NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT VI

Item No. P-1

RCP (IB)/31/MB/2024

in

C.P. (IB)/2394/MB/2019

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **15.05.2026**

NAME OF THE PARTIES: **Authum Investment & Infrastructure Limited**

(earlier Suraksha Asset Reconstruction Limited)

Vs.

RNA Lifestyle Private Limited

Under Section 7 of the IBC, 2016.

ORDER

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

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

//AS//

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI

RCP (IB)/31/MB/2024 IN C.P. (IB)/2394/MB/2019

[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]

AUTHUM INVESTMENT & INFRASTRUCTURE LIMITED

(earlier Suraksha Asset Reconstruction Limited)

[CIN No.: L51109MH1982PLC319008]

707, Raheja Centre

Free Press Journal Road

Nariman Point, Mumbai – 400021.

…Financial Creditor

V/s

RNA LIFESTYLE PRIVATE LIMITED

[CIN No.: U51909MH2003PTC140062]

RNA Corporate Park, Next to Collector's Office

Kalanagar, Bandra (East), Mumbai – 400051.

...Corporate Debtor

Pronounced: 15.05.2026

CORAM:
HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)
HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant: Adv. Shadab Jan i/b Adv. Turab Ali Kazmi, Adv. Utkarsh Singh, Adv. Saumya Kapoor, Adv. Hardika Kukreja, Adv. Adhishree Nokha, Adv. Sanyukta Menon

For Respondent: Adv. Aniruth Purusothanam a/w Ad. Aditya Sharma

ORDER

[PER: CORAM]

1. BACKGROUND

1.1 This RCP (IB) No. 31 of 2024 (Application) was filed by Authum Investment & Infrastructure Limited, the Financial Creditor (FC) having CIN No.: L51109MH1982PLC319008, under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking initiation of Corporate Insolvency Resolution Process (CIRP) against RNA Lifestyle Private Limited, the Corporate Debtor (CD), having CIN No.: U51909MH2003PTC140062.

1.2 As per Part IV of the Application, the amount claimed to be in default is Rs. 50,21,99,605/- (Rupees Fifty crores Twenty-One Lakhs Ninety-Nine Thousand Six Hundred and Five only) out of which the opening balance is Rs.30,33,70,691/-, interest till 14.05.2019 is Rs.6,31,80,018/-, and penal interest is Rs.13,56,48,895/-. The date of default is stated to be 19.05.2017, 13.08.2017, and 01.09.2017, respectively, for the 3 Term Loans.

1.3 The Applicant has proposed NPV Insolvency Professionals Private Limited, having Registration No. IBBI/IPE-0040/IPA-2/2022-23/50021, to act as the Interim Resolution Professional (IRP) in case the Application is admitted.

2. CONTENTIONS OF APPLICANT (FC)

2.1 At the request of CD, Reliance Capital Limited (the “Original Lender”) granted a construction finance of Rs.28,00,00,000/- ("Term Loan 2"), Rs.3,00,00,000/- ("Term Loan 3") and Rs.4,35,00,000/- ("Term Loan 4") to

the CD for the purpose and on the terms and conditions contained in the Sanction Letters dated 29.08.2015, 19.04.2016 and 31.12.2016 respectively issued by the Original Lender. It is evident from the Sanction Letters that the CD acknowledged the sanction of the Term Loan 2, 3 and 4 by the Original Lender. The Term Loans were granted on the broad terms and conditions contained in the Sanction Letters, which are provided hereinbelow: -

a) Term Loan 2: (disbursed on 06.11.2015)

   Loan Amount - Rs. 28,00,00,000/-

   Interest - @ 17% payable monthly

   Tenure - 48 months

b) Term Loan 3: (disbursed on 30.04.2016)

   Loan Amount - Rs. 3,00,00,000/-

   Interest - @16.75% payable monthly

   Tenure - 62 months

c) Term Loan 4: (disbursed on 31.12.2016)

   Loan Amount - Rs. 4,35,00,000/-

   Interest - @17% payable monthly

   Tenure - 62 months (including 12 months moratorium).

2.2 Suraksha thereafter had acquired financial assets of the CD from the Original Lender, in terms of an Assignment Agreement dated 31.03.2018 entered into between the Original Lender and Suraksha under the provisions of the SARFAESI Act, 2002. The CD failed to honour the repayment in accordance with the loan documents.

2.3 Last date of default occurred for Term Loan 2 on **19.05.2017**, for Term Loan 3 on **13.08.2017** and Term Loan 4 as on **01.09.2017**, thereafter the same continued for 90 days and therefore, the Original Lender declared the account of the CD as Non-Performing Asset (NPA) on **01.01.2018** since there has been a continuing default in payment of outstanding dues.

2.4 Statement of Account for RNA Lifestyle Pvt Ltd. as on 14.05.2019 has been attached with the Petition and the same is as under:

Statement of Account for RNA LifeStyle Pvt Ltd. as on 14-May-2019
(Account Number: RLWCMUM000334420, RLWCMUM000313000 and RLWCMUM00032376)

Amount in Rs.

Date	Opening Balance	Interest Charged	Closing Balance	Penal Interest	Closing with Penal
31-Mar-18	30,33,70,691	-	30,33,70,691	-	30,33,70,691
30-Apr-18	30,33,70,691	42,38,878	30,76,09,569	91,01,872	31,67,11,441
31-May-18	30,76,09,569	44,41,377	31,20,50,946	95,41,065	33,06,93,882
30-Jun-18	31,20,50,946	43,60,164	31,64,11,110	93,62,301	34,44,16,348
31-Jul-18	31,64,11,110	45,68,456	32,09,79,566	98,14,060	35,87,98,864
31-Aug-18	32,09,79,566	46,34,417	32,56,13,983	99,55,759	37,33,89,040
30-Sep-18	32,56,13,983	45,49,675	33,01,63,658	97,69,226	38,77,07,941
31-Oct-18	33,01,63,658	47,67,020	33,49,30,678	1,02,40,620	40,27,15,582
30-Nov-18	33,49,30,678	46,79,853	33,96,10,532	1,00,48,750	41,74,44,185
31-Dec-18	33,96,10,532	49,03,418	34,45,13,950	1,05,33,632	43,28,81,235
31-Jan-19	34,45,13,950	49,74,215	34,94,88,165	1,06,85,720	44,85,41,170
28-Feb-19	34,94,88,165	45,57,709	35,40,45,873	97,77,486	46,28,76,365
31-Mar-19	35,40,45,873	51,11,840	35,91,57,714	1,09,81,370	47,89,69,576
30-Apr-19	35,91,57,714	50,18,368	36,41,76,082	1,07,75,621	49,47,63,565
14-May-19	36,41,76,082	23,74,628	36,65,50,709	50,61,413	50,21,99,605

2.5 The Applicant has attached the following supporting documents along with the Application and Additional Affidavits dated 08.08.2025:

a) The working depicting the total amount in default as on 14.05.2019.

b) Assignment Agreement dated 31.03.2018 between Reliance Commercial Finance Limited and Suraksha Asset Reconstruction Limited.

c) Sanction Letter dated 29th August 2015

d) Loan Agreement dated 31st August 2015

a) Addendum Loan Agreement dated 31st August 2015

b) Board Resolution dated 29.08.2015 passed by the Corporate Debtors to avail the loan facility of Rs. 28,00,00,000.

c) Board Resolution dated 29th August 2015 passed by AA Estate Pvt. Ltd. to avail the loan facility of Rs. 28,00,00,000.

d) Board Resolution dated 29th August 2015 passed by RNA Corp Pvt. Ltd. to avail the loan facility of Rs. 28,00,00,000.

e) Declaration cum Indemnity by the Corporate Debtors dated 31st August 2015.

f) Statement of Account for Term Loan- 2.

g) Disbursal Request Forms dated 30th April 2016

h) Undertaking from the Corporate Debtors dated 4th April 2016.

i) Board Resolution dated 20th April 2016 passed by the Corporate Debtors, RNA Corp and AA Estate Ltd. to avail the loan facility of Rs. 3,00,00,000.

j) Sanction Letter dated 19th April 2016.

k) Loan Agreement dated 31st March 2016.

l) Shareholding and list of directors of the Corporate Debtors as on 30th June 2016.

m) Statement of Account for Term Loan 3.

n) Loan Agreement dated 31st December 2016.

o) Sanction Letter dated 31st December 2016.

p) Demand promissory note and letter of Continuity.

q) Board Resolution dated 30th December 2016 passed by the Corporate Debtors to avail the loan facility of Rs. 4,35,00,000.

r) Board Resolution dated 30th December 2016 passed by the AA Estate Pvt Ltd. to avail the loan facility of Rs. 4,35,00,000.

s) Board Resolution dated 30th December 2016 passed by the RNA Corp Pvt. Ltd. to avail the loan facility of Rs. 4,35,00,000.

t) Value Report dated 28th March 2018 by Kishor Karamsey &Co.

u) Disbursal Request Form.

v) Affidavit cum Undertaking.

w) Statement of Account for Term Loan 4.

x) Deeds of Hypothecation for term Loan 4.35 Crore.

y) A copy of the order dated 25 October 2025 passed by this Hon'ble Tribunal in IA (I.B.C) 3571/MB/2024 in CP (IB) No. 2394/MB/2019

z) The copy of the Form 2 evidencing the Written Communication dated 29 July 2025 issued by Proposed Interim Resolution Professional

aa) A copy of the Affidavit furnished by Mr. Ritesh Prakash Adatiya, director of NPV Insolvency Professionals Private Limited

3. ADDITIONAL AFFIDAVIT (FC)

3.1 The Applicant filed an Additional Affidavit dated 08.08.2025, affirmed by Ms. Sweta Narvekar, who is stated to be the authorised signatory of the Applicant.

3.2 The facilities/loans, along with the rights, titles and interest, collateral/underlying securities, etc., forming part of adjudication before this Tribunal, were assigned by Suraksha Asset Reconstruction Limited

("Suraksha") to the Applicant *vide* the Deed of Assignment dated 30.03.2024 bearing no. 7717/3/62/2024 ("Deed of Assignment"). It is further submitted that Suraksha was substituted by the Applicant *vide* the order dated 25.10.2025, passed by this Tribunal in I.A. (I.B.C) 3571/MB/2024 in C.P. (IB) No. 2394/MB/2019.

4. CONTENTIONS OF CD

4.1 Additional Affidavit-in-Reply dated 17.03.2021 was filed and affirmed by one Mr. Anubhav Anilkumar Aggarwal, who is stated to be the Director and authorized representative of the CD.

4.2 It is stated that the present petition is incomplete as Clause 2 of Part IV of Form 1, in accordance with Rule 4(1) of the IBBI (Application to Adjudicating Authority) Rules, 2016, makes it mandatory for the Financial Creditor to mention the 'Date of Default' in Form 1. However, the Petitioner has omitted to state the date on which the purported default has occurred. Therefore, the captioned petition is liable to be dismissed for furnishing incomplete details.

4.3 In the alternative and without prejudice to the above, assuming that the Financial Creditor has a claim against the Corporate Debtor, for the amounts and facility disbursed to RNA Corp. Pvt. Limited and RNA Lifestyle Ltd., the Corporate Debtor states that it is a solvent company and is under no inability to pay its debts. Hence, no cause of action arises against the CD.

4.4 It is submitted that as far as the Term Loan 2 to the tune of Rs. 28 Crores is concerned, the default occurred soon after the purported date of

disbursement of Term Loan 2, i.e. on 26.11.2015. Therefore, the period of 3 years from the date on which the cause of action has arisen ended on 26.11.2018. However, the captioned petition was filed on 29.05.2019. Thus, it is clearly barred by limitation.

4.5 With respect to Term Loan 3, the default has occurred soon after the date of purported disbursement of the loan of Rs. 3 Crores, i.e. on 30.04.2016. Therefore, the period of 3 years from the date on which the cause of action has arisen ended on 30.04.2019. However, the captioned petition was filed on 29.05.2019. Thus, it is clearly barred by limitation.

4.6 It is submitted by the Petitioner that the payments made by the CD towards the outstanding dues of the Petitioner extend the limitation period. This payment by itself does not extend the limitation period to file the Captioned Petition, as Section 19 of the Limitation Act 1963 does not apply to the provisions of the IBC, as it does not fall within Article 137 of the Limitation Act 1963.

4.7 It is further submitted that assuming whilst denying that Section 19 of the limitation act 1963 applies to the provisions of the IBC, Section 19 of limitation act 1963, does not get attracted and is not applicable in the given conspectus of the case, as the twin ingredients are essential to attract this section, first the payment must be made within the prescribed period of limitation and secondly it must be acknowledged by some form of writing either in handwriting of payer himself or signed by him. It is the payment which really extends the period of limitation, but the payment has to be proved in a particular way, and a written or signed acknowledgement is the only proof of payment, and oral testimony is excluded unless there is

acknowledgement in the required form, enunciated in the matter of *Sant Lal Mahton V/S Kamla Prasad* A.I.R 1951 S.C.477.

4.8 The CD submits that the loan agreement (hereinafter referred to as 'the said agreement') entered into between the CD and Reliance Capital Limited has been insufficiently stamped as per the provisions of the Maharashtra Stamp Act, 1958.

4.9 As per the provisions of the Maharashtra Stamp Act 1958, a stamp duty of 0.2% of the amount agreed in the contract has to be paid. Thus, the said agreement is liable to be impounded as the same is in non-compliance of the provisions of the Maharashtra Stamp Act 1958 with respect to adequate stamping of the said agreement. Further, the Petitioner ought to have paid Rs. 5,60,000/-which is 0.2% of the Loan amount of Rs, 28 Crores.

4.10 The CD submits that the said agreement cannot be admitted as evidence for any purpose as contained in Section 34 of the Maharashtra Stamp Act 1958 which is reproduced as under:

> 34. No instrument chargeable with duty shall be admitted in evidence for any purpose by any person having by law or consent of parties authority to receive evidence, or shall be acted upon, registered or authenticated by any such person or by any public officer unless such instrument is duly stamped or if the instrument is written on sheet of paper with impressed stamp such stamp paper is purchased in the name of one of the parties to the instrument.

4.11 It is submitted that different claims arising out of different agreements, i.e., different loan agreements and different dates of default, have been clubbed together to file this captioned petition against the CD. Thus, it is crystal clear that the purported claim made by the Petitioner covers different causes of action and thus not maintainable under section 7 of the IBC as per the ratio laid down in the judgement of International Road Dynamics South Asia Pvt Ltd and Reliance Infrastructure Ltd passed vide judgement dated 1st August 2017 by Hon'ble NCLAT.

4.12 It is submitted that the ratio propounded by the Hon'ble NCLAT in Company Appeal (AT) (Insolvency) in the matter of Dr. Vishnu Kumar Agarwal Vs. M/s. Piramal Enterprises Ltd. states as under:

> *"32. There is no bar in the I&B Code for filing simultaneously two applications under Section 7 against the 'Principal Borrower' as well as the 'Corporate Guarantor(s)' or against both the 'Guarantors'. However, once for same set of claim application under Section 7 filed by the 'Financial Creditor' is admitted against one of the 'Corporate Debtor' ('Principal Borrower' or 'Corporate Guarantor(s)'), second application by the same 'Financial Creditor for same set of claim and default cannot be admitted against the other 'Corporate Debtor' (the 'Corporate Guarantor(s)' or the 'Principal Borrower'). Further, though there is a provision to file joint application under Section 7 by the*

'Financial Creditors', no application can be filed by the 'Financial Creditor' against two or more 'Corporate Debtors' on the ground of joint liability ('Principal Borrower' and one 'Corporate Guarantor', or 'Principal Borrower' or two 'Corporate Guarantors' or one 'Corporate Guarantor' and other 'Corporate Guarantor'), till it is shown that the 'Corporate Debtors' combinedly are joint venture company."

4.12 Thus, on this count alone, the captioned petition deserves to be dismissed *in limine*.

5. SHORT NOTE OF SUBMISSION (FC) dated 31.10.2025

5.1 The instant Petition was filed by Suraksha Asset Reconstruction Limited against the Corporate Debtor, the financial assets *viz* the loans of which are now assigned to Authum Investment & Infrastructure Limited, under Section 7 of IBC for default of the debt to the tune of Rs.50,21,99,605/- as on 14.05.2019 by RNA Lifestyle Private Limited.

5.2 Reliance Capital Limited ("Original Lender") had sanctioned 3 construction loans (hereinafter collectively referred as "Loans") to the CD during the period of 2015-16:

Sr. No.	Account Number	Disbursed Amount (Rs.)	Sanction Letter Date	Date of Disbursement
1	RLWCMUM000313000 ("**Term Loan 2**")	28,00,00,000/-	29.08.2015	06.11.2015
2.	RLWCMUM000323766 ("**Term Loan 3**")	3,00,00,000/-	19.04.2016	30.04.2016
3.	RLWCMUM000334420 ("**Term Loan 4**")	4,35,00,000/-	31.12.2016	31.12.2016

5.3 However, the CD has defaulted in the repayment of the aforementioned Loans, contrary to and in violation of the covenants contained in the respective loan agreements. The dates of the last occurrence of default stand recorded as 19.05.2017 in respect of Term Loan 2, 13.08.2017 in respect of Term Loan 3, and 01.09.2017 in respect of Term Loan 4. It is submitted that the aforesaid loans were duly disbursed to and accepted by the CD without demur, and, therefore, no dispute exists regarding the indebtedness owed to the Financial Creditor.

5.4 Notably, Reliance Commercial Finance Limited ("RCFL") demerged from the Original Lender pursuant to a Scheme of Arrangement sanctioned by the Hon'ble Bombay High Court on 09.12.2016. The Loans originally disbursed by the Original Lender (at the behest of RCFL) to the CD were thereafter assigned by RCFL in favor of Suraksha under the Assignment Agreement dated 31.03.2018 ("Assignment Agreement 1"), and subsequently, on 30.03.2024, Suraksha assigned all its rights, title, interest, obligations, and underlying securities in respect of the said Loans to Authum pursuant to the Deed of Assignment dated 30.03.2024 ("Assignment Agreement 2"), as a result of said assignment, Authum, *vide* Assignment Agreement 2, now holds all rights, interests, titles, obligations, and securities originally held by Original Lender/ Suraksha in relation to the financing documents, agreements, collateral, pledges, and guarantees securing repayment of the Loans.

5.5 The Financial Creditor has filed the instant Petition, while accounting for the necessary ingredients necessary for initiation of CIRP under Section 7 of the Code, namely: (i) existence of a debt; (ii) failure to repay the debt leading to default; and (iii) application filed under Section 7 within the limitation.

5.6 A valid and subsisting financial debt exists in terms of the loan agreements referred to hereinabove. The present Petition has been instituted well within the prescribed period of limitation (since every default provides fresh right and counting of limitation period), in as much as the dates of default are 19.05.2017, 13.08.2017, and 01.09.2017, respectively, while the Petition was filed on 03.06.2019, thereby falling squarely within the statutory limitation period. Accordingly, the present case squarely satisfies the statutory requirements for initiation of CIRP against the CD under Section 7 of the IBC.

5.7 The CD has alleged that the Applicant has also initiated proceedings in respect of the same Loans against its sister concerns. The said contention is misconceived, as initiation of proceedings against an entity does not preclude the Applicant from invoking Section 7 of the IBC against the CD, unless and until the entire outstanding dues under the loan facilities stand fully discharged or satisfied, in accordance to the dictum laid down by the Hon'ble Supreme Court of India in *Lalit Kumar Jain v. Union of India, (2021) 9 SCC 321*.

5.8 The CD has further alleged that the Applicant has not raised any demand, seeking repayment of the Loans. However, the aforesaid contention stands contrary to the law laid down by the Hon'ble Supreme Court in the case of *Swiss Ribbons Private Limited and other vs. Union of India and others (2019) 4 SCC 17;* wherein the Hon'ble Supreme Court delineated the distinction in the procedural requirements between Financial Creditors and Operational Creditors under the IBC and clarified that while an Operational Creditor must serve a demand notice to the Corporate Debtor before initiating insolvency proceedings under Section 8 of the IBC a Financial Creditor can directly trigger Insolvency proceeding by filing an application under Section 7 without the necessity of

serving any demand notice. Thus, the Applicant was not obligated to serve a demand notice to the CD prior to initiation of insolvency proceedings.

5.9 The CD has further sought to aver that the Applicant is barred from initiating the instant Petition under Section 7 of the IBC, owing to existence of the arbitration clause in the loan agreements. On the contrary, it is submitted that mere existence of an arbitration clause does not preclude the Applicant from CIRP under Section 7 of IBC.

5.10 The CD has further contended that the Applicant, being sufficiently secured, is precluded from invoking Section 7 of the IBC. The right of a Financial Creditor to file a petition under Section 7 is a statutory right that is triggered upon the occurrence of default, i.e., when a debt that is due and payable remains unpaid. The existence, availability, or adequacy of security has no bearing on, nor does it curtail, such a statutory right.

5.11 It is submitted that mere technical or procedural objections (*inter alia*, any alleged insufficiency in the statement of accounts or banker's book certificate) cannot defeat or curtail the statutory right of a Financial Creditor to initiate proceedings under Section 7 of the IBC. The scheme of the IBC mandates that once the existence of a financial debt and the occurrence of default are established, the Adjudicating Authority is required to admit the petition. Technical objections, which do not go to the root of the existence of debt or default, cannot be permitted to frustrate the substantive remedy provided under the Code. (as in the case *Innoventive Industries Ltd. v. ICICI Bank*, (2018) 1 SCC 407, passed by the Hon'ble Supreme Court of India). The CD cannot, therefore, rely on hyper-technicalities to avoid commencement of the CIRP.

6. WRITTEN SUBMISSIONS (CD) dated 29.10.2025

6.1 It is stated that the Applicant herein has contended that there are 3 'Term Loans' disbursed, repayment in respect of which forms cause of action herein. It must be noted that the 'Term Loan 2', whereby the Applicant contends that a sum of Rs. 28,00,00,000/- was disbursed, was granted with a repayment plan of 'Monthly Repayments' by the Borrower and therefore, the default w.r.t to 'Term Loan 2' occurred on the completion of the first month from disbursement, viz. 26.11.2015.

6.2 It is stated that by virtue of the aforesaid submission, the period of 3 years from the date on which the cause of action has arisen ended on 26.11.2018. However, the captioned petition was filed on 29.05.2019, rendering the same barred by Limitation.

6.3 Similarly, the default with respect to the term loan 3 has occurred soon after the date of purported disbursement of the loan of Rs. 3 Crores, i.e. on 30.04.2016. Therefore, the period of 3 years from the date on which the cause of action has arisen ended on 30.04.2019. However, the captioned petition was filed on 29.05.2019, rendering the same barred by Limitation.

6.4 Further, the contention that payments made by Respondent herein towards outstanding dues, would trigger Section 19 of the Limitation Act, 1963 and thereby extend the date of limitation initiating from limitation period from date of such payment, holds absolutely no good in law as the said Section 19 of the Limitation Act, 1963 is not applicable to the provisions of IBC, 2016.

6.5 It is stated that Article 19 of the Limitation Act will fall under the category of first division of schedule which applies only to 'Suits', However, Petition

under Section 7 of the IBC, 2016 is not a suit and rather is an Application, which falls under the category of Application in para II of 3rd division of Limitation Act, 1963. Therefore, the Article 137 shall apply to the Applications filed under Section 7 & 9 of the IBC.

6.6 Assuming without admitting, the said Section 19 of the Limitation Act, 1963, applies to the provisions of IBC, 2016, the payments made by CD herein would still not qualify the two-fold threshold set in the said provision, first of them being payment must be made within the prescribed period of limitation and secondly it must be acknowledged by some form of writing either in handwriting of payer himself or signed by him. It must be noted that the said pre-requisites are not mutually exclusive and that both are required to be fulfilled for Section 19 to apply.

6.7 It is submitted that Part IV pt. 1, of the captioned Petition, mentions of Particulars of Debt, wherein the Petitioner states that the captioned Petition emanates from default in repayment of debt, disbursed by virtue of Term Loan Agreement 2,3 and 4, disbursed on three different dates, having distinct repayment plan respectively and distinct tenure and amounts, as well.

6.8 It is stated that the Sanction Letter dated 27.08.2015, delineates that the CD is one of the ‘Co-Borrowers’ of the Term Loan facility, similarly, one RNA Corp Pvt. Ltd. is one of the ‘Co-Borrowers’ of the said Term Loan Facility, forming subject matter of the captioned Petition.

6.9 It is stated that Petitioner herein has filed insolvency proceeding being Company Petition No. 2395 of 2019, against RNA Corp Pvt. Ltd. and Company Petition No 2396 of 2019, against AA Estates Pvt. Ltd. for the said

amounts against the sister concerns of the CD, emanating from the very same agreements forming central subject matter of captioned Petition. With respect to the very same claims/debt made in this captioned Petition, the Applicant herein has its claim admitted in CIRP of RNA Corp Pvt. Ltd.

6.10 The captioned Petition does not mention of Record with Information Utility of Debt, as is required u/s 7(3) of IBC, 2016.

6.11 It is submitted that on the aforesaid grounds, the Captioned Petition shall be dismissed *in limine* as the same deserves no consideration on merits, the same being unmaintainable, per se; however, even on merit, the captioned petition deserves to be dismissed.

7. ANALYSIS AND FINDINGS

7.1 We have perused the documents as placed before us and heard both the Ld. Counsels for the Applicant and the CD.

7.2 The undisputed/admitted facts in this matter are:

a) The Original Lender, Reliance Capital Limited, sanctioned 3 construction finance facilities to the CD during the period 2015–2016.

b) Term Loan–2 in the amount of Rs. 28,00,00,000/- was sanctioned *vide* Sanction Letter dated 29.08.2015 and disbursed on 06.11.2015 under the Loan Agreement dated 31.08.2015 with interest at 17% p.a. and tenure of 48 months.

c) Term Loan–3 in the amount of Rs. 3,00,00,000/- was sanctioned *vide* Sanction Letter dated 19.04.2016 and disbursed on 30.04.2016 under the Loan Agreement dated 31.03.2016 with interest at 16.75% p.a. and tenure of 62 months.

d) Term Loan–4 in the amount of Rs. 4,35,00,000/- was sanctioned *vide* Sanction Letter dated 31.12.2016 and disbursed on 31.12.2016 with interest at 17% p.a. and tenure of 62 months, including moratorium of 12 months.

e) The CD executed the requisite loan agreements, board resolutions, declarations, undertakings and security documents in favour of Reliance Capital Limited, i.e., the Original Lender.

f) Reliance Commercial Finance Limited ("RCFL") demerged from the Original Lender pursuant to a Scheme of Arrangement sanctioned by the Hon'ble Bombay High Court on 09.12.2016.

g) The loan facilities were subsequently assigned by RCFL in favour of Suraksha Asset Reconstruction Limited by way of an Assignment Agreement dated 31.03.2018.

h) Suraksha Asset Reconstruction Limited thereafter assigned the financial assets along with underlying securities in favour of Authum Investment & Infrastructure Limited *vide* Deed of Assignment dated 30.03.2024.

i) The account of the CD was classified as Non-Performing Asset on 01.01.2018 due to persistent default in repayment of the loan facilities.

j) The present Petition under Section 7 of the IBC, 2016 was filed in the year 2019 seeking initiation of CIRP against the CD for an amount of Rs.50,21,99,605/- as on 14.05.2019.

7.3 However, several issues remain disputed, namely:

a) The maintainability of the Petition on the ground that the date of default has not been properly disclosed in Form 1.

b) The Petition is barred by limitation.

c) Multiple loan agreements with different dates of default cannot be clubbed together in a single application under Section 7 of the IBC.

d) The loan agreements relied upon by the Applicant are insufficiently stamped and therefore inadmissible in evidence.

e) Parallel proceedings have been initiated against sister concerns and therefore the present Petition is not maintainable.

f) The CD has also raised objections regarding the absence of Information Utility record, Banker's Book certificate, and alleged improper computation including penal interest.

7.4 The present CP was originally filed by Suraksha Asset Reconstruction Limited on 03.06.2019 under Section 7 of the IBC seeking initiation of CIRP against the CD on account of default in repayment of the aforementioned loan facilities.

Subsequently, owing to the execution of a Deed of Assignment dated 30.03.2024 whereby Suraksha assigned its rights in the financial assets to Authum Investment & Infrastructure Limited, the petition was dismissed by this Tribunal on 14.05.2024. The Financial Creditor thereafter filed I.A. (IBC) 3571/MB/2024 and RST. A (IBC) No. 49/MB/2024.

7.5 Order dated 25.10.2024 recorded the following in I.A. (I.B.C.) 3571/MB/2024, which was filed for replacing the Suraksha with Authum as the FC in CP (IB) No. 2394/MB/2019:

> *"3.5 Given the above, we feel that rejecting this IA would prejudice the interest of the Assignee/Applicant, and hence the same stands* ***allowed and disposed of****. The Assignee is allowed to be replaced as the*

Applicant/FC in the Main Application to pursue the same with consequential reliefs."

7.6 RST.A (IBC) No. 49/MB/2024 in CP (IB) No. 2394/MB/2019 was also allowed *vide* Order dated 25.10.2024, which records as under:

"4.2 The Main Application was dismissed on 14.05.2024 for default for non-representation of the Assignor/FC and RST.A (IBC) 49/MB/2024 was filed on 30.05.2024, which is well within the prescribed period of thirty days in terms of Rule 48 of NCLT Rules.

4.3 We find that the Counsel for Assignor/FC was regular in appearing before this Tribunal on earlier occasions when the matter was listed for hearing from time to time. It was just on one occasion, i.e.,14.05.2024, when the Assignor/FC was not represented before this Bench, which, as the Counsel for Assignee/Applicant argued, was a result of inadvertence as a minor miscommunication occurred between the Assignor/FC and the Advocate on Record.

4.5 Since, IA 3571/2024 for impleading the Assignee/Applicant stood allowed, and the Assignee/Applicant has become the new financial creditor in the Main Application in place of the Assignor/FC, there is no legal impediment in allowing

> *the restoration application. In view of the above, we hold that the Assignee/Applicant is the applicant within the meaning of Rule 48(2) of the NCLT Rules and thus, has locus to pray for restoration of the dismissed Main Application.*
>
> *4.6 In view of the above, we are inclined to allow the Restoration Application and the Main Application is ordered to be restored on file."*

7.7 The primary question which arises for determination before us is whether the Applicant has established the existence of a financial debt and default within the meaning of Section 7 of the IBC, 2016.

7.8 It is well settled that the scope of inquiry under Section 7 is limited. The Hon'ble Supreme Court in *Innoventive Industries Ltd v. ICICI Bank (2018) 1 SCC 407* held:

> "*The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete..."*

The Hon'ble Supreme Court further clarified that the Adjudicating Authority is required to examine whether there exists a financial debt and whether default has occurred, and once these two elements are established, the application must ordinarily be admitted.

7.9 We also rely 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]

decided on 18.02.2026 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. 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. 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. <u>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</u>

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 acorporate 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)

7.10 To summarize the above judgment, we observe as under :-

a. 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.

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.

7.11 The Hon'ble Supreme Court in *Swiss Ribbons Pvt. Ltd. v. Union of India (2019) 4 SCC 17* clarified that a Financial Creditor is not required to issue a demand notice prior to filing a petition under Section 7 and may directly invoke insolvency jurisdiction upon the occurrence of default.

7.12 Upon perusal of the loan agreements, sanction letters, disbursement records, and statements of account placed on record, we find that the

Applicant has established that the CD availed 3 term loan facilities aggregating to Rs. 35.35 Crores. The documents demonstrate that the said facilities were duly sanctioned, accepted and disbursed to the CD.

7.13 The records further reveal that the CD committed default in repayment, and the account was classified as Non-Performing Asset on 01.01.2018. The existence of financial debt and default, therefore, stands established.

7.14 The CD has contended that the Petition is incomplete on account of failure to mention the precise date of default in Form-1. Upon perusal of the Petition and annexures, this Tribunal finds that the Applicant has clearly disclosed the dates of default in respect of each loan facility, namely 19.05.2017, 13.08.2017 and 01.09.2017 respectively. The requirement under Form-1 is to disclose particulars sufficient to establish a default. Merely because the CD disputes the manner of recording the date of default does not render the Petition incomplete. Minor procedural irregularities do not preclude a substantive statutory remedy. Technical objections cannot be permitted to frustrate insolvency proceedings once debt and default are established.

7.15 One of the principal objections raised by the CD pertains to the maintainability of the present Petition on the ground that the claim of the Applicant is allegedly barred by limitation. The CD has contended that the loan facilities were disbursed during the period 2015-2016 and that the alleged default occurred shortly thereafter. It is therefore argued that the present Application filed in the year 2019 is beyond the period of limitation prescribed under the Limitation Act, 1963.

At the outset, it is now well settled that the provisions of the Limitation Act, 1963 apply to proceedings under the IBC, 2016. Thus, the limitation period

for filing an application under Section 7 of the Code is 3 years from the date of default, unless the period is extended by acknowledgement of liability under Section 18 of the Limitation Act or part payment under Section 19. However, determination of the "date of default" necessarily depends upon the contractual structure of the debt and the repayment mechanism agreed between the parties.

In the present case, the facilities in question were not simple demand loans repayable immediately upon disbursement. They were structured term loans having a defined repayment tenure with periodic repayment obligations extending over several years. The repayment framework as borne out from the sanction terms is reproduced below:

	Date of disbursement	**Interest @**	**Instalment Amount due p.m.**	**Repayment Period**	**Tenure**
Term Loan 2	06.11.2015	17% payable monthly	Rs. 80,79,412/-	15/12/2015 to 15/11/2019	48 months
Term Loan 3	30.04.2016	16.75% payable monthly	Rs. 4,25,001/-	15/06/2017 to 15/07/2022	62 months
Term Loan 4	31.12.2016	17% payable monthly	Rs. 6,16,251/-	15/02/2018 to 15/03/2023	62 months (including 12 months moratorium)

Significantly, the original Company Petition was instituted on 29.05.2019. A comparison of this filing date with the repayment tenure of each loan facility demonstrates that on the date of institution of proceedings, all 3 TL facilities continued to remain within their contractual repayment period. The above repayment structure itself demonstrates that the facilities contemplated a

continuing repayment schedule extending till November 2019, July 2022 and March 2023 respectively. Thus, the debt was intended to be serviced over the contractual tenure and was not rendered immediately due upon the date of disbursement itself. The argument of the CD that limitation commenced almost immediately after disbursement effectively ignores the repayment schedule expressly agreed between the parties.

Further, even if this Tribunal were to accept, purely for the sake of argument, the contention advanced by the CD that the earliest default under Term Loan–2 occurred upon non-payment of the very first instalment due on 15.12.2015, and that limitation in respect of such instalment expired upon completion of 3 years in December 2018, the consequence urged by the CD still does not follow. The argument proceeds on an assumption that once the earliest instalment becomes time-barred, the entirety of the claim itself becomes extinguished for the purpose of initiation of proceedings under Section 7 of the IBC. Such a proposition cannot be accepted.

The alleged default was not confined to a single isolated event but consisted of repeated failures to honour instalments and interest obligations falling due from time to time. Consequently, every subsequent unpaid instalment that became due during the subsistence of the repayment period constituted an independent default in respect of a debt that had become due and payable under Section 3(12) of the Code.

Therefore, assuming that some of the earliest instalments under the Term Loans may have fallen outside the 3 years calculated backwards from the filing date of 29.05.2019, several subsequent instalments and continuing payment obligations indisputably remained within limitation. In particular,

the Applicant has specifically pleaded dates of continuing defaults as 19.05.2017, 13.08.2017 and 01.09.2017, all of which fall well within three years preceding the filing of the Petition. Hence, even if the initial few instalments are excluded from consideration as being beyond limitation, the subsequent defaults remain legally enforceable and constitute valid defaults for purposes of Section 7.

In such transactions, every failure to honour an instalment when it becomes due gives rise to a default in respect of a debt that has become due and payable. Section 3(12) of the IBC itself defines "*default*" to include non-payment of debt in respect of "*a part or instalment thereof*."

The Hon'ble Supreme Court in ***Dena Bank v. C. Shivakumar Reddy*** (Civil Appeal No.1650 Of 2020) clarified that in financial transactions, the right to initiate insolvency proceedings arises upon the occurrence of default and that such right may also be reinforced through acknowledgements of debt reflected in financial statements or other documents.

The default amount arising from the subsequent unpaid instalments and continuing repayment obligations by itself clearly exceeds the statutory threshold prescribed under the IBC. Consequently, merely because certain earlier instalments may have become time-barred does not defeat the maintainability of the entire Petition where subsequent defaults within limitation independently sustain the claim.

7.16 The CD has further argued that different loan agreements and different dates of default cannot be clubbed together in one petition. This contention also does not merit acceptance. All the loan facilities arise out of a common financial relationship between the same parties and constitute components

of the same overall financing arrangement. Merely because separate sanction letters or loan agreements were executed, or because defaults occurred on different dates, does not require the Financial Creditor to institute separate proceedings under Section 7 of the IBC. The scheme of the IBC does not contemplate a fragmented approach to financial transactions where multiple facilities extended by the same creditor to the same corporate debtor are to be artificially segregated. What is relevant under Section 7 is the existence of a financial debt and occurrence of default above the prescribed threshold.

The CD has further relied upon the judgment of Hon'ble NCLAT in *International Road Dynamics South Asia Pvt. Ltd. v. Reliance Infrastructure Ltd. (supra)* to contend that different claims arising under separate agreements and different causes of action cannot be clubbed together in one proceeding under Section 7 of the IBC. The reliance placed upon the aforesaid judgment is misplaced and factually distinguishable. In the present case, all three facilities, namely Term Loan–2, Term Loan–3 and Term Loan–4, were extended by the same lender to the same CD as part of a continuing construction finance relationship and arose out of a common financial arrangement. Merely because separate sanction letters or loan agreements were executed, or defaults occurred on different dates, does not render them unrelated causes of action requiring separate proceedings. Once a composite financial relationship and default are established, no legal impediment exists in maintaining a consolidated petition.

7.17 The CD has also contended that parallel insolvency proceedings have been initiated against sister concerns and that the Financial Creditor has already

lodged claims in such CIRP. It is well settled that the liability of co-borrowers and guarantors is co-extensive. The Hon'ble Supreme Court in *Lalit Kumar Jain v. Union of India* (2021) 9 SCC 321 held that proceedings against guarantors and principal borrowers can proceed simultaneously under the IBC. Therefore, the existence of proceedings against related entities does not bar the initiation of CIRP against the CD so long as the debt remains unpaid.

The reliance on the decision of Hon'ble NCLAT in ***SBI vs. Athena Energy Ventures Pvt. Ltd.*** [Company Appeal (AT) (Ins) No.633 of 2020] becomes relevant in the present factual matrix because the CD has specifically objected to the maintainability of the present proceedings on the ground that parallel proceedings in relation to the same debt have been pursued against sister concerns. The issue before this Tribunal is therefore not merely whether proceedings have been instituted elsewhere, but whether such simultaneous recourse itself is legally impermissible. The judgment in *Athena (supra)* directly addresses this question and clarifies that the initiation of CIRP against one obligor does not extinguish or prohibit recourse against another person liable for the same debt, so long as the debt itself remains unsatisfied. Hon'ble NCLAT observed as follows:

> *"16. … We are also of the view that simultaneously remedy is central to a contract of guarantee and where Principal Borrower and surety are undergoing CIRP, the Creditor should be able to file claims in CIRP of both of them.*
>
> *…*

> *19. It is clear that in the matter of guarantee, CIRP can proceed against Principal Borrower as well as Guarantor."*

The ratio of the aforesaid judgment reinforces the principle that multiplicity of proceedings against different obligors in relation to the same financial debt does not amount to impermissible duplication, since the creditor cannot recover more than what is legally due and payable. The objective is merely to preserve all available remedies until complete realization of debt occurs. Moreover, the Hon'ble Supreme Court in its judgement dated 26.02.2026, while dismissing the matter of ***Anubhav Anilkumar Agarwal Vs. Bank of India & Anr.*** (Civil Appeal Nos. 827 & 828 of 2021) recorded the following:

> *"100. To reiterate, the contention that simultaneous proceedings must be necessarily barred apprehending double enrichment is far-fetched and stands rejected, particularly in view of the safeguards mentioned hereinabove."*

Accordingly, the mere pendency of proceedings against sister concerns or the filing of claims in another CIRP does not create any legal embargo upon the Applicant from maintaining the present Petition against the CD so long as the underlying financial debt remains unpaid and unsatisfied.

7.18 Even if the 3 loan agreements are disregarded, the existence of debt and default is established based on other documents, including account statements of the Applicant, Sanction Letters and the tenure of the loan included therein.

7.19 The CD has also raised the issue that the loan agreements are insufficiently stamped under the Maharashtra Stamp Act, 1958. This objection does not affect the maintainability of a petition under Section 7 of the IBC. The Adjudicating Authority is only required to ascertain the existence of debt and default based on documents brought on record. Insolvency proceedings are summary in nature, and objections relating to the technical admissibility of documents under the Stamp Act cannot defeat the insolvency process where the underlying financial liability is otherwise established. The Court observed that insolvency jurisdiction is not intended to adjudicate complex evidentiary objections when the debt is otherwise demonstrated through financial records and the conduct of parties.

7.20 The CD has also raised objections regarding the absence of the Information Utility record and Banker's Book Evidence Act certificate. Proof of default may be established through various forms of financial records and not exclusively through Information Utility records. The statements of account, loan documentation and assignment agreements placed on record sufficiently demonstrate the existence of financial debt and default.

7.21 In view of the above discussion, this Tribunal is satisfied that the Financial Creditor has established the existence of a financial debt within the meaning of Section 5(8) of the IBC and the occurrence of default within the meaning of Section 7 of the IBC, 2016, exceeding the threshold of Rs. 1 Crore. It is also noted that the original C.P. was filed on 29.05.2019, and as on that date, the threshold amount was Rs. 1 Lakh. The threshold was increased to Rs. 1 Crore w.e.f. 24.03.2020 *vide* MCA Notification S.O. 1205(E), which is prospective in nature as stated by Hon'ble NCLAT, New Delhi in the matter

of ***Madhusudan Tantia Vs. Amit Choraria and Anr.*** (Company Appleal (AT) (Insolvency) No. 557 of 2020. The default meets the then threshold amount of Rs. 1 Lakh even by a single instalment due and unpaid. The objections raised by the CD are either devoid of merit or pertain to issues beyond the limited jurisdiction of this Tribunal at the stage of admission.

7.22 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 RCP (IB)/31/MB/2024 in C.P. (IB)/2394/MB/2019 filed under Section 7 of IBC, 2016, by Authum Investment & Infrastructure Limited, the Applicant (FC) (earlier Suraksha Asset Reconstruction Limited) for initiating CIRP in respect of RNA Lifestyle Pvt. Limited, the CD, 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 **NPV Insolvency Professionals Private Limited** (*formerly known as Mantrah Insolvency Pvt. Ltd*.), having **Registration No. as IBBI/IPE-0040/IPA-2/2022-23/50021**, and **e-mail address ipe@npvca.in,** having AFA valid till 31.12.2026**,** 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.3,00,000/- (Three 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, Maharashtra, Mumbai 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 the 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. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)

//AS//