financial creditor or operational creditor. "Financial creditor" is defined as any person to whom a financial debt is owed and includes a person to whom such debt has been legally *assigned.26 A "financial debt" means a debt along with interest if any, which is disbursed against the consideration for time value of money and includes money borrowed against payment of interest.27 "Operational creditor" is defined as a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned.28 "Operational debt" is a claim in respect of the provision of goods or services including employment or a debt in respect of payment of dues arising under any law for the time being in force and payable to the Central or State government, or any local authority.29 31. In Swiss Ribbons (P) Ltd. v. Union of India [(2019) ibclaw.in 03 SC],30 such classification of creditors as financial creditors and operational creditors has been held to be constitutionally valid. The Bench underscored the essential differences between a financial creditor and operational creditor and held that financial creditors were mostly secured creditors like banks and financial institutions who extended finance to enable a Corporate Debtor to set up and/or operate its business. Such credit is extended to a Corporate Debtor under well-defined loan agreements having specified repayment schedules and reserving rights to recall the loan in case of default or restructure the same enabling a Corporate Debtor to tide over unforeseen financial stress. On the contrary, operational creditors are mostly unsecured creditors and their claims are relatable to supply of goods and services in the operation of the business. Ordinarily, operational debts are not based on admitted documents and the possibility of genuine disputes with regard to such debts is much higher compared to financial debts.*

32. In light of such classification, the Code makes a distinction in the manner in which an insolvency process may be initiated by a financial creditor under Section 7, IBC in contradistinction to an operational creditor under Section 8 and 9, IBC. Unlike an operational creditor, a financial creditor may trigger an insolvency process under Section 7 in respect of default of any financial debt, whether owed to itself or to any other financial creditor. While the financial creditor may directly file an application under Section 7 setting out the particulars of the financial debt and evidence of default, the operational creditor, on the occurrence of a default, is to first deliver a demand notice of the unpaid debt to a Corporate Debtor and the latter may within 10 days of receipt of such demand notice bring to the notice of the operational creditor the existence of a dispute or record the pendency of a pre-existing suit or arbitration proceeding in respect of such debt. Once a Corporate Debtor demonstrates a dispute regarding the existence of the debt, the insolvency process stands aborted vis-à-vis the *operational creditor. 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):*

"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. [(2021) ibclaw.in 173 SC]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.

……………………………………………………………………

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."*

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.

39. Even otherwise on facts, Vidarbha (supra) does not come to the aid of the Appellant. In Vidarbha (supra), this Court had taken note of an award passed by APTEL in favour of the Corporate Debtor which far exceeded the claim of the financial creditor, and held in the setting of such facts, initiation of CIRP was unwarranted. In the present case, Appellant's contention regarding Corporate Debtor's viability is highly dubious. Though the Corporate Debtor strenuously demonstrates its commercial viability, the NCLAT has noted that the extent of outstanding liability as on 02.01.2024 was Rs. 3103.31 crore, which far exceeds the bills raised on WBSEDCL to the tune of Rs 906 crore and EBITDA of Rs. 20 crore per month during the CIRP.

40. For these reasons, we are of the opinion the admission of the Section 7 application was lawful and does not call for interference."

(emphasis wherever required supplied)

6.18. A brief summary of the above judgment is as under:-

a. The code prescribes whether a corporate debtor defaults on a debt that is due and payable, an insolvency process may be initiated. Section 3(12) defines "default" as non payment of a debt which has become due and payable, and includes default in respect of a part of instalment thereof.

b. 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.

c. 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).

d. The Adjudicating Authority is not required to go into the inability of a corporate debtor to pay its debt.

e. 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.

6.19. Though in view of the above judgement, in the case of an Application under Section 7 of IBC, 2016, the Adjudicating Authority is only to ascertain the existence of default from the records of the Information Utility or the evidence furnished by the Financial Creditor in regard to the said default and that at the stage of admission of the Application, neither is a Corporate Debtor entitled nor is the Adjudicating Authority required to examine any dispute regarding the existence of such debt, however, in the following paragraphs we deal with the objections as raised by the Corporate Debtor vide its written submissions:-

i. The objection of the Corporate Debtor that substantial portion of the claimed amount consists of alleged interest, without disclosure of applicable rate, period or method of computation and that the said interest is arbitrary, excessive and unsupported by any contractual or legal provision, is totally untenable for the reason that the Financial Creditor has applied the interest on the basis of interest rate as provided in loan agreement dated 05.07.2016. The said loan agreement in clause 2.1 clearly states that the loan shall carry interest @ 1.25% per month calculated on the principal amount. Further, the Financial Creditor has on page 40 of the Application attached a statement showing the interest calculation. The said statement clearly record the period for which interest has been calculated. Interest rate applied and also the method of computation is clearly reflected in the said statement. The interests which is claimed by the Financial Creditor based on an agreement between the parties cannot be claimed as arbitrary, excessive and unsupported by any contractual or legal provision. The Financial Creditor has also demonstrated that for some period of time the Corporate Debtor has paid the interest at the agreed rate of 1.25% per month, on which TDS was also deducted and deposited by the Corporate

Debtor. In any case, even without considering the interest claimed by the Financial Creditor, the defaulted amount is more than the threshold of Rs. One crore, the said objection is of no consequence. Moreover, this Tribunal is not adjudicating upon the amount of debt to be actually payable by the Corporate Debtor to the Financial Creditor, which has to be collated by the Interim Resolution Professional/Resolution Professional to be appointed in the matter.

ii. The objection of the Corporate Debtor that the claim being sought to be enforced in the 2025 is ex-facie barred by limitation, is not tenable for the reason that the date of default as claimed by the Financial Creditor is 05.07.2023 and that the present Application has been field by the Financial Creditor on 25.09.2025, which is no doubt within the limitation period of three years.

iii. The objection of the Financial Creditor that the Financial Creditor has failed to place on record any document to demonstrate that at the time of alleged disbursement, the original lender was carrying on the business of the lending or was authorized to grant loan, is not tenable for the reason that the Financial creditor has not claimed that the original lender was carrying on the business of lending and that she has only claimed that she has extended the loan amounting to Rs. Two crore to the Corporate Debtor and that she has been able to establish the same and also the default committed by the Corporate Debtor, based on which only this Application has been filed. Moreover, the Corporate Debtor cannot, after availing the loan from the Financial Creditor and enjoying it for more than 9 years, now claim that as the original lender was not carrying on the business of lending or was not authorized to grant loans and was not a financial institution and that the default committed by it in making payment of the same should not be considered as a default for the purpose of this Application.

iv. The allegation of the Corporate Debtor that the Financial Creditor has invoke the present proceeding solely as a recovery mechanism and as a pressure tactic to recover the alleged dues from the Corporate Debtor, which is a misuse of the IBC proceedings, does not hold any water as the present proceedings are not any recovery and are merely for the resolution of the Corporate Debtor. As such the said allegation is without any basis or justification.

v. The Corporate Debtor has relied upon the judgment of Hon'ble Supreme Court in Vidharbha Industries Power Ltd. Vs. Axis Bank Ltd. in ***Civil Appeal No. 4633 of 2021 (reported as (2022) 8 SCC 352 or [2022]*** wherein it was held that there is a discretion vested in the adjudicating authority under Section 7 to admit or not to admit an Application based on the facts and circumstances of a particular case. The said reliance of the Corporate Debtor is totally misplaced as Hon'ble Supreme Court in a numbers of subsequent judgments including the judgment in the matter of M. Suresh Kumar Reddy v. Canara Bank (in Civil Appeal 7121 of

2022) vide order dated 11.07.2023, held that the decision in Vidarbha Industries was in the setting of the facts of the case and that the said judgment cannot be read and understood as taking a view which is contrary to the view taken in the case of ***Innoventive Industries Limited v. ICICI Bank and Another*** and ***E.S. Krishnamurthy and others v. Bharath Hi Tecch Builders Private Limited*** and that the view taken by Hon'ble Supreme Court in the Innoventive Industries matter still holds good. The relevant part of the said judgment is reproduced hereunder:-

"**12.** A Review was filed by the Axis Bank Limited seeking a review of the decision of **Vidharbha Industries** on the ground that the attention of the Court was not invited to the case of **E.S. Krishnamur**ty. While disposing of Review Petition by Order dated 22nd September 2022, this Court held thus:

> **"The elucidation in paragraph 90 and other paragraphs 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.**
>
> To interpret words and provisions of a statute, it may become necessary for the Judges to embark upon lengthy discussions. The words of Judges interpreting statutes are not to be interpreted as statutes."

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

6.20. It is important that Hon'ble Supreme Court has in the matter of ***innoventive Industries Ltd. v. ICICI Bank & Another*** (***Judgment dated 31.08.2017 in Civil Appeal Nos. 8337-8338 of 2017***) held that once the Adjudicating Authority confirms the existence of a financial debt and default by the Corporate Debtor, the Application must be considered and that the Adjudicating Authority does not need to consider equities or additional defence if a default has occurred. The said legal position was further affirmed by Hon'ble Supreme Court in ***M. Suresh Kumar Reddy judgment (Supra).***

6.21. In view of the above discussion, the Applicant has successfully demonstrated the existence of a financial debt as the transaction involves money borrowed against the payment of interest under section 5(8)(a) of IBC 2016, the occurrence of default which is way above the threshold as stipulated under Section 4 of the Code, and continuing nature of such default supported by clear documentary evidence.

Moreover, the Corporate Debtor has failed to raise any valid objection to the maintainability of this Application.

6.22. Financial Creditor has also proposed the name of an Insolvency Professional (IP) i.e. **Mr. Dakshesh Pravinchandra Choksi**, having ***Registration No. IBBI/IPA-001/IP-P00718/2017-2018/11300*** as the proposed IRP and as per the Form 2 attached along with the Application, no disciplinary proceedings are going on against the said IRP. The Financial Creditor has vide it additional affidavit dated 17.03.2026 placed on record the renewed AFA of the proposed IRP as per which the AFA of the said IRP is valid till 30.06.2027. Further, this Application is complete as all the required documents have been attached along with the Application. Accordingly, the present Application is fit for admission under Section 7 of the IBC, 2016.

6.23. We make it clear that at this stage we have not crystallised the amount as claimed in this Application; the same is left to be collated by the IRP.

ORDER

In view of the aforesaid findings, this Application bearing **C.P. (IB) 1201/MB/2025** filed under Section 7 of IBC, 2016, by **Ms Jayshree Manilal Lapasia**, the Applicant (FC) for initiating CIRP in respect of **Shah Laxmichand Versi Masalawala LLP,** the Corporate Debtor, is **Admitted.**

We further declare a moratorium under Section 14 of IBC, 2016 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 Securitization 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 IBC 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 immediately as specified under Section 13 of the IBC read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.

V. That this Bench hereby appoints**, Mr. Dakshesh Pravinchandra Choksi**, having ***Registration No. IBBI/IPA-001/IP-P00718/2017-2018/11300*** and **Email ID: ca.dakshesh@gmail.com** having valid Authorisation for Assignment up to 30-06-2027 (as per IBBI site) as the IRP to carry out the functions under the IBC.

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 IBC. The officers and managers of the Corporate Debtor are directed to provide all assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. Coercive steps will follow against them under the provisions of the IBC read with Rule 11 of the NCLT Rules for any violation of law.

VIII. That the IRP/IP shall submit to this Tribunal monthly 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 Financial Creditor is directed to deposit a sum of Rs.**6,00,000/-** (Six 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 Financial 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, Pune Maharashtra, for updating the Master Data of the Corporate Debtor.

XI. The IRP is directed to issue notice of Admission upon all the statutory authorities of Corporate Debtor without Fail

XII. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.

XIII. The Registry is directed to immediately communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.

XIV. It is observed that the Corporate Debtor is a real estate developer. Accordingly, the Resolution Professional (RP) is directed to display Form A on a flex sheet of reasonable size at a conspicuous place, preferably at the main gate or another prominent location within the premises of the development project, so as to ensure adequate public notice.

XV. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

//frk//