

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH - II**

**CP (IB) No.138/7/HDB/2024**

u/s 7 of the IBC, 2016

**IN THE MATTER OF:**

**OMKARA ASSETS RECONSTRUCTION PRIVATE LIMITED (also acting  
in its capacity as Trustee of OMKARA PS 23/2024-25 Trust)**

No. 9, MP Nagar First Street, Kongu Nagar Extension, Tirupur  
Tamil Nadu 641 607 and its corporate office at Kohinoor  
Square, 47th Floor, N.C. Kelkar Marg, R.G. Gadkari Chowk,  
Dadar (West), Mumbai - 400028

**...Financial Creditor/Applicant**

**Vs**

**GS MEGHA CONSTRUCTIONS PRIVATE LIMITED**

SB 407, Sylvan Block, Anand Vihar,  
Old Mumbai Highway, Shaik Pet, Toli Chowki,  
Hyderabad, Telangana - 500008.

**...Corporate Debtor/Respondent**

**Order delivered on: 08.01.2026**

**CORAM:**

**JUSTICE RAMALINGAM SUDHAKAR  
HON'BLE PRESIDENT**

**SHRI SANJAY PURI,  
HON'BLE MEMBER (TECHNICAL)**

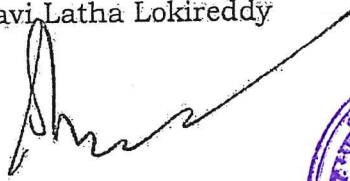
**HYBRID HEARING (PHYSICAL & VC)**

**PRESENT:**

For the Financial Creditor: Ms. Rose Joy

For the Corporate Debtor: Ms. Madhavi Latha Lokireddy

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PER: BENCH

ORDER

This Application was initially filed by Omkara Assets Reconstruction Private Limited (*acting as trustee of Omkara PS 10/2022-23 Trust*), and was subsequently substituted by Omkara Assets Reconstruction Private Limited (*acting as trustee of OMKARA PS 23/2024-25 Trust*). The **Financial Creditor** seeks the initiation of CIRP<sup>1</sup> under Section 7 of IBC<sup>2</sup> against **GS Megha Constructions Private Limited**, the **Corporate Debtor**, alleging default in repayment of a debt amounting to Rs. 1,29,73,95,652 as on 31.05.2024. The date of default, as stated in Part IV of the Petition, is 11.06.2016.

**SUBMISSIONS BY THE APPLICANT**

1. Dewan Housing Finance Limited (**DHFL**) sanctioned a loan of Rs. 60,00,00,000 in 2015 to GS Megha Constructions Private Limited ("**Corporate Debtor**") and Skylark Realty Private Limited (**Skylark**), for the "Udgam" real estate project and general corporate purposes. The loan was sanctioned through letters dated 21.07.2015 and 31.07.2015, followed by a Loan Agreement dated 01.08.2015.
2. Following DHFL's acquisition by Piramal Capital and Housing Finance Limited (**PCHFL**) in 2021, the loan was assigned to PCHFL and subsequently to Omkara Assets Reconstruction Private Limited (*acting as trustee of Omkara PS 10/2022-23 Trust*) or "**Omkara PS 10/2022-23**", under an Assignment Agreement- I dated 10.01.2023. The Corporate Debtor was informed of this assignment through a letter dated 23.02.2023.
3. It is stated that the total principal disbursed to the Corporate Debtor under the project loan was Rs. 33,50,00,000. The Corporate Debtor first defaulted on 11.06.2016, and thereafter, despite repeated follow-ups, only irregular payments were made, and the last payment was made on 29.03.2019.

<sup>1</sup> Corporate Insolvency Resolution Process,  
<sup>2</sup> Insolvency and Bankruptcy Code, 2016.



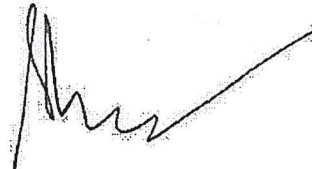
4. It is asserted by the Financial Creditor that, according to the records, the Corporate Debtor and Mr. Alok Kumar, who is the Chairman and Managing Director of GS Megha Construction Pvt. Ltd. and also the personal guarantor to GS Megha Construction Pvt. Ltd., acknowledged their defaults in correspondence dated 04.02.2017, 02.05.2018, and 28.09.2018. DHFL subsequently issued a Recall Notice on 11.11.2019 to the Corporate Debtor and the personal guarantors, demanding full repayment. Despite receipt of the notice, no payment has been made towards the outstanding amount.
5. It is stated that Mr. Alok Kumar acknowledged the outstanding debt on 06.08.2020 and proposed a One Time Settlement (OTS) of Rs. 21 Crore, which DHFL rejected on 02.09.2020 as inadequate. As the default continued, DHFL issued a Guarantee Invocation Notice on 16.02.2021 against the Personal Guarantors. After the loan was assigned to PCHFL, further notices were issued on 13.11.2021. The debt was again acknowledged on 04.08.2022 and 12.09.2022, along with a revised OTS of Rs. 30 Crore, which the financial creditor did not accept. Statutory demand notices were issued on 09.11.2022. Subsequently, the Corporate Debtor proposed another OTS of Rs. 33 Crore, which **Omkara PS 10/2022-23** accepted in principle on 21.08.2023. However, the Corporate Debtor failed to comply with the terms, resulting in a default on 20.09.2023. Consequently, **Omkara PS 10/2022-23** revoked the in-principle approval on 29.11.2023 and demanded full payment of all outstanding dues.
6. The **Omkara PS 10/2022-23** issued statutory demand notices on 06.06.2024 to the Personal Guarantors. However, the financial debt has remained unpaid, and the default continues. The Corporate Debtor and the Personal Guarantors have not disputed either the loan disbursements or the liability to repay the debt. **Omkara PS 10/2022-23** thereafter filed the present company petition seeking initiation of CIRP against the Corporate Debtor. As on 31.05.2024, the total outstanding amount in respect of the loan stood at Rs. 1,29,73,95,652.



7. During the pendency of the petition, Omkara Assets Reconstruction Private Limited (acting as trustee of **OMKARA PS 23/2024-25 Trust**) ("**Financial Creditor**") or **Omkara PS 23/2024-25** acquired the loan portfolio under Assignment Agreement-2 dated 19.03.2025, including the loan granted to the Corporate Debtor, along with all associated rights, interests, securities, and guarantees. A notification of this assignment was issued to the Corporate Debtor on 15.04.2025.
8. As on 28.02.2025, the outstanding amount under the loan facility stood at Rs. 146,36,15,215, which increased to Rs. 153,60,34,927 as on 25.06.2025 on account of accrual of interest. During the pendency of the petition, IA No.1087/2025 was filed seeking substitution of **Omkara PS 23/2024-25** in place of **Omkara PS 10/2022-23** as the Financial Creditor, which was allowed by this Tribunal vide order dated 17.07.2025, with a direction to file a neat copy of the petition.

**SUBMISSIONS OF THE RESPONDENT THROUGH THE COUNTER**

9. The Corporate Debtor submits that the present petition is premature and legally infirm. Arbitration proceedings under Section 9 of the Arbitration and Conciliation Act, 1996, between the directors and stakeholders of the Corporate Debtor are pending before the Commercial Court. Although not directly between the Financial Creditor and the Corporate Debtor, these disputes concern the underlying transaction, inter se liabilities, and responsibilities, and are crucial to determining the factual and legal status of the alleged default. Pending resolution of these bona fide internal disputes, the Tribunal cannot presently ascertain any liability. Reliance is placed on **Vidarbha Industries Power Ltd. v. Axis Bank Ltd. (2022) 8 SCC 352**, which establishes that genuine disputes render the petition premature.





10. It is claimed that the alleged Assignment Deed<sup>3</sup> dated 19.03.2025, on which the petition relies, suffers from serious procedural and legal defects. The Deed remains unregistered under the Registration Act, 1908. Although the Tribunal permitted substitution of the Petitioner based on this Assignment Deed, such substitution does not cure the inherent defects. The substituted Petitioner is still required to independently satisfy all Section 7 IBC thresholds, including proof of a legally enforceable financial debt, an unequivocal default, and its status as a "Financial Creditor," none of which have been demonstrated.
11. According to the Corporate Debtor, it continues to operate as a financially solvent going concern. It has made genuine efforts to resolve the dispute amicably, including multiple One-Time Settlements<sup>4</sup> proposals supported by earnest money. Despite awareness of these efforts and the pending internal disputes, the Petitioner invoked the IBC not as a resolution mechanism but to enforce recovery through the threat of insolvency, amounting to forum shopping and abuse of process. Documentary evidence demonstrates the absence of wilful default, procedural and substantive defects, and the existence of a bona fide commercial dispute, warranting rejection of the petition at the threshold. Broadly, the case of the Corporate Debtor rests on the following contentions:

**Existence of a Genuine Dispute**

12. As contended earlier by the Corporate Debtor, internal disputes among the Corporate Debtor's directors and stakeholders concerning the underlying transaction are pending in Section 9 arbitration proceedings before the Commercial Court. Citing *Vidarbha*, it is argued that bona fide disputes justify rejection of an insolvency petition. Given the unresolved disputes and ongoing OTS negotiations, the present invocation of the IBC is premature, according to the Corporate Debtor.

<sup>3</sup> Annexed as Letter "B"

<sup>4</sup> Annexed at Letter "C"



**Suppression of Material Facts and Abuse of Process**

13. It is further contended that the Petitioner has withheld material facts, including ongoing internal disputes and repeated efforts by the Corporate Debtor to settle through OTS. Ms. Kamala Gagadam, the principal borrower, along with her authorised representative, Mr. G. Sudhakar Rao, had made bona fide settlement offers. However, no concluded settlement has been arrived at to date. Citing *K.D. Sharma v. SAIL* (2008), it is contended that "suppression of material facts disentitles the party from discretionary relief".

**The Petitioner Is Not a Valid Financial Creditor u/s 5(7) of the IBC**

14. Another contention raised by the Corporate Debtor pertains to the Assignment Deed dated 19.03.2025, wherein it is argued that the said deed, being unregistered under the provisions of the Registration Act, 1908, does not effectuate a valid transfer of financial rights. Moreover, no board resolution or formal authorization from the Original Financial Creditor has been produced to show approval of the Petitioner's substitution in the petition. The Petitioner was not a creditor on the date of default, having acquired the alleged debt only after multiple failed OTS negotiations and after the original petition was filed, and cannot claim creditor status as of the default date for the purposes of this proceeding.

**Existence of a Dispute – Mobilox Principle**

15. The Respondent Corporate Debtor also relies on *Mobilox Innovations v. Kirusa Software* (2018) 1 SCC 353, which held that the presence of a plausible dispute precludes admission under Section 7. It is claimed that the multiple OTS proposals exchanged between September 2022 and May 2025 demonstrate ongoing negotiations and confirm that the alleged default was never clear, absolute, or undisputed.



**Manipulation of Claim Amount**

16. It is further contended that while the outstanding amount was reflected as Rs.129 crore as of May 2024, the substituted trust has enhanced the claim to Rs.153 crore without any fresh disbursement, thereby rendering the claim inflated and unfair. It is further alleged that the attempt to substitute the applicant during the pendency of the main petition, even if otherwise permissible in law, amounts to an improper invocation of the insolvency process.

**Contractual Arbitrability and Bona Fide Intentions**

17. It is further contended that the Loan Agreement dated 01.08.2015 contains a valid arbitration clause, and that ongoing arbitration among the stakeholders of the Corporate Debtor significantly impacts the enforceability of the liability. Referring to the OTS proposals dated 06.08.2020, 12.09.2022, and 02.06.2023, which were stated to have been agreed to in principle and later withdrawn, it is argued that the amount claimed was never final or admitted. According to the Respondent Corporate Debtor, these circumstances indicate that the liability remained under discussion and had not crystallised into a definite or undisputed debt.

**Defective Assignment and Substitution**

18. It is also argued that the assignment to **Omkara PS 23/2024-25** was made after the Company Petition was filed, which renders it "procedurally flawed". The Petitioner is stated to have assumed creditor rights on its own, without the Tribunal's leave, thereby weakening its legal position. It is further claimed that reference to the DHFL Resolution Plan, which forms the origin of the assignment, does not cure these defects

**Specific Defence in Respect of Ms. Kamala Gagadam (Personal Guarantor)**

19. Without prejudice to the above submissions, it is claimed that the claim sought to be enforced against Ms. Kamala Gagadam, who is arrayed as a



personal guarantor, is wholly misconceived and legally untenable. She neither received any portion of the loan nor participated in its alleged diversion or misappropriation. Her role was strictly limited to the execution of a personal guarantee, without any commercial benefit, consideration, or managerial control over the borrower entity. There is no privity of contract or direct transactional nexus linking her to the alleged financial irregularities or to any disbursement claimed by the Petitioner.

#### REJOINDER

20. It is submitted that the Corporate Debtor's reliance on alleged internal disputes among its directors and shareholders, purportedly pending in arbitration, is wholly misconceived and irrelevant to proceedings under Section 7 of the IBC, 2016. At the admission stage, the enquiry under Section 7 is confined to the existence of a financial debt and the occurrence of default. Such internal disputes, even if pending, do not constitute a valid defence to a Section 7 application.
21. It is further submitted that the arbitrations referred to by the Corporate Debtor are inter-se disputes between its shareholders and directors, arising from a shareholders' agreement dated 20.08.2014, to which the Financial Creditor is not a party. The earlier arbitration concluded with an award dated 05.10.2018. The subsequent commercial arbitration (Comm. A.A. No. 281 of 2025), filed nearly one year after the Section 7 petition, does not relate to the financial debt or default. On the contrary, the Corporate Debtor has repeatedly acknowledged the debt and default, including through OTS proposals, the latest being April 2025.
22. The Corporate Debtor's allegations of suppression of facts regarding the OTS offers dated 19.02.2025 and 15.04.2025 are denied. These OTS offers, concerning the financial debt that forms the subject matter of the present petition, clearly acknowledge the existence of the debt and the default, leaving no room for any claim of dispute or financial soundness. The OTS

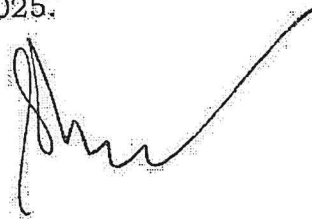
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offers have no relevance to the limited enquiry under Section 7 of the IBC, 2016, which is confined to the existence of a financial debt and default. Therefore, they cannot be said to have been suppressed.

23. With regard to the Assignment Agreement executed between **Omkara PS 10/2022-23** and the Financial Creditor on 19.03.2025, it is asserted to be valid and in accordance with law. According to the Financial Creditor, by way of the assignment, the Financial Creditor has stepped into the shoes of the erstwhile lender(s) and is entitled to exercise all rights, including filing recovery proceedings and enforcing security interests. It is contended that the assignment of financial debt is recognised under Section 5(7) of the IBC, and that the Financial Creditor, being the full legal owner of the loan, satisfies the requirements of a financial creditor. The Corporate Debtor's challenge to the Agreement on the ground of non-registration under the Registration Act, 1908, is also stated to be untenable, as the Financial Creditor, being an asset reconstruction company under the SARFAESI Act, is exempt from stamp duty. The substitution of the Financial Creditor has already been permitted by this Tribunal vide order dated 17.07.2025.
24. The Corporate Debtor's allegations regarding the manipulation of the default amount of Rs. 129,73,95,652 as of 31.05.2024 are also denied. It is asserted that the debt is continuing in nature and that interest accrues until full repayment. Reliance on the arbitration clause is stated to be misplaced, as the present petition concerns default in the repayment of financial debt. Allegations concerning the personal guarantor, Mrs. Kamala Gagadam, are extraneous, as she is not a party to the present proceedings; separate proceedings against her under Section 95 of the IBC have already been admitted vide order dated 20.03.2025.

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## FINDINGS AND DECISION

25. We have heard the Id Counsels appearing for the Financial Creditor and the Corporate Debtor and perused the averments and documents placed on record filed by both parties.
26. A bare reading of Section 7 of the IBC shows that to initiate CIRP, the Applicant must establish the existence of a financial debt and the occurrence of default. The Code requires the adjudicating authority to ascertain and record satisfaction in a summary adjudication regarding the occurrence of default before admitting the application. Reference is made to *Innoventive Industries Ltd. v. ICICI Bank and Anr<sup>5</sup>*, where the **Hon'ble Supreme Court held that:**

*".....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."*

Therefore, in the present case, it is required to examine whether there existed a debt that was due, whether default has occurred, and whether there exists any interdiction under any law rendering the debt not due.

### Existence of Financial Debt

27. To recapitulate the factual matrix, DHFL<sup>6</sup> sanctioned a project loan of Rs 60,00,00,000 to GS Megha Constructions Private Limited (**Corporate Debtor**) and another company, i.e., Skylark Realty Private Limited, pursuant to sanction letters<sup>7</sup> dated 21.07.2015 and 31.07.2015, which

5. (2017) 10 CLJ 102 SC.

6. Dewan Housing Finance Limited.

7. Annexure - 8 of the petition.



culminated in the execution of a Loan Agreement<sup>8</sup> on 01.08.2015. The principal amount disbursed to the Corporate Debtor was Rs 33,50,00,000. Subsequently, following DHFL's acquisition by PCHFL<sup>9</sup> in 2021, pursuant to the approval of the resolution plan in the corporate insolvency resolution process of DHFL, the loan was thereafter assigned to Omkara Assets Reconstruction Private Limited (*acting as Trustee of Omkara PS 10/2022-23 Trust*) under an Assignment Agreement<sup>10</sup> dated 10.01.2023, with intimation of the assignment communicated<sup>11</sup> to the Corporate Debtor on 23.02.2023.

28. These facts stand admitted and are substantiated by the documents on record. Hence, the existence of a financial debt, as defined under Section 5(8) of the IBC, is clearly established.

#### Default of Debt

29. The Corporate Debtor first defaulted in its repayment obligations on 11.06.2016. The said default was thereafter acknowledged by the Corporate Debtor and by Mr. Alok Kumar, the Chairman and Managing Director of GS Megha Construction Pvt. Ltd., who is also the personal guarantor to GS Megha Construction Pvt. Ltd., on 04.02.2017, 02.05.2018, and 28.09.2018. The last payment<sup>12</sup> under the facility was made on 29.03.2019. None of these facts has been controverted by the Respondent-Corporate Debtor.
30. Thereafter, DHFL issued a Recall Notice<sup>13</sup> on 11.11.2019, demanding full repayment. On 06.08.2020, Mr. Alok Kumar acknowledged the outstanding debt and proposed a one-time settlement of Rs 21 Crore, which was rejected on 02.09.2020. A Guarantee Invocation Notice<sup>14</sup> was issued against the

8 Annexure - 9 of the petition.

9 Piramal Capital and Housing Finance Limited.

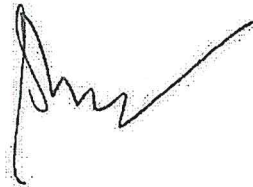
10. Assignment Agreement - I: Annexure -13 of the petition.

11. Annexure -14 of the petition.

12. Page No 160 of the petition.

13. Annexure -18 of the petition.

14. Annexure - 22 of the petition.



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Personal Guarantors on 16.02.2021. Following the assignment of the loan to PCHFL, further notices<sup>15</sup> were issued on 13.11.2021.

31. The debt was again acknowledged on 04.08.2022 and 12.09.2022, and a revised OTS of Rs. 30 Crore, which was not accepted. As a result, statutory demand notices were issued on 09.11.2022. Later, an OTS of Rs. 33 Crore was agreed in principle on 21.08.2023, but the Corporate Debtor defaulted on 20.09.2023, leading to the revocation of the OTS approval on 29.11.2023. These facts establish a clear admission of debt & default. Additional statutory demand<sup>16</sup> notices were issued to the Personal Guarantors on 06.06.2024. These facts clearly establish the occurrence of continuing default within the meaning of Section 3(12) of the IBC.

### Dispute

32. The objection regarding pending arbitration proceedings under Section 9 of the Arbitration and Conciliation Act, 1996, among the directors and stakeholders of the Corporate Debtor is untenable. These proceedings pertain to inter se disputes arising from internal shareholder agreements and do not relate to the Financial Creditor. It has no relevance to the financial debt or the occurrence of default. The Corporate Debtor has consistently acknowledged the debt in all the correspondence as above i.e. OTS proposals, and balance confirmations, establishing an unequivocal financial debt and default. Internal disputes among promoters or shareholders cannot serve as a ground to defer or reject admission under Section 7 of the IBC, as the scope of inquiry is confined to ascertaining debt and default in a summary manner, without delving into complex factual adjudications.
33. The Corporate Debtor's reliance on *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.* to contend the existence of a dispute is equally misplaced and a mirage. The 'dispute test' laid down in the said judgment applies

<sup>15</sup> Annexure - 23 of the petition.

<sup>16</sup> Annexure - 29 of the petition.



exclusively to applications under Section 9 of the Code and has no application to proceedings under Section 7. As held by the Hon'ble Supreme Court in *Innoventive Industries Ltd. v. ICICI Bank*, the adjudicatory scope under Section 7 is limited to examining the existence of financial debt and default. The OTS proposals and their rejection do not constitute a dispute; rather, they amount to acknowledgments of liability and do not negate the occurrence of default. Accordingly, the objection raised by the Corporate Debtor is *devoid of merits and* rejected.

**Allegation of Suppression of Material Facts – Abuse of Process**

34. The objection regarding suppression of material facts and abuse of process raised by the Corporate Debtor is also untenable *and a feeble plea*. As discussed above, the alleged suppression pertaining to the pendency of internal disputes among shareholders and multiple OTS proposals made by the Respondent is irrelevant to the issue at hand, namely, whether the Corporate Debtor is liable to be admitted into CIRP under Section 7 of the IBC, in view of the *confirmed* financial debt and default. We are of the view that adjudication under Section 7 is confined to the existence of financial debt and default, and that *the* internal disputes which neither involve the Financial Creditor nor dispute the debt or default are extraneous. The OTS proposals constitute acknowledgment of liability rather than bona fide disputes. Accordingly, in view of the admitted financial debt and default, *all* the Corporate Debtor's objection is devoid of merit and do not *impede* the admission of the Section 7 application.

**The Petitioner: whether a Financial Creditor**

35. The Corporate Debtor has objected to the status of the Applicant as a "Financial Creditor" under Section 5(7) of the Code, 2016, alleging that the Assignment Agreement<sup>17</sup> dated 19.03.2025 between **Omkara PS 10/2022-23**, and **Omkara PS 23/2024-25 (Financial creditor)** is not legally

<sup>17</sup> Assignment Agreement – II: Annexure – 41 of the petition.



enforceable, and that, consequently, no privity of contract exists between the Applicant and the Corporate Debtor.

36. We are of the considered view that the assignment of debt essentially being a transaction between the Creditor and the Assignee and assignment being recognized by the IBC as a valid mode of transfer of rights across the ambit of Section 5(7) of the Code, therefore, the entity who received the said assignment of debt falls within the fold of "Financial Creditor". Further, Hon'ble NCLAT in *Lalan Kumar Singh v. Phoenix ARC (P) Ltd*<sup>18</sup>, observed that the declaration of the Assignment Agreement is essentially a civil proceeding. The relevant extract is reproduced below:

***"19. In the present case we find that the appellant has sought declaration that the assignment made by HSBC to 'Phoenix' as illegal, which can be raised only in a civil suit. The appellant is trying to convert the proceedings under the 'I&B Code' as civil proceedings akin to a trial which is not the legislative intent".***

Thus, the proceedings under IBC, 2016, being summary proceedings, it is beyond the ambit of this Adjudicating authority to delve into the legality of the Assignment Agreement dated 19.03.2025.

37. As regards the contention of the Corporate Debtor that the Assignment Agreement dated 19.03.2025 lacks legal enforceability on account of non-registration under Section 17 of the Registration Act, 1908, the Applicant has contended that, being an Asset Reconstruction Company, it is exempt from payment of stamp duty under Section 5(1A) of the SARFAESI Act, 2002 read with Section 8F of the Indian Stamp Act, 1899. We note that Section 5(1) of the SARFAESI Act, 2002 empowers a bank to assign loans to an Asset Reconstruction Company, and sub-section (1A) of Section 5 specifically provides that documents executed by any bank or financial institution under sub-section (1) in favour of an Asset Reconstruction

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18-2018 SCC Online NCLAT 835.



Company acquiring financial assets for the purposes of asset reconstruction or securitisation shall be exempt from stamp duty. In view of the statutory exemption provided under Section 5(1A) of the SARFAESI Act, 2002, we are not inclined to accept the contention that the Assignment Agreement, merely on account of being unregistered, is legally unenforceable.

38. The assignment of the loan does not affect the Corporate Debtor's liability to repay the debt. The Applicant, **Omkaara PS 10/2022-23**, and subsequently **Omkaara PS 23/2024-25** under the Assignment Deed dated 19.03.2025, rightly stand as Financial Creditors. The objections raised by the Corporate Debtor are therefore rejected.
39. The outstanding financial debt, which is undisputed by the Corporate Debtor or Personal Guarantors, stood at Rs. 129,73,95,652 as on 31.05.2024. During the pendency of the petition, **Omkaara PS 23/2024-25** acquired the loan portfolio under the Assignment Agreement-2 dated 19.03.2025, with intimation to the Corporate Debtor on 15.04.2025. As on 28.02.2025, the outstanding was Rs. 146,36,15,215, which increased to Rs. 153,60,34,927 as on 25.06.2025. IA No.1087/2025 seeking substitution was allowed by this Tribunal vide order dated 17.07.2025, with a direction to file a neat copy of the petition.
40. In terms of Section 5(7) of the IBC, an assignee is deemed a Financial Creditor and steps into the shoes of the assignor; it is immaterial whether the assignee was the creditor on the date of default, once the financial debt and default are established. No separate board resolution of the original Financial Creditor is required once substitution is permitted. In view of the above, the objections raised by the Corporate Debtor are rejected.

#### Manipulation of the Claim Amount

41. The objection of the Corporate Debtor that the claim amount is manipulated or inflated is without merit. The increase from Rs.129 crore to Rs.153 crore



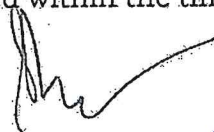
is stated to be on account of accrual of contractual interest arising from a continuing default and not due to any fresh disbursement. At the admission stage under Section 7 of the IBC, the Adjudicating Authority is required only to ascertain *at the threshold* the existence of financial debt and default and whether the amount in default crosses the threshold prescribed under Section 4 of the IBC, namely Rs.1 crore, and not to determine the exact quantification of the claim. *This will be done later as per the Code.* In the present case, the debt and default admittedly exceed Rs.1 crore and there is no plea of limitation. Accordingly, there is no impediment to the admission of the application under Section 7 of the IBC.

**Specific Defence in Respect of Ms. Kamala Gagadam (Personal Guarantor)**

42. The contentions relating to the Personal Guarantor are extraneous to the present proceedings. Any discussions, disputes, or defences concerning the personal guarantor, including the alleged absence of benefit, privity of contract, or procedural compliance under the guarantee, fall outside the limited scope of the threshold enquiry under Section 7 of the IBC. Issues relating to enforcement against a personal guarantor are governed separately under Section 95 and other applicable provisions and do not affect the maintainability of the present petition at this stage. Accordingly, objections premised on the personal guarantor are irrelevant for the purpose of admission under Section 7.
43. In view of the established debt and default, the present petition, CP (IBC) No.138/7/HDB/2024, is allowed with the following order:

**ORDER**

- A. The Application bearing No. CP (IB) No. 138/7/HDB/2024 filed by Omkara Assets Reconstruction Private Limited is admitted, and this Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process, which shall ordinarily be completed within the timelines stipulated



in the Code, 2016 (as amended), reckoning from the date on which this order is passed.

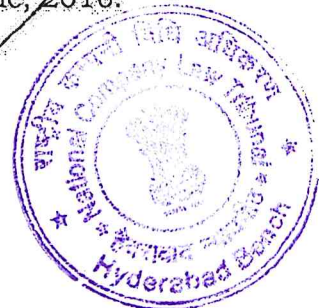
- B. The Applicant has proposed the name of Ms. Kanak Jani, Registration Number: IBBI/IPA- 001/IP- P01757/2019- 2020/12685, Address: 17, Sai Moreshwar Luxuria, Plot No. 74, Sector 18, Kharghar, Navi Mumbai, Maharashtra - 410210. E-mail ID: [kanakjani.associates@gmail.com](mailto:kanakjani.associates@gmail.com), Mobile No. 9819875760 as the Interim Resolution Professional (IRP), whose Authorization for Assignment (AFA) as per the IBBI website is valid up to 31.12.2026. The proposal to appoint Ms. Kanak Jani as IRP has been approved. The IRP is directed to file an AFA within three days of the date of this order.
- C. The IRP is directed to take immediate charge of the management of the Corporate Debtor. The IRP is also directed to cause a public announcement as prescribed under Section 15 of the Code, 2016, within three days from the date of receipt of this order, and call for submissions of claim in the manner as prescribed.
- D. As a consequence of the Application CP (IB) No. 138/7/HDB/2024 being admitted in terms of Section 7 of the Code. Moratorium is hereby declared and shall have effect from the date of this order till the completion of the CIRP, for the purposes referred to in Section 14 of the Code, 2016. It is hereby ordered that all of the following are prohibited:
1. The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor, including execution of any judgment, decree, or order in any court or law, tribunal, arbitration panel, or other authority;
  2. Transferring, encumbering, alienating, or disposing of by the Corporate Debtor any of its assets or any legal rights or beneficial interest therein;
  3. Any action to foreclose, recover, or enforce any security interest created by the corporate debtor in respect of its property, including



any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

4. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.
5. Notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concessions, clearances or a similar grant or right during the moratorium period.

- E. The supply of essential goods or services to the Corporate Debtor shall not be terminated, suspended, or interrupted during the moratorium period. Further, if the IRP considers supply of any goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period. Furthermore, the provisions of Subsection (1) of Section 14 shall not apply to such transactions, agreements, or other arrangements as may be notified by the Central Government in consultation with any financial sector regulator or other relevant authorities.
- F. The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code, 2016. The Directors, Promoters, or any other person associated with the management of Corporate Debtor are directed to extend all assistance and co-operation to the IRP as stipulated under Section 19 for discharging their functions under Section 20 of the Code, 2016.

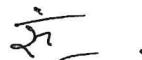


- G. The Applicant/FC shall deposit a sum of Rs. 3,00,000/- (Rupees Three Lakhs only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to the approval of the Committee of Creditors (CoC).
- H. In terms of Section 7(7) of the Code, the Registry is hereby directed to communicate a copy of the order to the Applicant/FC, the Respondent/CD, the IRP and the Registrar of Companies, NCR, New Delhi, by Speed Post and by email, at the earliest but not later than seven days from today.
- I. The Registry shall also communicate this Order to the Registrar of Companies, Hyderabad, for updating the status of the Corporate Debtor on the website of the Ministry of Corporate Affairs.
- J. The Registry is further directed to send a copy of this order to the Insolvency and Bankruptcy Board of India for their record.
- K. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Accordingly, this Company Petition is allowed.



**JUSTICE RAMALINGAM SUDHAKAR**  
**(HON'BLE PRESIDENT)**



**SHRI SANJAY PURI,**  
**HON'BLE MEMBER (TECHNICAL)**

*K. Sanjay*  
*09/01/2026*

Deputy Registrar / Assistant Registrar / Court Officer  
National Company Law Tribunal, Hyderabad Bench

प्रमाणित प्रति  
**CERTIFIED TRUE COPY**  
केस संख्या  
CASE NUMBER... CP (IB) No. 138/7/HDB/2024  
निर्णय का तारीख  
DATE OF JUDGEMENT... 8.1.26  
प्रति तैयार किया गया तारीख  
COPY MADE READY ON... 9.1.26

