NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT VI

Item No. P-2 & P-3

IA (I.B.C) 2408/MB/2026

IN

C.P. (IB)/411/MB/2026

AND

C.P. (IB)/411/MB/2026

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **04.09.2026**

NAME OF THE PARTIES: **Catalyst Trusteeship Limited**

Vs.

Infiiloom India Private Limited

Under Section 60(5) & 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

C.P. (IB)/411/MB/2026

[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]

CATALYST TRUSTEESHIP LIMITED

(in its capacity as Debenture Trustee)

[CIN No.: U74999PN1997PLC110262]

GDA House, First Floor, Plot No. 85, S.

No. 94 & 95, Bhusari Colony (Right),

Kothrud, Pune – 411038.

…Financial Creditor

V/s

INFIILOOM INDIA PRIVATE LIMITED

[CIN No.: U17118PN1995PTC018285]

GAT NO. 1231 (PART), Sanaswadi,

Taluka Shirur, Pune – 412208.

...Corporate Debtor

IA (I.B.C) 2408/MB/2026

in

CP (IB) No. 411/MB/2026

[Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 r/w Rule 11 of the National Company Law Tribunal Rules, 2016]

INFIILOOM INDIA PRIVATE LIMITED

… Applicant

V/s

CATALYST TRUSTEESHIP LIMITED

… Respondent

Pronounced: 04.09.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For FC: Sr. Adv. Mr. Chetan Kapadia a/w Adv. Ms. Vidisha R. a/w Adv. Siddharth Ranade, Adv. Ms. Nishi Bhankharia, Adv. Mr. Gaurav Jain, Adv. Ms. Neeraja Barve, Adv. Ms. Manika i/b Trilegal.

For CD: Adv. Nausher Kohli a/w Adv. Mr. Jehan F. a/w Adv. Jay Zaveri, Adv. Ms. Rhea Prakash, Adv. Ms. Kshmaya Daniel i/b Crawford Bayley & Co.

ORDER

[PER: CORAM]

1. BACKGROUND

1.1 This is an Application filed by Catalyst Trusteeship Limited *(hereinafter referred to as "the Applicant")* having CIN No.: U74999PN1997PLC110262 on 30.03.2026 under Section 7 of the Insolvency and Bankruptcy Code, 2016 seeking commencement of CIRP, appointment of IRP and declaration of moratorium upon Infiiloom India Private Limited *(hereinafter referred to as "the Corporate Debtor/CD)* having CIN No.: U17118PN1995PTC018285.

1.2 Perusal of Part III reveals that the Applicant has named Mr. Pulkit Gupta, having IP Registration No. IBBI/IPA-001/IP-P-02364/2021-2022/13697 as the IRP. The proposed IRP has given his consent in Form No. 2. The AFA of the proposed IRP is valid till 30.06.2027.

1.3 Perusal of the Part IV reveals that the total outstanding amount in default under the Debentures as on 30 March 2026 is Rs. 3,41,32,43,383/- (Indian Rupees Three Hundred Forty-One Crores Thirty-Two Lakhs Forty-Three Thousand Three Hundred and Eighty-Three only) (Financial Debt).

2. CONTENTIONS OF FC

2.1 It is stated that the Corporate Debtor approached the Debenture Holders to raise funds aggregating to Rs. 260,00,00,000/- (Indian Rupees Two Hundred and Sixty Crores Only) by way of issuance of unlisted, secured, redeemable debentures on a private placement basis. The said funding was bifurcated into Non-Convertible Debentures (NCDs) and Optionally Convertible Debentures (OCDs).

2.2 At the request of the Corporate Debtor, the Debenture Holders subscribed to:-

i. 1600 (One Thousand Six Hundred) unlisted, secured, redeemable, non-convertible debentures aggregating up to INR 160,00,00,000 (Indian Rupees One Hundred and Sixty Crores) (NCDs) pursuant to a Debenture Trust Deed dated 14 August 2024, as amended by First Amendment Deed dated 27 August 2024 (the NCD DTD); and

ii. 1000 (One Thousand) unlisted, secured, redeemable, optionally convertible debentures aggregating up to Rs. 100,00,00,000 (Indian Rupees One Hundred Crores) (OCDs) pursuant to a Debenture Trust Deed dated 14 August 2024, as amended by First Amendment Deed dated 27 August 2024 (the OCD DTD, and together with the NCD DTD, collectively referred to as the DTDs).

2.3 The NCDs and OCDs (collectively referred to as Debentures) were secured by a comprehensive security package created by the Corporate Debtor and other third-party obligors, including but not limited to mortgages, share pledges, corporate and personal guarantees.

2.4 The Applicant was appointed as the Debenture Trustee by way of two Debenture Trustee Appointment Agreements (DTAA) both dated 14 August 2024 for the Debentures respectively.

<u>Security envisaged under the DTDs</u>

2.5 The DTDs envisaged the following security:-

i. a first ranking mortgage and charge over all immovable assets of the Corporate Debtor, present and future, including the factory premises situated at Pune (Mortgage Property 1), Nashik (Mortgage Property 2) and Nellore (Mortgage Property 3) as detailed in Schedule 7 of the DTDs.

ii. a first ranking mortgage and charge over all immovable assets of Infiiloom Textiles Private Limited (ITPL), present and future, including the factory premises situated at Silvassa (Mortgage Property 4) as detailed in Schedule 7 (Mortgage Properties) of the DTDs.

iii. A first ranking charge over all of the Corporate Debtor's, present and future, movable fixed assets and movable non-current assets including but not limited to:-

a. Plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicles and other non-current assets both present and future; and

b. Intangible assets, including but not limited to its clearances, goodwill and uncalled capital.

iv. A first ranking charge over all of ITPL's, present and future, movable fixed assets and movable non-current assets including but not limited to:-

a. Plant and machinery, machine spares, tools and accessories, furniture, fixtures, vehicles and other non-current assets both present and future; and.

b. Intangible assets, including but not limited to its clearances, goodwill and uncalled capital

v. A second ranking charge over all of the Corporate Debtor's present and future, current assets, including but not limited to:-

a. All investments and bank accounts of the Corporate Debtor and monies lying therein;

b. All receivables of the Corporate Debtor, the Corporate Debtor's cash in hand, investments, raw materials, consumable stores and spares, book debts, operating cash flow and stock in trade, whether installed or not and whether lying loose or in cases or which are lying or are stored in or to be stored in or to be brought into or upon the Corporate Debtor's premises, warehouses, stockyards, and godowns or the premises, warehouses, stockyards, and godowns of the Corporate Debtor's agents, affiliates, associates or representatives or at various work sites or at any place or places wherever else situated.

vi. A second ranking charge over all of ITPL's present and future, current assets, including but not limited to:-

a. All investments and bank accounts of ITPL and monies lying therein (including Accounts of ITPL).

b. All receivables of ITPL including ITPL's cash in hand, investments, raw materials, consumable stores and spares, book debts, operating cash flow and stock in trade, whether installed or not and whether lying loose or in cases or which are lying or are stored in or to be stored in or to be brought into or upon ITPL's premises, warehouses, stockyards, and godowns or the premises, warehouses, stockyards, and godowns of ITPL's agents, affiliates, associates or representatives or at various work sites or at any place or places wherever else situated.

vii. A first ranking pledge over the Pledged Shares (Corporate Debtor); and

viii. A first ranking pledge over the Pledged Shares (ITPL).

2.6 Further, the Obligors provided irrevocable and unconditional guarantees, including:

i. A Deed of Corporate Guarantee dated 17.08.2024, executed by (Innovative Textile Enterprises Private Limited (ITEPL) in favour of the Applicant, guaranteeing the payment under the Debentures and indemnifying the Debenture Holders against all losses. (The Applicant issued a Letter for Demand under the Guarantee dated 20 March 2026 to ITEPL).

ii. A Deed of Corporate Guarantee dated 17.08.2024, executed by ITPL in favour of the Applicant. *(The Applicant issued a Letter for Demand under the Guarantee dated 20 March2026to ITPL).*

iii. A Deed of Personal Guarantee dated 17.08.2024 executed by Mr. Rohit Chugh Pal in favour of the Applicant. *(The Applicant issued a Letter for*

Demand under the Guarantee dated 20 March 2026to Mr. Rohit Chugh Pal.

Obligations of the Corporate Debtor and Obligors

2.7 Under the terms of the DTDs, the Corporate Debtor and other obligors (defined under Clause 1.1 of the DTDs) including ITPL and ITEPL (under Clause 3.1 of their respective Deeds of Guarantee) were bound by various covenants and conditions, the breach of which constituted an Event of Default, entitling the Applicant to accelerate and recall the Debentures.

2.8 Under the DTDs, the CD was bound by several payment obligations. These included the repayment of the principal amount as per the redemption schedule or upon acceleration of the Debentures (Clause 4.6.1 read with Schedule 6 of the NCD DTD and Schedule 15 of the OCD DTD; Clauses 4.4.2, 6.2(a), and 6.2(b) of the DTDs}. Additionally, the Corporate Debtor was required to make monthly cash coupon payments (Clauses 4.2, 4.3.1, and 6.1(a) of the DTDs), pay upfront interest along with the agreed Internal Rate of Return (IRR)(Clauses 1.1, 4.3, and 6.1(a) of the DTDs read with Clause 2.1 of the First Amendment Deeds),and pay a redemption premium upon redemption or acceleration (Clauses 1.1, 3.1, and 6.2 of the DTDs) Furthermore, the Corporate Debtor was obligated to pay default interest upon the occurrence and continuation of any Event of Default (Clauses 4.4.2 and 4.4.3 of the DTDs).

2.9 In addition to the payment obligations, the Corporate Debtor and the third-party obligors were also bound by specific non-payment obligations and conditions subsequent under the DTDs. These included the perfection of security created over Mortgage Property 3 (Schedule 2, Clause 3 of the

DTDs), ensuring its subsidiary, ITPL, submitted necessary account bank approvals (Schedule 2, Clause 7 of the DTDs), and ensuring ITPL completed its capital expenditure and obtained regulatory approvals for the Silvassa factory (Schedule 2, Clause 8 of the DTDs). Further, the Corporate Debtor was also required to strictly maintain and comply with specified financial covenants and ratios (Clause 17.1 of the DTDs):

2.10 As per Clause 6.3 (Acknowledgment)of the DTDs, the Applicant shall at its sole discretion be entitled to determine if any Event of Default has occurred. In this regard, following are the defaults that have occurred and are continuing:

<u>Defaults by the Corporate Debtor</u>

2.11 The Corporate Debtor committed several Events of Default under the DTDs by failing to comply with the aforementioned obligations, which have triggered the Applicant's right to accelerate the Debentures and initiate insolvency proceedings. These defaults are multifaceted and include:

A. Payment Related Defaults:

2.12 The following are the payment-related defaults of the Corporate Debtor:

1. Failure to pay Cash Coupons for NCD and OCDs: The Corporate Debtor failed to pay the NCD Cash Coupons that were due and payable from June 2025. The Corporate Debtor, *vide* email dated 30 June 2025, requested deferment of interest, i.e., Cash Coupon on the Debentures and Principal payments due till 31 December 2025.

2. Thereafter, on the basis Corporate Debtor's request, the Debenture Holders, vide an email dated 12.07.2025 agreed to defer the payment of the outstanding Cash Coupon and Principal repayment

obligations until 31 December 2025. This deferment was agreed on the conditions that (i) the deferred Cash Coupon and Principal shall accrue at the agreed IRR along with the final Redemption Premium payable on the NCDs, (ii) the Corporate Debtor shall be required to commence the payment towards the NCDs as per the original Repayment Schedule in the NCD DTD from January 2026. Further, it was expressly clarified that this deferment was strictly limited to the specified payment obligations and did not constitute a waiver or cure of the pre-existing and continuing non-payment related Events of Default.

3. Despite providing the aforesaid accommodation, the Corporate Debtor failed to remedy the defaults during the deferment period and failed to pay the outstanding Cash Coupon due in January 2026. Instead, the Corporate Debtor vide its email dated 29 January 2026 again requested for deferment of payment of Cash Coupon. The request of the Corporate Debtor was considered by the Debenture Holders in good faith, and the payment was deferred till 27 February 2026 vide its email dated 30 January 2026. The Corporate Debtor has acknowledged its liability to pay, by requesting deferment of the Cash Coupons.

4. It is submitted that despite this accommodation, the Corporate Debtor again failed to make the payment of the Cash Coupon falling due on 28 February 2026. This constituted a clear and persistent payment default under Clause 6.1(a) of the NCD DTD.

5. Apart from that, the Corporate Debtor also committed a payment default by failing to pay the OCD Cash Coupon and Principal amounts that fell due on 28 February 2026.

B. Non-Payment Related Defaults (Breach of Covenants and Conditions Subsequent):-

6. Failure to Perfect Security: The Corporate Debtor failed to perfect the mortgage over 'Mortgage Property 3' within the stipulated 14 business days from the deemed date of allotment, i.e., by 28 August 2024, thereby breaching Schedule 2, Clause 3 of the DTDs. This constituted an Event of Default under Clause 6.1(e) of the DTDs.

7. Non-Submission of Account Bank Approvals: The Corporate Debtor failed to ensure submission of account bank approvals for the operation of its own accounts as well as of its subsidiary, ITPL, to the Debenture Trustee I Applicant within 90 days from the deemed date of allotment, i.e., by 26 November 2024, in breach of Schedule 2, Clause 7 of the DTDs

8. Non-Completion of ITPL Capex: The Corporate Debtor failed to ensure that ITPL completed the capital expenditure for the Silvassa Factory and obtained all necessary regulatory approvals for commissioning within 90 days from the deemed date of allotment, i.e., by 26 November 2024, in breach of Schedule 2, Clause 8 of the DTDs. This default was not cured by the Corporate Debtor despite the notices of default issued by the Applicant.

9. Breach of Financial Covenants: As per its audited financials for the period ending 31 March 2025, the Corporate Debtor severely

breached multiple mandatory financial covenants stipulated under Clause 17.1 of the DTDs. Specifically:

i. The total debt of the Corporate Debtor (as calculated by summing the long-term and short-term borrowings) stood at Rs. 5,33,02,41,000/- against a maximum permissibility of Rs. 500,00,00,000/-.

ii. The annual EBITDA of the Corporate Debtor drastically fell to INR 35,17,16,000/- against a minimum requirement of Rs. 70,00,00,000/-.

iii. The Total Debt/EBITDA ratio of the Corporate Debtor spiked to 15.15x against a maximum permissible limit of 6.0x.

iv. The fixed asset coverage ratio dropped to 0.74x against a minimum requirement of 1.25x.

v. The debt service coverage ratio dropped to 0.98x against a minimum requirement of 1.25x.

2.13 As per Clause 6.1(b) of the DTDs, any failure by the Corporate Debtor to comply with its non-payment related obligations under the DTDs, which is not cured within a period of 30 days from the date of noncompliance, constitutes an Event of Default. Upon occurrence of a non-payment related Event of Default, the Corporate Debtor is obligated to pay a monetary penalty in the form of Default Interest 2 at a rate of 2.0% p.a. As per Clause 4.4.3(a) of the DTDs, this interest is payable on the entire debenture obligations for the period during which the default subsists, including any cure period provided if the default remains unremedied.

2.14 In view of the aforesaid series of defaults the Debenture Holders vide emails dated 26 November 2024, 28 March 2025 and 26 June 2025 informed the Corporate Debtor that the Default Interest is levied due to the Corporate Debtor's failure to remedy several subsisting Events of Default, specifically the breach of multiple non-payment related obligations under the DTDs. These breaches include, inter alia, the non-perfection of security interests, and will continue to accrue until the underlying defaults are fully rectified.

2.15 Owing to Corporate Debtor's failure to cure the defaults pertaining to non-payment related obligations, the Applicant also issued a notice of default dated 11 August 2025, specifically detailing the breaches of non-payment obligations. In the said notice, the Applicant asked the Corporate Debtor to cure the default within 7 days from the date of the Notice. Further, the Applicant also demanded payment of accrued Default Interest 2 amounting to Rs. 3,90,00,000/- from 01.11.2024 to 31.07.2025. Despite receipt of the said notice, the CD failed to cure the defaults. Further, the Default Interest 2 was also not paid by the CD.

2.16 As the defaults continued and the CD failed to remedy them, the Applicant issued a Final Reminder Notice dated 9 January 2026. This notice reiterated the uncured defaults, granted a final 10-day period to cure them, and demanded the updated outstanding Default Interest 2 amounting to Rs.6,06,66,667/- from 01.11.2024 to 31.12.2025. The CD again failed to comply with the said notice.

2.17 In light of the continuing Events of Default, including the failure to cure the breaches detailed in the prior notices, and the fresh, undeniable payment default from 28 February 2026, the Applicant acting on the instructions of the Debenture Holders, issued a recall notice dated 06.03.2026. Through this notice, the Applicant exercised its rights under Clause 6.2 of the DTDs to accelerate the entire facility and declared all debenture obligations (as defined in the DTDs) as being immediately due and payable. By way of the recall notice, the total outstanding amount of INR Rupees Three Hundred Thirty-Seven Crores 3,37,25,54,537 /- (Indian Twenty-Five Four Thousand Five Hundred and Lakhs Thirty-Seven Fifty only) was demanded to be repaid within 7 days. Pertinently, the Corporate Debtor has failed to make this payment and the default is continuing.

Particulars of outstanding amounts due as on 30.03.2026 under the NCD DTD

Particulars	**Amount (In Rupees)**
Principal	1,60,00,00,000
Cash Coupon	3,68,03,390
Upfront Interest	83,84,259
Redemption premium	33,47,77,431
Default Interest	4,53,33,333
Total	**2,02,52,98,413**

Particulars of outstanding amounts due as on 30.03.2026 under the PCD DTD

Particulars	**Amount (In Rupees)**
Principal	1,00,00,00,000
Cash Coupon	15,89,672

Upfront Interest	60,08,352
Redemption premium	35,20,13,614
Default Interest	2,83,33,333
Total	**1,38,79,44,970**

2.18 It is submitted that as per the recall notice dated 6 March 2026, the Corporate Debtor was obligated to repay the entire debt amount as described in the said recall notice on or before 13 March 2026. However, the Corporate Debtor defaulted in paying the same.

2.19 The Applicant states that despite issuance of demand notices and the final recall notice, the Corporate Debtor has failed to repay the outstanding dues under the Debentures to the Applicant. The aforesaid clearly demonstrates (i) the existence of a financial debt owed by the Corporate Debtor to the Debenture Holders; and (ii) the occurrence of persistent and continuous defaults on the part of the Corporate Debtor in repayment of such debt.

2.20 It is submitted that the default pursuant to the recall notice has been raised with NeSL. However, the same has not been generated yet. In this regard the NeSL receipt (Form C) has been annexed. The Applicant craves leave to file the generated NeSL report as and when available with the Corporate Debtor.

2.21 Further, after the expiry of time to repay under the Recall Notice, the Applicant also issued separate letters of Demand cum invocation notices under the Deed of Guarantee dated 20.03.2026 to ITEPL, ITPL and Mr. Rohit Chugh Pal respectively, wherein the Applicant has invoked the guarantees and called upon them to pay the entire debt amount which was due and payable by the Corporate Debtor.

2.22 Subsequently, the Applicant also issued a letter dated 24 March 2026 to the Corporate Debtor and Mr. Rohit Chugh Pal invoking the shares pledged by them under the Share Pledge Agreement dated 17 August 2024 along with an Unattested Amended and Restated Pledge Agreement dated 17 June 2025.

2.23 The Applicant is authorised to file the present application on behalf of the Debenture Holders under Clauses 8-1(i) & 8.1 (m) r/w6.2(d) the DTDs.

2.24 In view of the above, the Applicant, in the interests of rehabilitation and effective resolution of the debt of the Corporate Debtor, has preferred the present application before this Hon'ble Tribunal. It is submitted that the Corporate Debtor has never disputed its outstanding liability and has in fact admitted to its liability towards the Debentures. Accordingly, it is submitted that the Corporate Debtor is unable and/or unwilling to pay its creditors and hence, it is just and equitable that insolvency proceedings be initiated against the Corporate Debtor under the provisions of Section 7 of IBC.

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

i. Copy of the Board Resolution dated 26 December 2024.

ii. The extract of the master data of the Corporate Debtor as available on the website of the Ministry of Corporate Affairs.

iii. Form 2 of the Insolvency and Bankruptcy Code (Application to Adjudicating Authority) Rules, 2016 (written communication by the proposed Interim Resolution Professional) along with the

Certificate of Registration by the Insolvency and Bankruptcy Board of India and Authorisation for Assignment (AFA) issued by the ICSI Institute of Insolvency Professionals.

iv. Copies of the Non-Convertible Debentures Trust Deed dated 14 August 2024 along with First Amendment Deed dated 27 August 2024.

v. Copies of the Non-Convertible Debentures Trust Deed dated 14 August 2024 along with First Amendment Deed dated 27 August 2024.

vi. Copies of the Optionally Convertible Debentures Trust Deed dated 14 August 2024 along with a First Amendment Deed dated 27 August 2024.

vii. Copies of the Optionally Convertible Debentures Trust Deed dated 14 August 2024 along with a First Amendment Deed dated 27 August 2024.

viii. Copy of the resolution dated 28 August 2024.

ix. Copy of the Non-Convertible Debentures' Debenture Trustee Appointment Agreement dated 14 August 2024.

x. Copy of the Optionally Convertible Debentures' Debenture Trustee Appointment Agreement dated 14 August 2024.

xi. Copy of Notice of Default dated 11 August 2025.

xii. Copy of the Final Reminder Notice dated 9 January 2026.

xiii. Copy of the series of emails concerning deferment of the Cash Coupons and Principal.

xiv. Copy of the Recall Notice dated 6 March 2026.

xv. Copy of the Indenture of Mortgage dated 14 August 2024 (Pune and Nashik properties).

xvi. Copy of the Power of Attorney dated 18 August 2024 executed by the Corporate Debtor in relation to mortgage of factory properties situated in Pune and Nashik.

xvii. Copy of the said Indenture of Mortgage dated 30 November 2024 (Silvassa Property).

xviii. Copy of the custody letter dated 3 January 2025 confirming the custody of the title deeds of the Mortgaged Properties.

xix. Copy of the said Share Pledge Agreement dated 17 August 2024 along with Unattested Amended and Restated Pledge Agreement dated 17 June 2025.

xx. Copies of the Power of Attorney of the shareholders.

xxi. Copy of the said Share Pledge Agreement dated 17 August 2024 along with Unattested Amended and Restated Pledge Agreement dated 17 June 2025.

xxii. Copy of the Power of Attorney of Mr. Rohit Chugh Pal.

xxiii. Copy of the said Deed of Corporate Guarantee dated 17 August 2024 executed by ITEPL in favour of the Applicant.

xxiv. Copy of the Deed of Corporate Guarantee dated 17 August 2024 executed by ITPL in favour of the Applicant.

xxv. Copy of the Deed of Personal Guarantee executed by Mr. Rohit Chugh Pal in favour of the Applicant.

xxvi. Copy of the Form C of the National E- Governance Services Limited Report.

xxvii. Copy of the excel sheet along with the summaries providing the calculation of the outstanding amounts.

xxviii. Copy of the Demand under the Guarantee Deed dated 20 March 2026 addressed by the Applicant to ITPL.

xxix. Copy of the Demand under the Guarantee Deed dated 20 March 2026 addressed by the Applicant to ITEPL.

xxx. Copy of the Demand under the Personal Guarantee Deed dated 20 March 2026 addressed by the Applicant to Mr. Rohit Chugh Pal.

xxxi. Copy of the Letter invoking the shares pledged by the Corporate Debtor and Mr. Rohit Chugh Pal in ITPL, dated 24 March 2026 addressed by the Applicant to Mr. Rohit Chugh Pal.

4. ADDITIONAL AFFIDAVIT (FC) DATED 20.04.2026

4.1 Additional Affidavit dated 20.04.2026 was filed by the Applicant through Mr. Chaitanya Raote, who is stated to be an Authorised officer of the Applicant.

4.2 It is stated that I am filing this Additional Affidavit to place on record the instructions issued by the Debenture Holders authorizing the Applicant to recall the underlying debt, file, prosecute and take necessary steps with respect to the present Company Petition on their behalf. This additional affidavit is filed pursuant to the liberty granted by this Hon’ble Tribunal vide order dated 15 April 2026, whereby this Hon’ble Tribunal directed the Applicant to place on record the instructions of the Debenture Holders authorizing the Applicant to file and prosecute the present Company Petition on their behalf.

4.3 It is stated that the Applicant, in its capacity as Debenture Trustee, has acted and continues to act on behalf of and pursuant to the instructions of the debenture holders, namely India Special Assets Fund III and ISAF III Onshore Fund (Debenture Holders), each acting through its investment manager, EAAA India Alternatives Limited (Investment Manager).

4.4 It is stated that *vide* email dated 06.03. 2026, the Debenture Holders, through its Investment Manager, expressly instructed the Applicant, in its capacity as Debenture Trustee, to issue the recall notice to the Corporate Debtor. Thereafter, *vide* email dated 27.03.2026, the Debenture Holders, through its Investment Manager, shared the draft Company Petition with the Applicant and instructed the Applicant to execute and file the present Company Petition against the Corporate Debtor.

4.5 It is stated that subsequently, *vide* email dated 15 April 2026, the Debenture Holders, through its Investment Manager, further instructed the Applicant, in its capacity as Debenture Trustee, to proceed with prosecuting the present Company Petition against the Corporate Debtor and undertaking all necessary steps in that regard.

4.6 It is therefore submitted that, in view of the aforesaid instructions, the Applicant possesses the requisite authority I instruction under Clause 8.1 of both Debenture Trust Deeds dated 14 August 2024, as amended by a First Amendment Deed dated 27.08.2024, to act on behalf of the Debenture Holders, including to institute and prosecute the present Company Petition against the Corporate Debtor.

5. <u>ADDITIONAL AFFIDAVIT (FC) DATED 28.04.2026</u>

5.1 The Applicant filed Additional Affidavit dated 28.04.2026 through Mr. Chaitanya Raote, who is stated to be an Authorised officer of the Applicant.

5.2 It is stated that the present Additional Affidavit is being filed pursuant to the hearing held on 22.04.2026 and in furtherance of the affidavit dated 20.04.2026. For consistency, the Applicant has used the same terms and abbreviations as used in the captioned Company Petition.

5.3 It is stated that the EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited, hereafter referred to as EAAA I Investment Manager) in its capacity as the settlor entered into two Indentures of Trust with Vistra (ITCL) India Limited in its capacity as the Trustee (Vistra):

i. By way of an Indenture of Trust dated 16.12.2020, EAAA constituted the Edelweiss Credit Opportunities Trust. In terms of Clause 4.2 of the Indenture, it set up ISAF III Onshore Fund (ISAF HI Onshore Fund) as the first scheme of Edelweiss Credit Opportunities Trust.

ii. By way of Indenture of Trust dated 12.04.2021, EAAA constituted the ISAF III Trust. In terms of Clause 4.2 of the Indenture, it set up India Special Asset Fund III (ISAF III Fund) as the first scheme of the ISAF III Trust.

5.4 it is stated that the ISAF III Fund and ISAF III Onshore Fund (the schemes under the Indentures of Trust) hereafter collectively referred to as the 'Funds' and individually as ISAF III Fund and ISAF III Onshore Fund respectively), are the only subscribers under the NCD DTD and OCD DTD which are subject matter of Company Petition (as also noted at Annexure A-6 in the Company Petition @ Pgs. 464-465). A copy of the Indenture of Trust dated 16 December 2020, and the Indenture of Trust dated 12.04.2021 (collectively Indentures of

Trust) are annexed herewith as Annexure A and Annexure B, respectively. A copy of name change certificate for EAAA dated 03.08.2024 is annexed herewith as Annexure C.

5.5 it is stated that the under Clause 7.1.1 of the Indentures of Trust, Vistra as the trustee is empowered with the powers of the Fund. Further, under Clause 7.1.32 (a) of the Indentures of Trust, Vistra through its investment manager, has power to institute legal proceedings on behalf of the Fund.

5.6 it is stated that the under Clauses 3.4 and 6.2 of each of the Indentures of Trust referred to above, Vistra was required to appoint an investment manager for managing and administering the Funds. In this regard, Vistra entered into two investment management agreements to appoint EAAA, as the investment manager in respect of the Funds:

i. Investment Management Agreement of ISAF III Onshore Fund dated 9 November 2021 (2021 IMA); and

ii. Investment Management Agreement of ISAF Fund III dated 24 March 2022 (2022 IMA).

5.7 It is stated that, under Recital E of each of the IMAs, Vistra has appointed EAAA as the investment manager for the Funds and has authorised EAAA to take any actions, exercise any right or make any determination or decision, and to perform all acts and contracts and other undertakings on behalf of Vistra.

5.8 It is stated that further, Clause 2.1.1 of the IMAs provides that the Investment Manager is constituted as the “true and lawful attorney” of the Funds and is vested with all the powers and privileges given to the Trustee under the Indenture in relation to the management and administration of the Funds.

5.9 It is stated that, in addition, Clause 4.2 of the IMAs sets out the powers of the Investment Manager. Specifically, Clause 4.2.2 provides that the Investment Manager shall have the power to take all decisions on behalf of the Funds, including decisions in relation to the management and administration of the Funds. Clause 4.2.9 of the IMAs empowers the Investment Manager to employ an agent or service provider including trust companies to raise funds or do any acts required to be transacted or done in the execution of the trusts.

5.10 It is stated that the further, Clause 4.2.27 (a) of the IMAs expressly authorizes the Investment Manager to institute any legal proceedings for or on behalf of or in the name of the Funds, and to defend or otherwise deal with proceedings concerning the affairs of the Funds. Clause 4.2.27 (b) stipulates that the Investment Manager shall do all such acts, deeds, and things for or on behalf of or in the name of the Funds, in relation to any matter for the purposes of the Funds, including entering into any additional agreements with any contributory or beneficiary establishing any additional rights or obligations. Clause 4.2.27(g) of the IMAs empowers the Investment Manager to sign, seal, execute, deliver and register all deeds, documents and assurances in respect of the Funds.

5.11 It is stated that, further, Clause 4.2.29 of the IMAs stipulates that the Investment Manager shall have the power to exercise all rights of the Funds in the portfolio companies in such manner as it deems to be in the best interest of the Fund and the beneficiaries.

5.12 It is stated that, therefore, IMAs clearly establish that the Investment Manager is contractually vested with authority to manage the investments, take decisions, execute contracts and documents, appoint service providers and provide instructions to institute legal proceedings for and on behalf of the Funds, who are the only subscribers to the NCDs and OCDs which form the subject matter of the present Petition.

5.13 It is stated that in this regard, EAAA, in its capacity as the Investment Manager of the Funds, gave necessary instructions to the Applicant in its capacity as Debenture Trustee to institute and prosecute the present Company Petition against the Corporate Debtor. The necessary instructions have been placed on record *vide* Additional Affidavit dated 20 April 2026.

5.14 It is stated that separately, the Applicant had annexed Form C (as generated by the Information Utility (IU)) along with the captioned Company Petition; however, Form D was awaited. In this regard, the Form D has been generated by the IU on 24.04.2026, wherein the status of default is "deemed to be authenticated".

6. <u>CD's REPLY TO APPLICATION</u>

6.1 Affidavit-in-Reply dated 15.06.2026 was filed and affirmed by one Mr. Sachin Kaushik, who is stated to be the Authorised Signatory of the CD.

6.2 In or around 2024, the Respondent approached EAAA India Alternatives Limited ('EAAA'), a subsidiary of Edelweiss Financial Services Limited, for the purpose of raising funds by way of issuance of unlisted, secured, redeemable debentures. After discussions, it was agreed that two funds managed by EAAA - India Special Assets Fund III and ISAF III Onshore Fund - as the Debenture Holders, would subscribe to 2600 debentures issued by the Respondent on a private placement basis.

6.3 Thus, the following agreements were entered into:

6.3.1 Debenture Trust Deed dated 14.08.2024 executed by the Respondent as the Issuer in favour of the Petitioner as the Debenture Trustee in respect of issuance of 1600 unlisted secured redeemable non-convertible debentures ('NCDs') having face value of Rs. 10,00,000/- each aggregating to Rs. 160,00,00,000/- ('NCD Deed'). [Annex. A-4 Colly/pg. 35 /CP).

6.3.2 First Amendment Deed (Debenture Trust Deed) dated 27th August 2024 executed by and between the Respondent as the issuer and the Petitioner as the Debenture Trustee to amend the NCD Deed. [Annex. A-4 Colly /pg. 440/CP].

6.3.3 Debenture Trust Deed dated 14.08.2024 executed by the Respondent as the Issuer in favour of the Petitioner as the Debenture Trustee in respect of issuance of I 000 unlisted secured redeemable optionally-convertible debentures ('OCDs') having face value of Rs. 10,00,000/- each aggregating to Rs. 100,00,00,000/- ('OCD Deed'). [Annex. A-5 Colly /pg. 249/CP].

6.3.4 First Amendment Deed (Debenture Trust Deed) dated 27.08.2024 executed by and between the Respondent as the Issuer and the Petitioner as the Debenture Trustee to amend the OCD Deed. [Annex. A-5 Colly/pg. 224/CP].

6.3.5 Two Debenture Trustee Appointment Agreements dated 14th August 2024 executed by and between the Respondent as the Issuer and the Petitioner as the Debenture Trustee in respect of the NCDs and OCDs respectively ('DTAAs'). [Annex. A 7 & A-8/pg. 466 & 482 /CP].

6.4 To give effect to the DTDs, two resolutions dated 28th August 2024 were passed by the Respondent approving the allotment of the NCDs and OCDs respectively and the amounts in respect of the debentures were disbursed on 28.08.2024. [Annex. A-6 /pg. 464/ CP].

6.5 In furtherance of the debenture transaction, the following agreements were also entered into:

6.5.1 Indenture of Mortgage dated 14.08.2024 by the Respondent as the Mortgagor in favour of the Petitioner as the Security Agent in respect of the plant/factory premises of the Respondent at Pune and Nashik. [Annex. A-13 / pg. 512/ CP].

6.5.2 Unattested Pledge Agreement dated 17.08.2024 by and between the shareholders of the Respondent as the Pledgors; the Respondent as the Company; and the Petitioner as the Security Agent and Existing Trustee in respect of the equity shares of the Respondent held by its shareholders. [Annex. A 17 Colly/pg. 692 ICP]

6.5.3 Unattested Amended and Restated Pledge Agreement dated 17th June 2025 by and between the shareholders of the Respondent as the Pledgors; the Respondent as the Company; and the Petitioner as the Security Agent and Existing Trustee in respect of the equity shares of the Respondent held by its shareholders. [Annex. A-17 Colly I pg. 692 I CPJ

6.5.4 Unattested Pledge Agreement dated 17th August 2024 by and between the Respondent as the Pledgor; Infiiloom Textiles Private Limited (' ITPL'), the subsidiary of the Respondent, as the Company; and the Petitioner as the Security Agent in respect of the equity shares and preference shares of ITPL held by the Respondent. [Annex. A-19 Colly I pg. 881 I CP]

6.5.5 Unattested Amended and Restated Pledge Agreement dated 17th June 2025 by and between the Respondent and Mr. Rohit Pal as the Pledgors; ITPL as the Company; and the Petitioner as the Security Agent in respect of the equity shares of ITPL held by the Respondent and Mr. Rohit Pal alongwith preference shares of ITPL held by the Respondent. [Annex. A-19 Colly I pg. 881 I CP]

6.5.6 Deed of Corporate Guarantee dated 17.08.2024 by the 13.6 Respondent as the issuer and Innovative Textiles Enterprises Private Limited ('ITEPL'), the holding company of the Respondent, as the Guarantor in favour of the Petitioner as the NCO and OCD Trustee. [Annex. A-21 I pg. 989 I CP].

6.5.7 Deed of Corporate Guarantee dated 17.08.2024 by the Respondent as the Issuer and ITPL as the Guarantor in favour of the Petitioner as the NCO and OCD Trustee. [Annex. A-22 /pg. 1051 /CP].

6.5.8 Deed of Personal Guarantee dated 17.08.2024 by the Respondent as the Issuer and Mr. Rohit Pal as the Guarantor in favour of the Petitioner as the NCO and OCD Trustee. [Annex. A-23 I pg. JJ13 I CP}.

6.5.9 Indenture of Mortgage dated 30th November 2024 by the Respondent as the Issuer, ITPL as the Mortgagor in favour of the Petitioner as the Security Agent in respect of the factory premises of ITPL at Silvassa. [Annex. A-15 I pg. 596 I CP J.

6.5.10 Letter dated 3rd January 2025 confirming deposit of title deeds of the Respondent's factory premises at Nellore with the Petitioner for the purpose of equitable mortgage. [Annex. A-16/pg. 682/CP}.

6.6 The present dispute concerns certain non-payment-related obligations (dealt with hereinafter) and two payment-related obligations under the DTDs. These payment-related obligations are as follows:

6.6.1 Repayment of the principal amount as per the redemption schedule. [Clause 4. 6.1, DTDs; Schedule 6, NCD Deed; Schedule 15, OCD Deed].

6.6.2 Payment of cash coupon, that is, fixed interest of 10% per annum on the Debenture Outstanding monthly over a period of 12 months commencing from the Deemed Date of Allotment and, thereafter, fixed interest of 12% per annum monthly until the Final Settlement Date. [Clause 4.3.1 (a) and (b), DTDs].

6.7 Furthermore, the DTDs deal with EODs in the following manner:

6.7.1 Upon the occurrence of an EOD, the Petitioner shall have the right to levy Default Interest. [Clause./. -1.1, DTD.\j.

6.7.2 Upon the occurrence of a payment-related EOD, 'Default Interest 1 ', at the rate of 4% per annum, would be payable immediately on the amount defaulted for a minimum period of one month or the period for which the default subsists. [Clause -l.-l.2(a) and (h), DTDs].

6.7.3 Upon the occurrence of a non-payment-related EOD, ·Default Interest 2', at the rate of 2% per annum, would be payable immediately for the period for which the default subsisted, in the event that the same is not cured within the period provided for cure, if any, on issuance of a notice by the Petitioner (or in the absence of a demand letter from the Petitioner, on the immediately succeeding cash coupon date). [Clause -l. -l.](a) and (h), DTDs].

6.7.4 In the event of a non-payment-related EOD or ·other default', the same was required to be cured within a period of 30 days. [Clause 6.1 (h), DTDs].

6.8 During the subsistence of the transaction, the Respondent took all steps and every effort for fulfilment of the debenture documents and the conditions precedent/conditions subsequent set out under the DTDs. There was constant communication taking place between the Respondent and the Petitioner and/or the Debenture Holders regarding such compliance as to the progress or status thereof.

6.9 The payment of cash coupon under the OCD Deed was duly being made and the principal repayment thereunder was only to commence from March 2027. Therefore, the present dispute, if any, only concerns the aforesaid payment-related obligations under the NCD Deed, which were to originally fall due from June 2025 onwards.

6.10 Admittedly, on 30th June 2025, based on mutual discussions, the Respondent sought deferment of these payment-related obligations until 31st December 2025. Vide email dated 12th July 2025, the 8 Debenture Holders granted such deferment and it was expressly agreed that the same would not be considered an event of default (EOD).

6.11 Thereafter, on 29th January 2026, based on mutual discussions, the Respondent sought deferment of these payment-related obligations until 27th February 2026. Vide email dated 30th January 2026, the Debenture Holders granted on the same terms as the previous deferment [Annex. A-11 Colly I pg. 507 I CP}. Thus, the second deferment was also not termed as an EOD. A copy of the email dated 29th January 2026 is hereto annexed and marked as ANNEXURE R-2.

6.12 In the meanwhile, amidst the period of deferment set out hereinabove, the Petitioner (purporting to be acting under the instructions of the Debenture Holders) issued Notice I alleging the following non-payment-related EODs:

6.12.1 Failure to perfect security of mortgage over the factory premises at Nellore within 14 business days from the Deemed Date of Allotment (28th August 2024) viz. around 17th September 2024. [Schedule 2, Clause 3, DTDs].

6.12.2 Failure by ITPL to submit account bank approvals for operation of accounts within 90 days from the Deemed Date of Allotment viz. around 26th November 2024. [Schedule 2, Clause 7, DTDs]

6.12.3 Failure by ITPL to complete capital expenditure in regards to the factory premises at Silvassa and obtain regulatory approvals for commissioning of machines within 90 days from the Deemed Date of Allotment viz. around 26th November 2024. [Schedule 2, Clause 8, DTDs J

6.12.4 Failure to maintain financial parameters set out under Clause I 7. I of the DTDs for the financial year ending 31st March 2025 .

6.12.5 Thus, on 11th August 2025, by virtue of Notice 1, the Petitioner sought to levy Default Interest 2 upon the Respondent computed from 1st November 2024 until 3151 July 2025 amounting to Rs. 3,90,00,000/ (Rupees Three Crores and Ninety Lakhs only) and further from 1st August 2025 until the date of cure of the purported EODs- for which it granted a cure period of seven days; the unilateral truncation of the contractually stipulated 30-day cure period rendered the purported declaration of default procedurally defective and incapable of constituting a valid EOD under the DTDs.

6.13 It is required to be noted that, owing to the following facts and events, Notice 1 was entirely invalid and bad in law:

6.13.1 As per the original terms of the DTDs, the timelines set out hereinabove fell in and around September to November 2024. However, for achieving these timelines, that is, to perfect mortgage security; obtain regulatory approvals; modify bank account access; etc., the parties were reliant on and/or had to function in collaboration with third parties, such as banks, who had their own administrative and regulatory processes.

6.13.2 Therefore, some of such processes could not be completed within the timelines originally set out in the DTDs. However, the Debenture Holders were cognizant of the fact that any such delays were beyond the control of and could not be attributed to the Respondent.

6.13.3 The Debenture Holders were at all times kept updated and in the loop regarding these processes and, at no point in time prior to Notice 1 - for a period of over nine months - did the Petitioner ever put the Respondent to notice of 'default' in terms thereof and initiate the 30-day cure period.

6.13.4 It was only on 11th August 2025, almost a year after the original timelines had lapsed, that the Petitioner issued Notice 1 and: (i) sought to allege that, as on 11th August 2025, the timeline for the alleged EOD had lapsed as well as the 30-day cure period; and (ii) sought to impose Default Interest 2 retrospectively from 1st November 2024.

6.13.5 In fact, during the so-called period of breach, the Petitioner and/or the Debenture Holders continued engagement with the Respondent and even participated in the aforesaid discussions on deferment. It may be noted that there was a monthly MIS (Management Information System) Report and a CS (Condition Subsequent) Tracker that was at all times being shared back and forth between the Respondent and the Debenture Holders, whereunder the actual timelines were being recorded by the parties from time-to-time. Therefore, there was acceptance of ongoing performance of the DTDs and waiver and/or acquiescence of the purported non-payment-related EODs.

6.14 In addition to the aforesaid, the following facts and events specifically against each purported non-payment-related EOD may be noted:

Purported EOD	**Compliance by the Respondent**
Nellore Factory Mortgage *[CS Item 3, Schedule 2 /DTDs r/w Clause 2.10/ NCD Amdt. Deed]*	Respondent informed Petitioner by email dated 28.12.2024 that, for the purpose of mortgage registration, the Sullurpeta SRO required stamp duty of Rs. 1.56 crores to be paid. As the cost was substantial, inquiries for registration were made with the Vizag SRO and awaiting response. Further, that original title documents were with HDFC Bank and would be handed over to the Petitioner by 30.12.2024. Letter of Petitioner dated 03.01.2025 confirming that they have custody of title documents for all mortgaged properties, including Nellore. [Annex. A-16/pg 682/CP} Letter of Respondent, acknowledged by Petitioner, dated 12.08.2025 handing over original of Fire NOC and Water Permission letter for Nellore Property. A copy of the letter dated 12.08.2025 is annexed hereto and marked as ANNEXURE R-4. Respondent confirmed to Petitioner by email dated 13.08.2025 that originals of documents relating to Nellore Property have been handed over, where available. Certain documents of equitable

	mortgage were deposited in original with HDFC bank, which the bank refused to hand over. A copy of the email dated 13.08.2025 is annexed hereto and marked as ANNEXURE R-5. Note: As per amended CS Item No. 3, certified copies of title documents could be provided as well in alternative to originals. [Clause 2.10, NCD Arndt. Deed]. Thus, the CS checklist dated 24.09.2025 notes at Item 6 that handover of title documents is completed. Further, the CS checklist notes at Item 7 regarding registration of charge that further correspondence with the Vizag SRO is ongoing. Note: A reading of amended CS Item No. 3 shows that there was no fixed timeline for perfection of security. The timeline allotted was only for handover of documents. [Clause 2.10, NCD Amdt. Deed]
Account Bank Approvals [CS Item 7, Schedule 2 / DTDs]	The following exhaustive email correspondence demonstrates that Respondent consistently engaged with the banks to operationalise this obligation. Debenture Holders were kept fully informed of requirements stipulated by lenders. Respondent conducted diligent follow-ups and timely execution of necessary steps, however the process was contingent solely upon procedural requirements/ approvals of the bank. A copy of correspondence exchanged between the Respondent and the Banks and/or between the Respondent and the Debenture Holders in this regard is annexed hereto and marked as ANNEXURE R-6. Respondent was continuously following up with Axis Bank for adding the Petitioner as a signatory to all bank accounts; emails addressed on 21.01.2025, 28.01.2025 and 04.02.2025. Respondent was continuously following up with ICICI Bank for adding the Petitioner as a signatory to all bank accounts; emails addressed on 05.03.2025, 06.03.2025, 17.03.2025. Respondent was continuously following up with ICICI Bank for adding the Petitioner as a signatory to all bank accounts; emails addressed on 05.03.2025, 06.03.2025, 17.03.2025. Respondent corresponded with the Petitioner requesting documents requisitioned by I CI CI Bank and informing that the Boards of the Respondent and ITPL approved resolution authorising signatory addition.

	Respondent was continuously following up with IndusInd Bank for adding the Petitioner as a signatory to all bank accounts; emails addressed 04.02.2025, on 21.01.2025, 06.03.2025, 28.01.2025, 19.03.2025, 08.04.2025, 03.06.2025, 05.06.2025. Respondent was continuously following up with HDFC Bank for adding the Petitioner as a signatory to all bank accounts; emails addressed on 21.01.2025, 28.01.2025, 04.02.2025, 28.05.2025. 31.01.2025, Thus, the CS checklist dated 24.09.2025 notes at Item 16 that the process of addition of the Petitioner as a signatory to the Respondent and ITPL's bank accounts was ongoing with Axis Bank, HDFC Bank and IndusInd Bank.
Silvassa Factory [CS Item 8, Schedule 2 / DTDs]	By way of End Use Certificate dated 23.10.2024, it was certified that the principal amount (Rs. 260 crores) raised by issuance of the debenture has been properly utilized as tabulated, including approx. Rs. 50 crores for working capital. A copy of the End Use Certificate dated 23.10.2024 is annexed hereto and marked as ANNEXURE R-7. Respondent informed Petitioner by emails dated 13.03.2025 and 24.09.2025 that application for Consent to Operate (CTO) was made on 27.07.2022 and rigorous follow ups were being conducted, as well as for Certificate of Stability and Occupancy Certificate.
Financial Covenants [Clause 17/DTDs]	For breach of financial covenants to be declared as an EOD, the Petitioner was required to provide a 30-day cure period under Clause 6.1 (b) of the DTDs; however, a truncated 7-day cure period was arbitrarily given under Notice I, thus the same was invalid as was the Default Interest sought to be levied thereunder in a retrospective and further defective manner.

6.15 In and around the same time as receipt of Notice 1, discussion began to be held between the Respondent and the Debenture Holders for restructuring of the transaction. During the course of such discussions, which continued after the issuance of the Recall Notice, the parties proceeded on the express understanding that no precipitative steps would be undertaken pending consideration of restructuring proposals.

6.16 However, to the surprise of the Respondent, the Petitioner (purporting to be acting under the instructions of the Debenture Holders) issued Notice 2 on 09.01.2026 [Annex. A-10 /pg. 503 / CP] alleging the very same non-payment-related EODs set out under Notice 1 and sought to levy further Default Interest 2 upon the Respondent computed from 1st November 2024 until 31.12.2025 amounting to Rs. 6,06,66,667/- and further from 01.01.2026 until the date of cure of the purported EODs-for which it granted a cure period of 10 days.

6.17 It may be noted that, for all the same reasons set out hereinabove in relation to the invalidity of Notice 1, Notice 2 was invalid and bad in law.

6.18 Furthermore, in regard to the purported payment-related EODs, as set out hereinabove, these obligations had been deferred until 27.02.2026. At such time, the Respondent was awaiting the response of the Debenture Holders to the prior restructuring offer submitted on 10.02.2026. Thus, even according to the Petitioner's own case, the alleged payment default period immediately preceding the Recall Notice was merely six days, during which discussions admittedly remained ongoing. Thus, the Respondent did not yet take any steps towards the aforesaid payment obligations.

6.19 However, to the shock and dismay of the Respondent, approximately 6 days later, the Petitioner issued the Recall Notice on 6th March 2026 (Annex. A-12/pg. 508/CP) recalling the debenture obligations under the DTDs with immediate effect and calling upon the Respondent to pay an amount of Rs. 200,22,05,815/- alongwith an amount of Rs. 137,03,48,722/- towards principal, cash coupon, upfront interest, redemption premium and default interest under the DTDs respectively. The Recall Notice alleged the very same non-payment-related EODs as set out under Notice 1 and Notice 2. Further, the Recall Notice alleged a payment-related EOD viz. that the Respondent had not made payment of cash coupon and principal on 28.02.2026 - without taking into consideration the pendency of the restructuring discussions.

6.20 It is required to be noted that the Recall Notice, too, was invalid in law as:

Non-payment-related EOD:

6.20.1 The reliance upon Notice 1 and Notice 2 in the Recall Notice is bad in law as Notice 1 and Notice 2 were invalid, as set out herein, having no legal effect. The invalidity of Notice 1 and Notice 2 extinguishes the substratum of the Recall Notice.

6.20.2 Neither the Recall Notice, nor Notice 1 or Notice 2, succeed in establishing any non-payment-related EOD, whether unremedied or at all, in the manner set out therein due to the specific reasons set out hereinabove resulting in the impossibility of performing the non-payment-related obligations so highlighted in the manner so sought and the variation thereof by conduct and/or waiver and/or acquiescence of substituted performance by the parties.

Payment-related EOD:

6.20.3 In view of the discussions on restructuring of the transaction ongoing between the Respondent and the Debenture Holders, which continued until much after the issuance of the Recall Notice by the Petitioner, it was incumbent upon the Petitioner and/or the Debenture Holders to have addressed communication to the Respondent making known their unwillingness to continue such discussions and/or issue notice calling upon the Respondent to fulfil such payment obligations prior to taking greatly prejudicial actions such as recall of the debenture obligations.

6.21 Thereafter, between 11th and 18th March 2026, multiple meetings were held between the Respondent and the Debenture Holders for discussions regarding the Recall Notice and an express standstill understanding reached orally in these meetings, whereunder it was agreed that no enforcement or precipitative steps would be taken pending ongoing discussions. Acting on such representation, the Respondent continued engagement in good faith and refrained from taking protective legal action. Acting upon such representation, the Respondent altered its position and refrained from initiating immediate protective proceedings. The Petitioner is therefore estopped from asserting inconsistent enforcement rights.

6.22 However, in violation of this express standstill understanding, on 20th March 2026, the Petitioner issued three demand notices under each of the Deeds of Guarantee dated 17.08.2024 calling upon ITEPL, ITPL and Mr. Rohit Pal to pay an amount of Rs. 201,56,76,358/ (Rupees Two Hundred and One Crores Fifty-six Lakhs Seventy-six Thousand Three Hundred and Fifty-eight only) along with an amount of Rs. 138,05,85,325/-(Rupees One Hundred and Thirty-eight Crores Five Lakhs Eighty-five Thousand Three Hundred and Twenty-five only) towards principal, cash coupon, upfront interest, redemption premium and default interest under the DTDs respectively to the Petitioner within a period of three business days (granted to ITEPL and

ITPL) and 10 business days (granted to Mr. Rohit Pal) [Annex. A 26 to A-28 / pg. 1165, 1168 & 1171 / CP].

6.23 On 24th March 2026, the Petitioner issued a notice invoking pledge of shares to the Respondent and Mr. Rohit Pal under the Unattested Amended and Restated Pledge Agreement dated 17.06.2025 in respect of shares of ITPL held by the Respondent and Mr. Rohit Pal [Annex. A-29 I pg. 1174/ CP]. By way of this notice, the Petitioner called upon the pledgors to repay the obligations of the Respondent within a period of one day, failing which the Petitioner would affect a sale of the pledged shares to any third party without any further reference.

6.24 On 25th March 2026, the Respondent received intimation from CDSL, the depository, that the preference shares of ITPL held by the Respondent had been transferred. On 6th April 2026, the Respondent received intimation from CDSL that the equity shares of ITPL held by the Respondent had been transferred. A copy of the intimation received from CDSL on 25th March 2026 is annexed hereto and marked as ANNEXURE R-9. A copy of the intimation received from CDSL on 6th April 2026 1s annexed hereto and marked as ANNEXURE R-10.

6.25 It is further pertinent to note that the Pledge Invocation Notice dated 24th March 2026 purported to revoke and supersede a prior notice dated 23rd March 2026. The issuance of two successive invocation notices within a 24-hour period, followed by immediate CDSL execution on 25th March 2026, demonstrates the precipitate and pre-planned nature of the Petitioner's enforcement actions. The Petitioner invoked the pledge over the entirety of the collateral, comprising 1,99,99,999 equity shares constituting 99.99% of

ITPL's paid-up equity capital and 6,10,00,000 preference shares constituting 100% of ITPL's preference share capital, i.e., the complete share capital of a running manufacturing enterprise, especially since the Respondent's account with its other financial lenders is running as standard.

6.26 While the Pledge Agreements purport to contractually fix one business days' notice as ·reasonable' under Section 176 of the Indian Contract Act, 1872, this contractual fiction is dependent on there being a valid, subsisting EOD. Since the Respondent's case is that no valid EOD exists, the very trigger for the power of sale is vitiated, and no amount of contractual pre-agreement on the notice period can cure the fundamental defect in the invocation. Furthermore, assuming without admitting, even if an EOD were held to exist, the complete invocation and CDSL transfer of 100% of the share capital of a going manufacturing concern within 24 hours of the notice, amidst restructuring discussions, is unconscionable, contrary to Section 23 of the Indian Contract Act, 1872, and liable to be restrained as an abuse of process. In any event, it is submitted that invocation of pledge does not ipso facto constitute completed enforcement nor extinguish the pledgor's right of redemption until actual sale to a third party.

6.27 On 30th March 2026, the Respondent addressed a response to the Pledge Invocation Notice dated 24th March 2026, setting out the 37 fundamental issues therewith - as cumulatively described hereinabove and called upon the Petitioner to: (i) unconditionally withdraw the notice in writing; (ii) provide a complete, itemised statement of all amounts claimed thereunder as 'Debenture Obligations'; and (iii) acknowledge in writing the oral standstill/no-further-steps understanding reached between the parties following the Recall Notice and confirm that no further enforcement action would be taken pending resolution of the disputes raised therein.

6.28 On 10.04.2026, the Petitioner addressed a response to the letter of the Respondent dated 30.03.2026 *inter alia* repudiating the standstill understanding and upholding the purported validity of Notice 1, Notice 2 and the Recall Notice.

6.29 On 17th April 2026, the Respondent addressed a response to the letter of the Petitioner dated 10.04.2026, *inter alia* setting out in detail the defects plaguing Notice 1, Notice 2 and the Recall Notice. Till date the Petitioner has not provided any response to the same; therefore, the contents stated therein are deemed to be admitted by the Petitioner.

6.30 On 8th April 2026, the captioned Company Petition was registered on behalf of the Petitioner.

6.31 On 15th April 2026, the Respondent filed Commercial Suit No. 410 of 2026 ('Suit') before the Hon'ble Delhi High Court challenging the basis, validity and vires of the action for recall on the part of the Petitioner along with an Application seeking reliefs under Order XXXIX Rules 1 & 2 of the Code of Civil Procedure, 1908 ('CPC'). The said proceedings directly concern the validity of the Recall Notice and consequential enforcement actions, which form the very basis of the present petition. The Hon'ble Delhi High Court issued notice to the Petitioner in the said Suit on 20th April 2026. On 14th May 2026, the Petitioner filed its reply to the Application of the Respondent under Order XXXIX Rules 1 & 2 of CPC. On 15.05.2026, the Petitioner filed two Applications under Order VII Rules 10 & 11 of CPC before the Hon'ble Delhi High Court for rejection/return of the plaint. A copy of the order dated

20.04.2026 passed by the Hon'ble Delhi High Court issuing notice to the Petitioner in the said Suit is annexed hereto and marked as Annexure R-14.

6.32 Thereafter, formal notice in the captioned Company Petition was received by the Respondent on 19.05.2026.

6.33 On 20.05.2026, the Petitioner filed its Written Statement to the said Suit. On 21.05.2026, the Respondent filed its rejoinder to the reply of the Petitioner in the Application under Order XXXIX Rules 1 & 2 of CPC. The next date in the said Suit before the Hon'ble Delhi High Court is 29.07.2026.

6.34 It is noted that, upon the direction of this Hon'ble Tribunal during the hearing of the captioned Company Petition on 15th and 22nd April 2026 whereby this Hon'ble Tribunal inquired into the authority of the Petitioner to file the captioned Company Petition on behalf of the Debenture Holders, the Petitioner has filed an Additional Affidavit dated 20.05.2026 (1st Additional Affidavit') and a further Additional Affidavit dated 28.05.2026 (2nd Additional Affidavit') in the captioned matter, purporting to answer the same.

PRELIMINARY OBJECTIONS:

6.35 At the outset, the Respondent makes the following preliminary objections to the maintainability of the captioned Company Petition filed by the Petitioner, which are in the alternative and without prejudice to each other:

A. The captioned Company Petition is filed by the Petitioner without due authorization on behalf of the Debenture Holders:

6.36 A perusal of Clause 8.1 of the DTDs sets out that the Petitioner was empowered to file the captioned Company Petition only pursuant to *'instructions of the Debenture Holders'*.

6.37 Admittedly, the captioned Company Petition in the manner as filed, did not disclose any written 'instructions of the Debenture Holders', and therefore this Hon'ble Tribunal vide order dated 15th and 22nd April 2026 directed the Petitioner to place on record valid authority to maintain the captioned Company Petition. In order to demonstrate its purported authority to file the captioned Company Petition, the Petitioner has filed the 1st Additional Affidavit and the 2nd Additional Affidavit inter alia placing on record: (i) Indentures of Trust dated 16th December 2020 and 12.05.2021 with respect to India Special Assets Fund III and ISAF III Onshore Fund (that is, the Debenture Holders), whereby the Funds were settled by EAAA with Vistra (ITCL) India Limited ('Vistra') as the Trustee and EAAA as the Investment Manager; and (ii) Investment Management Agreements dated 09.112021 and 24.03.2022 whereby EAAA was appointed as the Investment Manager of the Trust. A perusal of the aforesaid Indentures of Trust and Investment Management Agreements reveals that: (i) Vistra is inter alia empowered to institute legal proceedings for or on behalf of or in the name of the Trust {Clause 7.1.32 of Indentures of Trust]; (ii) Vistra shall enter into an Investment Management Agreement for the purpose of delegating various powers and duties to the Investment Manager {Clause 7.2. 7 of Indentures of Trust]; (iii) EAAA shall be the lawful attorney of the Funds and the powers given to Vistra under the Indentures in respect of the management and administration of the Fund [Clause 2. 1. 1 of Investment Management Agreements]; and (iv) EAAA is *inter alia* empowered to institute legal proceedings for or on behalf of or in the name of the Trust [Clause 4.2.27 of Investment Management Agreements].

6.38 On 15.12.2020 and 12.04.2021, the Board of Directors of EAAA passed resolutions inter alia for the purpose of executing the Indentures of Trust and other agreements in relation to the Trust [pg. 53 and 120 of the 2nd Additional Affidavit.

6.39 By virtue of these documents, the Petitioner seeks to demonstrate the course of authority from the Debenture Holders to Vistra to EAAA. However, there is nothing on record to establish the flow of such authority - inter alia for the purpose of filing the captioned Company Petition - from EAAA to the Petitioner. No agreement demonstrating such delegation of power entered into between EAAA and the Petitioner has been placed on record. Despite the same, the captioned Company Petition has been instituted by the Petitioner, in its own name, as an agent of EAAA purporting to act on behalf of the Debenture Holders.

6.40 As set out hereinabove, as per Clause 8.1 of the DTDs, the Petitioner is only authorized to file the captioned Company Petition pursuant to 'instructions of the Debenture Holders·. Thus, the Petitioner has failed to satisfy that it was authorized by the Debenture Holders and/or EAAA acting on their behalf to file the same.

6.41 In this regard, under the 1st Additional Affidavit, the Petitioner has produced three emails from EAAA seeking to establish authority for the purpose of instituting the captioned proceedings. It may be noted that the email dated 6th March 2026 [Annexure A to P' Additional Affidavit] is solely in regards to the Recall Notice and the email dated 15th April 2026 [Annexure C to JS' Additional Affidavit] is addressed much after the institution of the captioned proceedings. Thus, the sole document produced on record in this regard by the Petitioner is the email dated 27th March 2026 [Annexure B to P' Additional Affidavit] addressed directly by EAAA to its legal counsel, specifying that the Petitioner (marked in CC) shall execute the Petition.

6.42 The Respondent submits that the email dated 27th March 2026 does not satisfy the lacuna whereby there is no formal authorization of the Petitioner on record for filing of the captioned Company Petition in its own name nor any formal delegation of this power from EAAA to the Petitioner. As described hereinabove, with reference to the specific flow of authority in the present transaction, at no point has it been established that the Petitioner is authorized to *suo moto* institute the captioned legal proceedings on behalf of the Debenture Holders. In fact, such an exercise of power on the part of the Petitioner has been specifically made subject to the receipt of instructions in this behalf and the Petitioner has been unable to produce any written 'instructions from the Debenture Holders'.

6.43 It is submitted that, in the absence of an agreement entered into between the Petitioner and the Debenture Holders and/or Vistra and/or EAAA demonstrating the delegation of such authority, it was required for EAAA, as the Investment Manager, to have passed a resolution authorizing the Petitioner to execute and file the captioned Company Petition for or on their behalf and/or for or on behalf of the Debenture Holders or in its own name. In view of the Petitioner's inability to act suo moto in this regard, it is submitted that the email dated 27th March 2026 does not satisfy the procedural requirements.

6.44 Even assuming without admitting that the power to file the captioned proceedings is vested in the Petitioner by virtue of the DTDs, such power is particularly circumscribed by the requirement of a mandate on the part of the Debenture Holders and/or EAAA acting on their behalf. It is submitted that EAAA, being the company appointed as the Investment Manager, acts only through its Board of Directors and in terms of resolutions passed thereby to exercise the powers under the Investment Management Agreements. It is submitted that in the absence of such a resolution, the Petitioner was not authorized to file the captioned Company Petition and the same is, therefore, not maintainable.

6.45 Additionally, it may be noted that the Petitioner has only produced a communication from EAAA acting on behalf of the Debenture Holders to issue the Recall Notice. Therefore, an adverse inference may be drawn that the Petitioner also acted in an unauthorized manner whilst issuing Notice I and Notice 2, further subverting their validity.

6.46 Therefore, in view of the aforesaid, it is submitted that the captioned Company Petition is liable to be rejected as not maintainable in the absence of proper authorization in terms of the DTDs.

B. The captioned matter contains disputed questions of fact which are to be adjudicated upon by the civil court:

6.47 The Respondent submits that the captioned Company Petition has been filed on the strength of the Recall Notice and is predicated upon a purported default in repayment pursuant to the action for recall/acceleration of the debenture obligations under the DTDs.

6.48 Per contra, as set out in detail herein, the Respondent challenges the basis, validity and vires of the action for recall, whereas the captioned Company

Petition presupposes and purports to act in furtherance of the action for recall.

6.49 pursuant to Clause 19.32 of the DTDs, whereby exclusive jurisdiction over disputes arising therefrom has been mutually conferred upon the Hon'ble Delhi High Court, the Respondent has filed the said Suit before the Hon'ble Delhi High Court for the purpose of challenging the vires of the recall action alongwith consequential enforcement actions taken by the Petitioner viz. enforcement of guarantees and pledge of shares. It may be noted that the Hon'ble Delhi High Court has taken cognizance thereof and issued notice therein on 20th April 2026. The civil court having appropriate jurisdiction is, thus, seized of the matter.

6.50 It is therefore submitted that the present case contains disputed questions of fact in regards to the vires of the actions of the Petitioner and/or the Debenture Holders qua the contractual framework of the DTDs. It is further submitted that, in terms of Section 9 of CPC, these questions are to be adjudicated upon by the civil court. Further, it is respectfully submitted that this Hon'ble Tribunal would not have jurisdiction to decide such questions in the exercise of power under the Insolvency and Bankruptcy Code, 2016.

6.51 The captioned Company Petition proceeds on the basis that Notice 1, Notice 2 and the Recall Notice are valid and proper in law and that a default has purportedly been committed by the Respondent in terms thereof. However, unless and until the Respondent's challenge thereof before the civil court is decided, the captioned Company Petition ought not to proceed.

6.52 Therefore, on the ground of jurisdiction, it is prayed that the captioned Company Petition be dismissed in limine.

SUBMISSIONS:

6.53 The following submissions, on merits, are made without prejudice to the preliminary objections set out hereinabove, and without prejudice and in the alternative to each other:

C. Non-existence of any payment-related EOD:

6.54 As set out hereinabove, the captioned Petition concerns two payment related obligations of the Respondent under the DTDs, that is, principal repayment and cash coupon payment. During the subsistence of the transaction, payment of cash coupon under the OCD Deed was duly being made and principal repayment thereunder was only commence from March 2027. Thus, the default alleged by the Petitioner only concerns these payment-related obligations under the NCO Deed, which fell due from June 2025 onwards. Admittedly, deferments for the same were sought and granted (without triggering an EOD) until 27th February 2026.

6.55 It may be noted that, while the DTDs did not consider within their scope or set out any procedure for seeking deferment of obligations, the aforesaid deferments and terms thereunder were undisputedly agreed upon between the parties (without triggering an EOD) by, evidently, modifying the terms thereof through their communications and conduct. It is settled in law, and thus even demonstrated in this very transaction, that parties to a contract are always free to, by their dealings, whether expressly or impliedly, vary the terms of that contract.

6.56 Hence, the only purported payment-related EOD to be considered pertains to the period between 1st March 2026, when the second deferment period ended, and 6th March 2026, when the Petitioner issued the Recall Notice.

6.57 In terms thereof, the Respondent states and submits that, during the course of these six days, when the Petitioner purports that a payment related default was committed by the Respondent, discussions for restructuring of the transaction had been underway between the Respondent and the Debenture Holders since November 2025 and, at that particular time, the Respondent was awaiting the response of the Debenture Holders to the prior restructuring offer submitted on I 0th February 2026. Thus, even according to the Petitioner's own case, the alleged payment default period immediately preceding the Recall Notice was merely six days, during which discussions admittedly remained ongoing. Thus, the Respondent did not yet take any steps towards the aforesaid payment obligations.

6.58 The Respondent further states and submits that, in view of these ongoing discussions on restructuring, which continued until much after the issuance of the Recall Notice, it was incumbent upon the Petitioner and/or the Debenture Holders to have addressed communication making known their unwillingness to continue such discussions and/or issue notice calling upon the Respondent to fulfil the aforesaid payment obligations prior to taking greatly prejudicial actions such as recall of the debenture obligations. It is stated that no such communication or notice was received by the Respondent prior to the issuance of the Recall Notice when the said discussions continued even thereafter.

6.59 The Respondent submits that recall and acceleration of the entire debenture obligations is a drastic measure which ought to be resorted to only strictly in accordance with the terms of the DTDs and only upon the occurrence of an absolutely clear, undisputed and continuing EOD.

6.60 In view of the foregoing, the Respondent submits that a clear and undisputed payment-related EOD does not exist in the present case. Further, that the Recall Notice was issued alleging the existence of a payment-related EOD in an inequitable manner. Hence, the Recall Notice is invalid in law.

D. Non-existence of any non-payment-related EOD:

6.61 The captioned Petition concerns four non-payment-related obligations of the Respondent. As set out hereinabove, the Respondent is producing documents and communications on record which demonstrate that each such non-payment-related obligation or CS was substantially complied with and/or that all compliance to achieve the same was done on the part of the Respondent, however that there was inaction/processes pending completion by third parties.

6.62 Therefore, the Debenture Holders were cognizant of the fact that any delays were beyond the control of and cannot be attributed to the Respondent as the Debenture Holders were at all times kept updated regarding these processes. It is, therefore, submitted that, in view of the constant communication taking place between the Respondent and the Debenture Holders regarding such compliance or the progress/status thereof, the original timelines were waived and/or stood extended.

6.63 In any event, assuming without admitting the existence of the purported non-payment-related EODs, at the relevant time, neither the Petitioner nor the Debenture Holders issued a notice of 'default' in terms thereof nor initialized the 30-day cure period. It is submitted that the same ought to have been done at the relevant time. On a reading of Clauses 4.4.1 and 4.4.3 of the DTDs (summarised above), it is clear that, upon occurrence of a non-payment-related EOD, it was necessary for a cure period to be provided (in this case, a cure period of 30 days as per Clause 6. l(b) of the DTDs) and, thereafter, if the said EOD was subsisting, it was incumbent upon the Petitioner to issue a notice regarding the levy of Default Interest 2.

6.64 In this regard, the Petitioner relies solely upon certain emails of the Debenture Holders informing the Respondent that default interest is levied due to the purported failure to remedy subsisting non-payment related EODs. While the same are not on record before this Hon'ble Tribunal, it may be noted that mere intimation by email of the levy of default interest is not equivalent to the issuance of a default notice, demand notice nor initialization of a cure period. Furthermore, as per Clause 4.4.1 of the DTDs, it is the Petitioner (the Debenture Trustee), and not the Debenture Holders, who has the right and shall levy default interest or issue notice thereof. At the relevant time, no notice of default or notice levying default interest was ever received from the Petitioner. Thus, it cannot be said that a non-payment-related EOD was declared nor was default interest therefor levied in the appropriate manner under the said DTDs.

6.65 Without prejudice thereto, the Petitioner notes that the said emails by the Debenture Holders began to be issued on 26th November 2024. As set out hereinabove, the timeline for achieving majority of the concerned non-payment-related obligations fell on or after 26th November 2024. Thus, evidently, no 30-day (or any) cure period was provided by the Petitioner or the Debenture Holders. Hence, the case of the Petitioner regarding the purportedly subsisting EODs and non-payment of default interest therefor is not at all in adherence to the DTDs. Hence, it cannot be said that any default on the part of the Respondent occurred.

6.66 Furthermore, contemporaneous to the aforesaid emails stated to have been addressed by the Debenture Holders for the levy of default interest - albeit not in the appropriate or contractual manner - the aforementioned updates regarding the very same obligations were being constantly provided to the Debenture Holders by the Respondent and the CS Tracker was being shared back and forth. Evidently, as stated hereinabove, the Debenture Holders accepted the said explanations and the timelines for completion of these non-payment related obligations were extended as, despite the purported default interest being levied/informed, no payment towards the same was made by the Respondent and neither did the Debenture Holders nor the Petitioner make any efforts for recovery thereof from the Respondent at the relevant time. For a period of over nine months, there is no reminder email or discussion or communication on record in furtherance of the default interest purportedly applied. It is submitted that this lacuna in the Petitioner's case exists for the very reason that, it was understood between parties that such timelines were extended and/or substituted performance of these non-payment related obligations was accepted. This conduct on the part of the Petitioner and/or the Debenture Holders establishes their intention for waiver and to vary the contract.

6.67 In view of the aforesaid, the Respondent submits that the Petitioner has failed to establish the occurrence, existence and subsistence of a clear non-payment-related EOD and, without prejudice thereto, the manner in which the Petitioner and/or the Debenture Holders sought to deal with the same (declaration thereof and levy of interest) was invalid and not in accordance with the contractual framework. Hence, on this account as well, the Recall Notice is invalid in law.

E. Notice 1 and Notice 2 are bad in law and cannot be relied upon:

6.68 In conjunction with all that is set out hereinabove, the Respondent states and submits that Notice 1 dated 11th August 2025 and Notice 2 dated 9th January 2026 are ex facie arbitrary, contrary to the terms of the DTDs and are liable to be disregarded as having no legal effect.

6.69 The Respondent submits that the purported non-payment-related EODs which form the basis of Notice 1 and Notice 2 do not exist, whether unremedied or at all, in the manner sought to be alleged by the Petitioner. As dealt with herein, these obligations stood varied and the Petitioner, thus, did not issue any notice of default at the relevant time or provide any cure period.

6.70 It is only much later, by way of Notice 1 and Notice 2, that the Petitioner sought to retrospectively enforce the original timeline obligations which, by conduct of the parties, stood waived. Such retrospective invocation is impermissible in law. At all material times, continuing performance of these obligations was accepted even beyond the stipulated time and the cure mechanism was not invoked at the relevant time. The Petitioner is, therefore, estopped from alleging the existence of any subsisting EOD in respect of the same acts.

6.71 It is further submitted that the levy of Default Interest 2 on a retrospective basis under Notice 1 and Notice 2, without a valid declaration of default and cure period, is wholly untenable and ultra vires of the DTDs.

6.72 It may be noted that the Petitioner has proceeded on the basis that the 30-day cure period operates in an automatic manner, that is, without the issuance of any notice therefor. In terms thereof, it is submitted that the DTDs do not at all specify as such. In fact, Clause 4.4.3 of the DTDs specifically refers to the issuance of a notice/demand letter by the Petitioner prior to the levy of default interest. Further, and without prejudice to the foregoing, the Respondent submits that the issuance of a default notice and initialization of a cure period is a standard and equitable practice and ought to have been done by the Petitioner. Hence, Notice 1 and Notice 2 are entirely invalid.

6.73 In any event and without prejudice to the foregoing, even Notice 1 did not provide a 30-day cure period and, instead, provided a truncated cure period of 7 days which was invalid. It is further to be noted that Notice I and Notice 2 were also issued during or in and around the same time as when restructuring discussions were being held between the Respondent and the Debenture Holders. It was, thus, understood between parties that no steps were being taken pursuant to the said notices and no responses were addressed thereto by the Respondent.

6.74 Therefore, Notice I and Notice 2 are bad in law, non est and incapable of forming the basis of the Recall Notice.

F. The Recall Notice has been issued in a pre-emptive manner:

6.75 The Respondent states and submits that the Recall Notice dated 6th March 2026 has been issued in a premature and pre-emptive manner, without the existence of a valid non-payment-related EOD and while alleging a payment-related EOD in an inequitable manner.

6.76 The Recall Notice alleges two types of defaults: (i) non-payment related EODs viz. the very same defaults enumerated under Notice I and Notice 2; and (ii) payment-related EOD viz. the purported failure of the Petitioner to make payment of cash coupon and principal repayment on 28th February 2026.

6.77 Insofar as the Recall Notice is predicated upon Notice I and Notice 2 qua the non-payment-related EODs, the same is vitiated at its very foundation, as the said notices are themselves invalid and unenforceable. Further, insofar as the purported payment-related EOD is concerned, it is submitted that the Petitioner has acted in a precipitous manner, without affording the Respondent a reasonable opportunity to comply, particularly in the context of ongoing restructuring discussions between the parties.

6.78 Assuming without admitting the existence of the purported EODs, it is submitted that under Clause 4.4.2(c) of the DTDs, acceleration of the entire debenture obligations on account of a non-payment-related EOD requires the issuance of a specific acceleration notice by the Petitioner. The Recall Notice conflates a demand for default interest with an acceleration notice, without separately identifying or formally declaring the EODs and, thereafter, issuing a distinct acceleration notice. The fact that acceleration would trigger the consequence of Default Interest I on the entire debenture obligations upon notice confirms that this is a two-step process viz., first, a valid declaration of an EOD; second, a formal acceleration notice. It is submitted that the objective of a two-pronged notice procedure is to provide the Respondent with adequate opportunity to take appropriate action prior to the contemplation of further steps towards acceleration of the debenture obligations. However, contrary to the aforesaid, it is submitted that the Recall Notice subsumes both into a single notice, bypassing these procedural prerequisites under the DTDs.

6.79 It is reiterated that recall of the entire debenture obligations particularly at a stage when the principal repayment schedule was yet to even commence and whereby the ordinary tenure stipulated complete repayment only by the year 2030 - is a catastrophically drastic measure which ought to be resorted to only strictly in accordance with the terms of the DTDs and upon the occurrence and subsistence of an absolutely clear, undisputed and continuing EOD.

6.80 In the present case, the Recall Notice fails to find basis in Notice I and Notice 2 as the very legality thereof is affected by the Petitioner's breach of the contractual framework while issuing the same. Further, the contemporaneous occurrence of restructuring discussions during the recall action strikes at the heart of good faith. It is the submission of the Respondent that the Recall Notice was issued in a collusive and coercive manner with respect to the restructuring discussions as the same cannot be said to have been issued in a reasonable manner.

G. The actions taken by the Petitioner amidst restructuring discussions are inequitable in nature:

6.81 The Respondent states and submits that the actions of the Petitioner in proceeding with recall, invocation of guarantees and enforcement of pledge during the pendency of restructuring discussions is wholly inequitable and contrary to settled principles of fairness and good faith.

6.82 It is submitted that, pursuant to the parties engaging in bona fide discussions for restructuring, a standstill understanding had been arrived at, as set out hereinabove. Thus, it was incumbent upon the Petitioner to refrain from taking precipitative steps that would render such discussions otiose. The Petitioner and/or the Debenture Holders, having induced the Respondent to continue engagement on the basis of such understanding, are estopped from now acting to the contrary.

6.83 The aforementioned actions taken by the Applicant are, therefore, vitiated by *mala fides*, being undertaken as a coercive measure to arm twist the Respondent, rather than for any legitimate enforcement of contractual rights.

6.84 Without prejudice to the aforesaid, it is submitted that in view of the aforesaid submissions both on merit and maintainability, this Hon'ble Tribunal be pleased to exercise discretion and that the captioned Company Petition ought not to be admitted in terms of the ratio laid down by the Hon'ble Supreme Court in *Vidarbha Industries Power Ltd. v. Axis Bank Ltd.* and *Suresh Kumar Reddy v. Canara Bank.*

6.85 I crave leave to file additional affidavits and/or documents and a paragraph wise response to the captioned Company Petition, as and when required.

6.86 In view of the aforesaid, I say that the captioned Company Petition has been filed in a defective manner and that, in any event, it is only the civil court that would have jurisdiction to decide the disputed questions of fact contained herein.

6.87 I further say that it has been clearly demonstrated herein on behalf of the Respondent that Notice I, Notice 2, and the Recall Notice alongwith consequential enforcement actions thereunder are ex facie invalid, arbitrary, inequitable and/or contrary to the terms of the DTDs. I say that the balance of convenience lies in favour of the Respondent.

6.88 In conclusion, the contents of the captioned Company Petition are denied and it is submitted that for the reasons aforesaid, the Petitioner has failed to make out a case for the grant of any reliefs prayed for therein. In the event that the reliefs prayed for by the Petitioner are granted, grave and irreparable harm, injury and prejudice shall be caused to the Respondent.

6.89 In the foregoing facts and circumstances, it is prayed that the captioned Company Petition be dismissed with exemplary costs whilst declaring that Notice 1 dated 11th August 2025; Notice 2 dated 9th January 2026; the Recall Notice dated 6th March 2026; the Letters dated 20th March 2026 invoking Deeds of guarantee; and the Pledge invocation Notice dated 24th March 2026 are invalid, non est and not binding upon the Respondent.

7. <u>REJOINDER</u>

7.1 Rejoinder dated 17.06.2026 was filed and affirmed by one Mrs. Chaitanya Raote, who is stated to be the Authorised Signatory of the Applicant.

7.2 At the outset, it is submitted that the Reply filed by the Corporate Debtor is a calculated attempt to manufacture disputes where none exist, to obfuscate the clear and admitted debt and default, and to delay the legitimate insolvency resolution process initiated by the Applicant. Pertinently, the Reply is wholly devoid of any substantive defence to the debt and default and, consequently, amounts to an admission thereof

7.3 The Reply is replete with false, misleading, and untenable contentions that are contrary to the contemporaneous record, inconsistent with the Corporate Debtor's own conduct, and legally unsustainable.

7.4 It is submitted that the Reply is replete with self-serving and contradictory averments. On the one hand, the Corporate Debtor admits that it sought and obtained deferments of its payment obligations on multiple occasions, thereby unequivocally acknowledging the existence of the debt and its inability to service the same. On the other hand, the Corporate Debtor seeks to use the same deferments to state there is no debt and default. These positions are irreconcilable and the Corporate Debtor cannot be permitted to approbate and reprobate simultaneously.

7.5 The Corporate Debtor's conduct throughout the transaction i.e., seeking repeated deferments, failing to respond to Default Notice 1 and Default Notice 2, failing to respond to the Recall Notice, and approaching courts only after filing of the captioned CP, speaks for itself and conclusively demonstrates the existence of the debt and default.

7.6 For consistency, the Applicant has used the same terms and abbreviations as used in the CP and the Additional Affidavits filed thereunder.

7.7 The contents of the CP, the First Additional Affidavit dated 20 April 2026 (First Additional Affidavit), and the Second Additional Affidavit dated 28 April 2026 (Second Additional Affidavit), along with all documents and annexures filed thereunder, are not being reproduced herein for the sake of brevity and are expressly incorporated herein by reference as if set out in full.

7.8 The submissions, facts, and contentions contained in the said pleadings and affidavits form an integral part of this Rejoinder and are to be read together with the present Rejoinder. Nothing contained in this Rejoinder shall be construed as a waiver or abandonment of any contention, submission, or ground raised in the CP or the Additional Affidavits filed thereunder.

7.9 At the outset, it is submitted that the Information Utility, NeSL, generated Form D certificates on 24.04.2026 in respect of both the NCDs and the OCDs (Annexures F and G of the Second Additional Affidavit), wherein the status of default has been 'deemed to be authenticated'. Significantly, the Corporate Debtor has chosen to remain entirely silent and has not raised any objection to, or dispute against, the Form D certificates or the deemed authentication of default recorded therein. The CD's conspicuous silence on this point is itself a significant admission of the existence of the financial debt and the occurrence of default, and renders the CD's attempt to challenge the present CP wholly untenable.

7.10 Further at the outset, the Corporate Debtor has also suppressed the fact that it never responded to contents of the Default Notice dated 11 August 2025 (Default Notice 1) (Annexure A-9 of the CP). Pertinently, the Corporate Debtor vide its email dated 12 August 2025 responded to the Applicant that it is reviewing Default Notice 1 and it will revert to the same. However, the Corporate Debtor never furnished any substantive response to, disputed, or otherwise addressed the contents of Default Notice 1. The Corporate Debtor's failure to contest the defaults recorded therein, amounts to acquiescence and constitutes an implied admission of the matters set out in the said notice. Further, the Corporate Debtor has also not responded to Default Notice dated 9 January 2026 (Default Notice 2) (Annexure A-10 of the CP) and the Recall Notice dated 6 March 2026 (Annexure A-12 of the

CP). A copy of the email dated 12 August 2025 is hereto annexed and marked as Annexure- A.

7.11 In light of the aforesaid, it is submitted that the present Rejoinder is being filed to respond to the baseless contentions raised by the Corporate Debtor and clarify that: (i) the Applicant is fully authorised to file and prosecute the present CP; (ii) the present CP is maintainable before this Hon'ble Tribunal; (iii) the Corporate Debtor committed continuing payment and non-payment related EoDs under the DTDs; (iv) Default Notice 1 and Default Notice 2 are valid and binding on the Corporate Debtor; (v) the Recall Notice dated 6 March 2026 is valid and lawfully issued; (vi) the invocation of the guarantees and pledge are entirely valid; (vii) there was no standstill understanding between the parties; and (viii) the Form D has been generated by the Information Utility, conclusively establishing the debt and default.

GROUNDS

The present CP is liable to be admitted as the Corporate Debtor has failed to demonstrate any genuine defence as to the existence of debt and default

7.12 It is submitted that the scope of inquiry before this Hon'ble Tribunal under Section 7 of IBC is narrow and well settled. This Hon'ble Tribunal is only required to satisfy itself on two factors i.e., (i) whether a financial debt exists; and (ii) whether a default has occurred in respect of such financial debt. Once these two elements are established, the Section 7 application is bound to be admitted. There is no third inquiry as to the adequacy of the creditor's conduct, the proportionality of enforcement, or the merits of any restructuring proposal. The Corporate Debtor's attempt to introduce extraneous considerations into this inquiry is wholly impermissible and must be rejected at the threshold.

7.13 It is further submitted that the Corporate Debtor has conspicuously failed to offer any genuine or substantive response on merits to the existence of the debt or the occurrence of default. The Corporate Debtor does not deny that it borrowed the amounts. The Corporate Debtor does not deny that payments fell due on the dates specified in the DTDs. The Corporate Debtor does not deny that it failed to make those payments on the due dates. The entirety of the Corporate Debtor's Reply is directed at contentions relating to the validity of Default Notices, the alleged standstill understanding, and the pendency of restructuring discussions. None of these contentions, even if accepted at face value, negate the existence of the financial debt or the occurrence of default. They are therefore wholly irrelevant to the question of admission of the present CP.

7.14 It is submitted that the Corporate Debtor's objections relating to Default Interest, the cure period under the DTDs, and the alleged procedural infirmities in the Default Notices are wholly irrelevant to the question of admission of the present CP. The financial debt owed by the Corporate Debtor to the Applicant far exceeds the statutory minimum threshold of INR 1 Crore prescribed under the IBC. The occurrence of default in respect of such debt is established by the NeSL Form D and confirmed by the Corporate Debtor's own conduct.

7.15 Further, it is submitted that the Corporate Debtor's conduct throughout the transaction conclusively demonstrates that it is neither willing nor able to pay the admitted debt. Despite being granted two successive deferments, the Corporate Debtor failed to service even a single month's cash coupon obligations when it fell due. Despite the issuance of Default Notice 1, Default Notice 2, and the Recall Notice, the Corporate Debtor has made no payment. The Corporate Debtor's approach before this Hon'ble Tribunal is not that of a solvent debtor with a genuine dispute but of a debtor seeking to use meritless objections as a shield against legitimate proceedings. This Hon'ble Ji Tribunal is therefore respectfully prayed to admit the present CP and initiate the Corporate Insolvency Resolution Process against the Corporate Debtor.

The Petitioner is authorised to file and prosecute the present CP on behalf of the Debenture Holders.

7.16 It is submitted that the Corporate Debtor's objection to the Applicant's authority to file and maintain the captioned CP is wholly misconceived and has already been comprehensively addressed in the First Additional Affidavit and the Second Additional Affidavit, both of which have been placed on record before this Hon'ble Tribunal pursuant to the directions of this Hon'ble Tribunal vide orders dated 15 April 2026 and 22 April 2026. This Hon'ble Tribunal, having considered the said Additional Affidavits and being satisfied with the authority of the Applicant, was pleased to issue notice vide order dated 7 May 2026 in the present CP. The Corporate Debtor's attempt to re-agitate this issue in its Reply is therefore wholly untenable.

7.17 The chain of authority from the Debenture Holders to the Applicant is clearly and conclusively established. EAAA India Alternatives Limited (EAAA) constituted the respective Trusts vide Indentures of Trust dated 16 December 2020 and 12 April 2021 (Indentures of Trust) (Annexures A and

B of the Second Additional Affidavit) and appointed Vistra ITCL (India) Limited (Vistra) as the Trustee. Under Clause 7.1.32 and Clause 7.1.1 of the Indentures of Trust, Vistra, has the power to institute legal proceedings for or on behalf of or in the name of the Trust or a Scheme.

7.18 Vistra thereafter appointed EAAA as the Investment Manager of the respective Funds under the Investment Management Agreements dated 9 November 2021 and 24 March 2022 (IMAs) (Annexures D and E of the Second Additional Affidavit), pursuant to Clauses 3.4 and 6.2 of the Indentures of Trust. The following provisions of the IMAs are relevant:

7.18.1 Under Recital E of the IMAs, Vistra has appointed EAAA as the Investment Manager and has authorised EAAA to take any actions, exercise any right or make any determination or decision, and to perform all acts and contracts and other undertakings on behalf of Vistra;

7.18.2 Under Clause 2.1.1 of the IMAs, EAAA is constituted as the true and lawful attorney of the Funds and is vested with all powers and privileges given to the Trustee under the Indentures in relation to the management and administration of the Funds.

7.18.3 Under Clause 4.2.2 of the IMAs, EAAA has the power to take all decisions on behalf of the Funds, including decisions in relation to the management and administration of the Funds; and

7.18.4 Under Clause 4.2.27(a) of the IMAs, EAAA is expressly authorised to institute legal proceedings for or on behalf of or in the name of the Trust or a Scheme.

7.19 In this regard, EAAA, in its capacity as Investment Manager of the Debenture Holders, gave the necessary instructions to the Applicant in its capacity as Debenture Trustee to institute and prosecute the present CP against the Corporate Debtor. The email dated 27 March 2026 (Annexure B of the First Additional Affidavit) constitutes a clear and unambiguous instruction to the Applicant to execute and file the CP. A perusal of the said email clearly shows that the Applicant was marked in copy and was requested to fill in the factual details and keep its signatory available for execution.

7.20 Further, EAAA, by its email dated 15 April 2026 (Annexure C of the First Additional Affidavit), again instructed the Applicant to continue prosecuting the present CP and take all necessary steps in that regard. The aforesaid correspondence leaves no manner of doubt that the Applicant had the requisite authority from the Debenture Holders, acting through EAAA as their Investment Manager, both to institute the present CP and to continue prosecuting the same.

7.21 The Corporate Debtor's contention that a formal board resolution of EAAA was required to authorize the Applicant to file the CP is entirely without merit and contrary to the contractual framework. Under Clause 8.1 of the DTDs, the Applicant is expressly empowered to act on the instructions of the Debenture Holders, and no particular form is prescribed for such instructions.

7.22 The Corporate Debtor's further contention that the Applicant may have acted in an unauthorized manner while issuing Default Notice 1 and Default Notice 2 is equally baseless. The Applicant has issued both notices in its capacity as Debenture Trustee under the DTDs, which expressly empower the Applicant to issue notices of default and levy Default Interest 2. Copies of the emails instructing the Applicant to issue the Default Notice 1 and Default Notice 2 are hereto annexed and marked as Annexlire-B.

7.23 The objections raised by the Corporate Debtor to the Applicant's authority are wholly misconceived, contrary to the contractual framework governing the transaction and devoid of any factual or legal basis. Significantly, the Corporate Debtor has at all times been fully aware of the structure of the transaction, the role of EAAA as Investment Manager acting on behalf of the Debenture Holders, and the role of the Applicant as Debenture Trustee acting pursuant to such instructions.

7.24 The Corporate Debtor has itself appointed the Applicant as the debenture trustee and accordingly, has never questioned its authority as the debenture trustee. Equally, the Corporate Debtor has consistently engaged with and recognized EAAA as the representative of the Debenture Holders. Having never disputed this position during the subsistence of the transaction, the Corporate Debtor cannot now be permitted to raise belated and opportunistic objections to the Applicant's authority. These objections are nothing more than an afterthought, raised in a transparent attempt to manufacture a defence where none exists and to divert attention from the undisputed debt and default. The very fact that the Corporate Debtor has been constrained to rely on such meritless technical objections, rather than address the debt and default on merits, speaks volumes about the absence of any genuine defence to the present proceedings.

The civil suit does not bar this Hon'ble Tribunal in adjudicating the present CP.

7.25 The Corporate Debtor's contention that the present CP involves disputed questions of fact which ought to be adjudicated by a civil court is wholly untenable and contrary to settled law. The jurisdiction of this Hon'ble Tribunal under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) is limited to determining: (i) whether a financial debt exists; and (ii) whether a default has occurred. Both questions are clearly and conclusively answered in the affirmative on the basis of the undisputed record. The Corporate Debtor has never denied the existence of financial debt nor the fact that it has failed to make payments as and when they fell due.

7.26 It is submitted that pendency of the Commercial Suit filed by the Corporate Debtor before the Hon'ble Delhi High Court does not in any manner oust or limit the jurisdiction of this Hon'ble Tribunal under the IBC. IBC is a special statute and Sections 63 and 231 of the IBC specifically bar civil courts from entertaining any suit or proceedings in respect of matters within the jurisdiction of this Hon'ble Tribunal. The IBC is a complete and self-contained code, and the jurisdiction of this Hon'ble Tribunal thereunder is exclusive and cannot be ousted by the pendency of civil proceedings.

7.27 It is further submitted that Commercial Suit filed by the Corporate Debtor before the Hon'ble Delhi High Court is itself not maintainable and barred by law. The Corporate Debtor filed the said Suit on 9 April 2026, i.e., after the present CP had already been filed on 30 March 2026 and after the Corporate Debtor had been duly served with the same on 30 March 2026.Despite having full notice of the pendency of the present insolvency proceedings, the Corporate Debtor deliberately suppressed the filing of the present CP in the said Suit and approached the Hon'ble Delhi High Court as if no insolvency proceedings were pending. Such suppression of material facts disentitles the Corporate Debtor from any relief in the said Suit. A copy of email dated 30 March 2026 is hereto annexed and marked as Annexure-C.

7.28 It is also pertinent to note that the Applicant has filed applications under Order VII Rule 10 and Order VII Rule 11 of the Code of Civil Procedure, 1908 before the Hon'ble Delhi High Court challenging the maintainability of the said Suit on multiple grounds, including that the Suit is barred by law, that the court lacks territorial jurisdiction, that there has been non-compliance with Section 12A of the Commercial Courts Act, 2015, and that the Suit is grossly undervalued.

The Recall Notice dated 6 March 2026 is valid and binding on the Corporate Debtor.

7.29 It is submitted that the Recall Notice dated 6 March 2026 was validly issued in strict accordance with the terms of the DTDs and remains binding and enforceable against the Corporate Debtor. The Recall Notice was not sudden, premature, or pre-emptive. It was preceded by a prolonged period of defaults, multiple notices, and repeated acts of indulgence on the part of the Applicant and the Debenture Holders, including: (i) continuing non-payment related EoDs from September / November 2024 onwards, which were never cured by the Corporate Debtor; (ii) Default Notice 1 and Default Notice 2, both of which were ignored by the Corporate Debtor without any response; and (iii) the payment default on 28 February 2026, upon the

Corporate Debtor's failure to pay the Cash Coupon due under both the NCD DTD and the OCDDTD.

7.30 It is further submitted that the Corporate Debtor's reliance on Clause 4.4.2(c) of the DTDs to argue that a separate two-step acceleration process was required is wholly misconceived. Clause 4.4.2(c) merely clarifies when Default Interest 1 becomes payable in the context of payment defaults and does not impose any additional procedural requirement for the issuance of a recall notice. It does not require the issuance of any separate or additional notice before recall, nor does it support the Corporate Debtor's case that a further standalone acceleration notice was required apart from the Recall Notice. The Recall Notice itself constituted the acceleration notice under Clause 6.2 of the DTDs, and no separate notice was required.

7.31 It is submitted that the Corporate Debtor's contention that the Recall Notice was issued in a collusive and coercive manner is entirely false and is denied. The Recall Notice was issued in the legitimate exercise of the Applicant's contractual rights following persistent and continuing defaults by the Corporate Debtor. The Corporate Debtor's attempt to characterize legitimate enforcement as coercion is an attempt to avoid the consequences of its own defaults.

7.32 The Corporate Debtor's contention that recall of the entire debenture obligations is a "catastrophically drastic measure" that ought to be resorted to only upon the occurrence of an "absolutely clear, undisputed and continuing EOD" is entirely untenable. In fact, the Corporate Debtor was provided sufficient indulgence and deferments, and thereafter, the Recall Notice was issued as per the terms of the DTDs, which expressly provide for acceleration and recall upon the occurrence of EoDs, and the Applicant has exercised this right strictly in accordance with the contractual framework. The Corporate Debtor, having entered into a commercial arrangement with full knowledge of its obligations and the consequences of breach, cannot now seek to invoke vague considerations of proportionality or equity to escape the consequences of non-compliance.

The Corporate Debtor committed clear and continuing payment-related EoDs.

7.33 The Corporate Debtor's contention that no payment-related EoD exists is wholly false and contrary to the undisputed record. The following facts conclusively establish the existence of clear and continuing payment defaults:

7.33.1 The Corporate Debtor admittedly failed to pay the NCD Cash Coupon and principal instalment due on 30 June 2025. This constituted a payment default under Clause 6.1(a) of the NCD DTD from that date At the deferment request of the Corporate Debtor (Annexure R-l of the Reply), the Debenture Holders, acting in good faith and without prejudice to their rights, granted a deferment of the payment obligations until 31 December 2025 vide email dated 12 July 2025 (Annexure A-11 of the CP), subject to the express condition, inter alia, that all other terms of the NCDs and OCDs as per the DTDs shall remain unchanged.

7.33.2 Despite this accommodation, the Corporate Debtor again failed to pay the Cash Coupon due in January 2026 and sought a further deferment vide email dated 29 Januaiy 2026 (Annexure R-2 of the Reply). A second deferment was granted until 27 February 2026 vide email dated

30 January 2026 (Annexure A-ll of the CP), wherein it was specifically mentioned that next coupon payments will fall due on 28 February 2026, and all other terms of the DTDs would remain unchanged.

7.33.3 It is pertinent to note that the aforesaid deferment was strictly limited to the payment of principal and cash coupon under the NCD DTD for the specified period. This deferment did not, in any manner whatsoever, waive, suspend, cure or extinguish the subsisting non-payment related defaults, or any other terms and conditions of the DTDs nor did it waive the continued accrual of Default Interest 2 arising from the Plaintiffs failure to cure the breaches of its non-payment related obligations under the DTDs.

7.33.4 Despite two successive deferments spanning approximately eight months, the Corporate Debtor again failed to pay the Cash Coupon due on 28 February 2026 under both the NCD DTD and the OCD DTD which was reminded to the Corporate Debtor by the representatives of the Debenture Holders by email dated 25 February 2026. This constituted a clear, undeniable, and continuing payment default under Clause 6.1(a) of the DTDs. It is pertinent to note that the Corporate Debtor has incorrectly stated that there was no default in payment obligations under the OCD DTD, since, the Corporate Debtor failed to pay the Cash Coupon under the OCD DTD due on 28 February 2026 as well.

7.34 By seeking repeated deferments for payment of the cash coupon, the Corporate Debtor has unequivocally acknowledged its liability and inability to pay the cash coupon. Such conduct is wholly inconsistent with the Corporate Debtor's present stand that no debt or default exists. In fact these emails seeking deferment by themselves are sufficient proof of debt and default and is an unequivocal admission of its obligation to pay the cash coupon under the DTDs.

7.35 Further, it is submitted that the Corporate Debtor's attempt to characterize the six-day period between 28 February 2026 and 6 March 2026 as insufficient to constitute a payment default is entirely untenable. Upon expiry of the final deferment on 27 February 2026, the Corporate Debtor was obligated to resume payments in accordance with the original repayment schedule. Its failure to do so on 28 February 2026 constituted a clear payment default, entitling the Applicant to issue the Recall Notice under Clause 6.2 of the DTDs. The Corporate Debtor's contention that it was awaiting the Debenture Holders' response to a restructuring offer submitted on 10 February 2026 is entirely irrelevant. No restructuring agreement was ever concluded between the parties, and the pendency of informal and inconclusive discussions does not suspend the Corporate Debtor's clear contractual obligations.

7.36 It is submitted that the Corporate Debtor's reliance on alleged restructuring discussions and earlier deferments to justify its failure to make payments is wholly misconceived. The deferments granted by the Debenture Holders were expressly limited to specified payment obligations for a specified period and did not constitute any agreement to defer or waive the Corporate Debtor's obligations indefinitely pending restructuring discussions. Mere discussions or requests for restructuring do not amount to a standstill, nor do they suspend the Applicant’s contractual rights in the absence of an express written agreement. It is pertinent to note that the Corporate Debtor has annexed a Schedule of Offers (Annexure R-8 to the Reply), which itself demonstrates a clear existence of debt and default.

7.37 The Corporate Debtor's defence is revealing not for what it disputes, but for what it admits. At no stage has it denied the existence of the debt, the due dates for payment, or its failure to make the payments admittedly due under the DTDs. Its case, at its highest, is merely that it required more time to pay or that restructuring discussions were ongoing. Such contentions do not negate the occurrence of a default; rather, they constitute an admission thereof. Significantly, even after issuance of the Recall Notice, • the Corporate Debtor had ample opportunity to discharge its liabilities if it was willing and able to do so but has failed to make any payment. The continued non-payment of admitted dues, despite repeated deferments and indulgences granted by the Debenture Holders, clearly establishes a financial default under the Code. The present CP therefore deserves to be admitted.

The Corporate Debtor committed clear and continuing non-payment related EoDs

7.38 It is submitted that Corporate Debtor's contention that non-payment related EoDs do not exist is false and contrary to the record. The following non-payment-related defaults have been clearly established and are, in fact, admitted by the Corporate Debtor in its own Reply:

7.38.1 Failure to perfect Mortgage Property 3 (Nellore): The Corporate Debtor was required to perfect the mortgage over its factory premises at Nellore within 14 business days from the deemed date of allotment i.e, 28 August 2024. The Corporate Debtor admittedly failed to complete the registration of the mortgage within the stipulated period. The Corporate Debtor's own CS Tracker (Annexure R-3 to the Reply) records the continuing non-compliance with this obligation. The Corporate Debtor's attempt to attribute this failure to third-party processes and administrative delays does not excuse the breach of an absolute contractual obligation. The obligation to perfect security was a fundamental condition of the transaction and the Corporate Debtor assumed the risk of any delays in the registration process.

7.38.2 Non-submission of Account Bank Approvals: The Corporate Debtor was required to ensure submission of account bank approvals for the operation of its own accounts and those of ITPL within 90 days from the deemed date of allotment i.e., 28 August 2024. The Corporate Debtor admittedly failed to fulfil this obligation within the stipulated period. Annexure R-6 to the Reply demonstrates that the Corporate Debtor was still following up with various banks for this purpose well into 2025, confirming the continuing nature of this default. The obligation to submit bank approvals was a specific and time-bound condition subsequent, and the Corporate Debtor's failure to comply within the stipulated period constitutes a clear EoD.

7.38.3 Non-completion of ITPL Capex (Silvassa): The Corporate Debtor was required to ensure that ITPL completed the capital expenditure for the Silvassa factory and obtained all necessary regulatory approvals within 90 days from the deemed date of allotment i.e., 28 August 2024. The Corporate Debtor admittedly failed to fulfil this obligation within the stipulated period. The Corporate Debtor's own documents annexed to the Reply confirm the same. The Corporate Debtor's contention that this obligation was deferred is entirely false. There is no communication or document on behalf of the Petitioner or the Debenture Holders deferring this obligation, and the Corporate Debtor is put to strict proof thereof.

7.38.4 Breach of Financial Covenants: As per the Corporate Debtor's own audited financial statements for the period ending 31 March 2025, the Corporate Debtor materially breached multiple financial covenants under Clause 17.1 of the DTDs. Specifically: (a) the total debt stood at INR 5,33,02,41,000/- against a maximum permissible threshold of INR 5,00,00,00,000/-; (b) the annual EBITDA stood at INR 35,17,16,000/- against a minimum requirement of INR 70,00,00,000/-; (c) the Total Debt/EBITDA ratio stood at 15.15x against a maximum permissible limit of 6.Ox; (d) the fixed asset coverage ratio stood at 0.74x against a minimum requirement of 1.25x; and (e) the debt service coverage ratio stood at 0.98x against a minimum requirement of 1.25x. These breaches are not and cannot be disputed by the Corporate Debtor. A copy of the audited financial statements for the period ending 31 March 2025, is hereto annexed and marked as Annexure- D.

7.39 It is submitted that the representatives of the Debenture Holders consistently and repeatedly called upon the Corporate Debtor to complete the pending obligations and expressly communicated that Default Interest 2 would continue to be levied until the breaches were cured. The monthly emails issued by the Debenture Holders from November 2024 onwards clearly demonstrate that the Debenture Holders never waived or accepted non-compliance with the non- payment related obligations. Copies of the monthly emails are hereto annexed and marked as Annexure E (Colly).

7.40 The Corporate Debtor's own response dated 27 November 2024 to the Debenture Holders' email dated 26 November 2024 did not dispute the existence of the underlying breaches but merely sought to justify the delay in compliance, attempted to explain the reasons for non-fulfilment of the pending obligations, requested that Default Interest 2 not be levied, and sought more time to complete the same. This conduct itself constitutes an unequivocal acknowledgment of the defaults.

7.41 Thereafter, the representatives of the Debenture Holders, vide email dated 27 November 2024, once again made it unequivocally clear that no waiver of Default Interest 2 or of the pending conditions subsequent was being granted, and reiterated that Default Interest 2 would continue to be levied and remain payable until all such pending critical conditions subsequent were completed to the satisfaction of the Debenture Holders. A copy of the email correspondences dated 26 November 2024, and 27 November 2024 is hereto annexed and marked as Annexure F (Colly).

7.42 The Corporate Debtor was therefore fully aware, at all material times, that the non-payment related obligations had not been complied with, that the Debenture Holders were insisting upon cure of such breaches, and that Default Interest 2 was accruing and would continue to accrue until such cure was effected. The Corporate Debtor's attempt in the Reply to characterize the non-payment related defaults as having been waived or accepted by conduct is wholly contrary to the contemporaneous record and is liable to be rejected.

7.43 It is submitted that mere awareness of delay or ongoing communications does not take away the Applicant's contractual rights. It is settled law that waiver of a contractual right must be express and evidenced by a clear and positive act. No such waiver exists in the present case. Clause 11.1 of the DTDs specifically requires any modification or waiver of the provisions of the transaction documents to be made in writing with the consent of all parties. No such written waiver was ever granted.

7.44 It is submitted that the Corporate Debtor's contention that the Debenture Holders' levy of Default Interest 2 by way of emails was not a valid declaration of default under the DTDs is entirely misconceived. The monthly emails issued by the Debenture Holders expressly stated that Default Interest 2 was being levied on account of the Corporate Debtor's failure to remedy the subsisting non-payment related EoDs. Further, at no time was the levy of Default Interest 2 contested by the Corporate Debtor. These communications, read together with the Default Notices issued by the Applicant, conclusively establish the existence and continuation of the non-payment related EoDs.

Default Notice 1 and Default Notice 2 are valid and binding on the Corporate Debtor

7.45 It is submitted that the Corporate Debtor's challenge to the validity of Default Notice 1 and Default Notice 2 is entirely without merit and irrelevant to the admission of the CP. Both notices were validly issued in accordance with the terms of the DTDs and remain binding and enforceable. It is pertinent to note that the Corporate Debtor never responded to either of the said notices and did not, at any stage prior to the filing of the Reply, raise any objection to the contents, validity, or effect of the said notices. The present challenge is therefore clearly an afterthought.

7.46 The Corporate Debtor's contention that the 30-day cure period under Clause 6.1(b) of the DTDs requires the issuance of a prior notice is contrary to the plain language of the DTDs. Clause 6.1(b) expressly provides that a failure to comply with non-payment related obligations, if not cured within 30 days from the date of non-compliance, constitutes an EoD. The cure period operates automatically from the date of the breach and does not require the issuance of any separate notice.

7.47 The non-payment related EoDs stood triggered automatically upon the expiry of the applicable 30-day cure period prescribed under the DTDs. Accordingly, the EoDs had already crystalized prior to the issuance of Default Notice 1. Default Notice 1, issued on 11 August 2025, merely recorded the occurrence of the EoDs and informed the Corporate Debtor that Default Interest would be levied in accordance with the DTDs. Significantly, the Corporate Debtor never disputed the occurrence of the EoDs, the levy of Default Interest, or the Applicant's entitlement to issue the said notice. Having remained silent and acquiesced to the same, the Corporate Debtor cannot now seek to contend that the EoDs had not occurred or that the Default Interest was improperly levied.

7.48 Further, the Corporate Debtor's contention that Default Notice 1 granted only a 7-day cure period instead of the contractually stipulated 30-day period is irrelevant to the validity of the notice. The 30-day cure period under Clause 6.1(b) had already expired long before the issuance of Default Notice 1. The Applicant was therefore not obligated to grant any further cure period. The 7-day period mentioned in Default Notice 1 was an additional indulgence extended to the Corporate Debtor, not a contractual requirement.

7.49 The Corporate Debtor's contention that the levy of Default Interest 2 was retrospective and therefore invalid is also entirely false. The non payment-related obligations had specific contractual timelines, which the Corporate Debtor admittedly failed to meet. The levy of Default Interest 2 from 1 November 2024 onwards is consistent with the contractual framework under Clause 4.4.3(a) of the DTDs, which provides that Default Interest 2 accrues from the date of the default

7.50 The Corporate Debtor's contention that the Default Notices were issued during restructuring discussions and were therefore understood to be without effect is entirely false. The Applicant issued the Default Notices in the legitimate exercise of its contractual rights and there was never any agreement, express or implied, that the Default Notices would be held in abeyance pending restructuring discussions. The Corporate Debtor is put to strict proof of any such agreement.

7.51 In any event, the aforesaid contentions are wholly irrelevant for the purposes of admission of the present CP. As stated above, the scope of enquiry under Section 7 is limited to determining the existence of a financial debt and a default in excess of the statutory threshold.

There was no standstill understanding between the parties.

7.52 It is submitted that the Corporate Debtor's contention that an oral standstill understanding was reached between the parties on 11 March 2026 and 18 March 2026 is entirely false and is denied. No standstill arrangement, whether oral or written, was ever agreed between the parties. The Applicant has categorically denied the existence of any such understanding in its letter dated 10 April 2026, which is on record. The Corporate Debtor is put to strict proof of the alleged standstill understanding.

7.53 Mere discussions between parties do not amount to a standstill arrangement or a suspension of contractual rights, unless the same is expressly recorded and agreed in clear terms. As stated above, Clause 11.1 of the DTDs requires any modification or waiver of the transaction documents to be in writing with the consent of all parties. No such written standstill agreement exists.

No plea of equity can override the terms of the commercial contract.

7.54 It is submitted that the Corporate Debtor cannot seek to override or dilute the express terms of the transaction documents on vague pleas of equity, fairness, or commercial inconvenience. The present dispute arises out of negotiated commercial contracts executed between sophisticated parties, and the rights and obligations of the parties must be determined strictly in accordance with the terms thereof. It is settled that in commercial matters, relief cannot be granted merely on the basis of equitable considerations divorced from the contractual bargain between the parties.

7.55 It is further submitted that commercial documents must be construed so as to give effect to the business intent of the parties and the contractual allocation of rights, obligations, and consequences of default. Where the parties have expressly provided for Events of Default, consequences of breach, recall, and enforcement rights, the Corporate Debtor cannot avoid those consequences by taking any purported pleas of fairness and equity, especially when it has been in default for over a year.

7.56 It is submitted that the Corporate Debtor's description of itself as "India's leading manufacturer of high-quality socks" working with world-renowned brands does not in any manner mitigate or excuse its persistent and continuing defaults under the DTDs.

7.57 Save and except as specifically admitted herein, all other allegations, submissions, averments, and contentions made in the Reply are false, misconceived, and contrary to the record, and are hereby specifically denied. The Corporate Debtor is put to strict proof of all such allegations.

7.58 The Applicant craves leave of this Hon'ble Tribunal to file any additional pleadings, affidavits, and/or documents in order to supplement and/or support the contentions raised hereinabove.

7.59 In view of the aforesaid facts and circumstances, it is respectfully submitted that the Reply is wholly misconceived and devoid of merit. The Applicant has established the existence of a financial debt and the occurrence of default, which is all that is required for the admission of the present CP under Section 7 of the IBC. It is humbly prayed that this Hon'ble Tribunal may be pleased to admit the CP and initiate the Corporate Insolvency Resolution Process against the Corporate Debtor.

8. WRITTEN SUBMISSIONS (FC) dt. 25.06.2026

8.1 This Written Note is filed on behalf of Catalyst Trusteeship Limited (Applicant/Debenture Trustee) in pursuance of the Order dated 10.06.2026 passed by this Tribunal.

i. This Tribunal Has Jurisdiction And The Pendency Of Suit Does Not Oust Its Jurisdiction

8.2 The Corporate Debtor has raised a preliminary objection that the present Company Petition involves disputed questions of fact which ought to be adjudicated by a civil court. This objection is wholly untenable.

8.3 This Hon'ble Tribunal's jurisdiction under Section 7 of the IBC is limited to two questions: (i) whether a financial debt exists; and (ii) whether a default has occurred. Both are clearly established on the undisputed record. The Corporate Debtor has never denied the existence of the debt or that it failed to make payments when due. In this regard, once debt and default are established, in any event, this Hon'ble Tribunal ought to admit the company petition.

8.4 Further, the IBC is a special statute. Sections 63 and 231 of the IBC specifically bar civil courts from entertaining any suit or proceedings in respect of matters within the jurisdiction of this Hon'ble Tribunal. It is well settled law that the jurisdiction of this Hon'ble Tribunal under the IBC is exclusive and cannot be ousted by the pendency of civil proceedings, whether instituted prior to or post the Section 7 application being filed. Therefore, the pendency of the Commercial Suit before the Hon'ble Delhi High Court (filed on 09.04.2026, after the present petition was filed on 30 March 2026) is no bar to the admission of the captioned Company Petition.

8.5 The Applicant submits that it has conclusively established the existence of a financial debt and default, to which the CD has offered no defence. The attempt by the CD to try and dispute the notices, rely on purported oral restructuring discussions, and the Commercial Suit are irrelevant to the narrow inquiry under Section 7 of the IBC and are, in any event, without merit.

8.6 It is therefore humbly prayed that this Hon'ble Tribunal be pleased to admit the present Company Petition and initiate the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor forthwith.

ii. The Applicant Is Authorised To File And Prosecute The Captioned CP

8.7 The CD has raised a preliminary objection to the Applicant's authority to file the present CP. This objection is wholly misconceived and has already been comprehensively addressed in the First Additional Affidavit and the Second Additional Affidavit placed on record before this Hon'ble Tribunal. This Hon'ble Tribunal, having considered the said Additional Affidavits, was pleased to issue notice vide order dated 7 May 2026. The CD's attempt to re agitate this issue is therefore untenable.

8.8 The chain of authority from the debenture holders to the Applicant 1s clearly established as follows:

a) EAAA constituted the respective trusts vide Indentures of Trust dated 16.12.2020 and 12.04.2021 and appointed Vistra ITCL (India) Limited (Vistra) as the Trustee [Pg. 6-127, Annexures A and B of the Second Additional Affidavit]. Under Clause 7.1.32(a) of the Indentures of Trust, Vistra has the power to institute legal proceedings for or on behalf of or in the name of the trust or a scheme [Pg. 31, Annexure A and Pg. 93-94, Annexure B of the Second Additional Affidavit] .

b) Pursuant to Clauses 3.4 and 6.2 of the Indentures of Trust, Vistra appointed EAAA as the investment manager of the respective funds under the Investment Management Agreements dated 9 November 2021 and 24 March 2022 (IMAs) [Pg. 129-19 2, Annexures D and E of the Second Additional Affidavit].

c) Under Recital E of the IMAs, Vistra authorised EAAA to take any action, exercise any right or make any determination or decision, and to perform all acts and contracts and other undertakings on behalf of Vistra [Pg. 131, Annexure D and 164, Annexure E of the Second Additional Affidavit].

d) Under Clause 2.1.1 of the IMAs, EAAA is constituted as the true and lawful attorney of the Funds and is vested with all powers and privileges given to the Trustee under the Indentures in relation to the management and administration of the Funds [Pg. 137, Annexure D and 170, Annexure E of the Second Additional Affidavit].

e) Under Clause 4.2.27(a) of the IMAs, EAAA is expressly authorised to institute legal proceedings for or on behalf of or in the name of the Trust or a Scheme [Pg. 145, Annexure D and 178, Annexure E of the Second Additional Affidavit].

f) Under Clause 8.1 of the DTDs, the Applicant is expressly empowered to act on the instructions of the debenture holders, including to institute and prosecute legal proceedings on their behalf. [Pg, 107-110, Annexure 4, Part 1, Vol I of the Petition; Pg, 327-329, Annexure 5, Part 1, Vol II of the Petition]

8.9 EAAA, as the investment manager of the debenture holders, instructed the Applicant to file and prosecute this petition. The email dated 27 March 2026 [Pg. 5, Annexure B of the First Additional Affidavit] is a clear instruction to execute and file the petition. The email dated 15 April 2026 further instructed the Applicant to continue prosecuting the petition and take all necessary steps [Pg. 6, Annexure C of the First Additional Affidavit].

8.10 The Corporate Debtor's contention that a formal board resolution of EAAA was required is entirely without merit. Under Clause 8.1 of the DTDs, the Applicant is expressly empowered to act on the instructions of the debenture holders, and no particular form is prescribed for such instructions. Therefore, the instructions given by EAAA by email are valid and binding.

iii. The Application Clearly Evidences A Financial Debt And Default:

8.11 The scope of inquiry under Section 7 of the IBC is limited to ascertaining the existence of financial debt and occurrence of a default in respect thereof.

a. *Existence of Financial Debt:*

8.12 The Corporate Debtor approached EAAA to raise funds of INR 260,00,00,000/- by way of issuance of unlisted, secured, redeemable debentures on a private placement basis. The debenture holders subscribed to:

i. NCDs aggregating to INR 160,00,00,000/- pursuant to the NCD Debenture Trust Deed dated 14 August 2024, as amended by a First Amendment Deed dated 27 August 2024 [Pg. 6-7, Part IV, Form 1, Vol I of the Petition; Clause 3.1.1, Pg. 87, Annexure A-4 (Colly) Part 1, Vol I of the Petition], and

ii. OCDs aggregating to INR 100,00,00,000/- pursuant to the OCD Debenture Trust Deed dated 14 August 2024, as amended by a First Amendment Deed dated 27 August 2024 [Pg 7, Part IV, Form 1, Vol

I of the Petition; Clause 3.1.1, Pg. 305 306, Annexure A-5 (Colly) Part 1, Vol II of the Petition].

8.13 The amounts were disbursed on 28 August 2024, i.e., the deemed date of allotment. The Applicant was appointed as Debenture Trustee under two DTAAs, both dated 14 August 2024. [Pg. 7-8, Part IV, Form 1, Vol I, Section 7 Application; Annexure A-6, Pg. 464-465, Vol III of the Petition]

8.14 The debentures were secured by mortgages over factory premises at Pune, Nashik, Silvassa and Nellore, share pledges over the Corporate Debtor and ITPL, corporate guarantees by Mis. Innovative Textiles Enterprises Private Limited (ITEPL) and ITPL, and a personal guarantee by Mr. Rohit Pal.

b. *Payment Obligations and Payment Related Defaults:*

8.15 Under the DTDs, the Corporate Debtor was bound by the following payment obligations:

i. Monthly Cash Coupon payments on the last business day of each month (Clauses 4.2 and 4.3.1 of the DTDs);

ii. Repayment of principal m accordance with the redemption schedule, commencing June 2025 under the NCD DTD (Clause 4.6.1 read with Schedule 6 of the NCD DTD);

iii. Payment of upfront interest and redemption premium (Clauses 1.1, 4. 3 and 3.1 of the DTDs); and

iv. Payment of Default Interest upon the occurrence and continuation of any EoD (Clauses 4.4.2 and 4.4.3 of the DTDs).

8.16 The Corporate Debtor failed to pay the NCD Cash Coupon and principal instalment due on 30 June 2025. By its own email of the same date, the

Corporate Debtor sought deferment [Pg. 36. Annexure R-1 of the Reply], thereby acknowledging its liability.

8.17 The debenture holders, acting in good faith, granted a deferment until 31 December 2025 vide email dated 12 July 2025 [Pg. 505, Annexure A-11 (Colly), Vol III of the Petition]. The deferment was subject to various conditions, most importantly that all other DTD terms remained unchanged and that the Corporate Debtor would resume NCD payments from January 2026 as per the regular repayment schedule under the DTD. Further, the deferment applied only to specified payment obligations and did not waive or suspend any non-payment related EoD.

8.18 Despite this accommodation, the Corporate Debtor again failed to pay the cash coupon due in January 2026 and sought a further deferment vide email dated 29 January 2026 [Pg. 37, Annexure R-2 of the Reply]. A second deferment was granted until 27 February 2026 vide email dated 30 January 2026, on the same terms [Pg. 07, Annexure A-11 (Colly), Vol III of the Petition]. By way of this email, the Corporate Debtor again acknowledged its liability.

8.19 Despite two successive deferments spanning approximately eight months, the Corporate Debtor again failed to pay the cash coupon for the month of February 2026 due on 28 February 2026 under both the NCD DTD and the OCD DTD. This constituted a clear and continuing payment default under Clause 6.l(a) of the DTDs.

8.20 The Corporate Debtor's claim that restructuring discussions suspended its payment obligations is untenable. Since the Corporate Debtor failed to service the cash coupon on 28 February 2026 for the month of February

2026, the deferment granted for the period from June 2025 to January 2026 got automatically cancelled on 28 February 2026 and payments became due as per the original schedule under the DTD. No restructuring agreement was ever agreed upon, and informal discussions do not suspend contractual obligations.

8.21 It is submitted that the Corporate Debtor had itself assured that it would commence regular payments of cash coupons from February 2026 yet failed to honour the same for both the DTDs. However, having failed to service even a single month's cash coupon obligation when it fell due, despite repeated indulgences, makes it amply clear that the Corporate Debtor is unable to repay its financial obligation and hence, CIRP ought to be initiated against it.

c. *Non-Payment Related Obligations and Defaults:*

8.22 Under the DTDs, the Corporate Debtor and the third-party obligors were also bound by specific non-payment related obligations. Failure to comply with these obligations, if not cured within 30 days from the date of non-compliance, constitutes an EoD under Clause 6.l(b) of the DTDs. The 30-day cure period operates automatically from the date of breach.

8.23 The following non-payment related defaults occurred and are continuing:

i. Failure to perfect Mortgage over Nellore Property: The Corporate Debtor was required to perfect the mortgage over its Nellore factory within 14 business days from the deemed date of allotment, i.e., by 17 September 2024 (Schedule 2, Clause 3 of the DTDs read with Clauses 2.12 and 2.13 of the Amendment Deeds). The Corporate

Debtor failed to register the mortgage in time. Attributing this to third-party delays does not excuse the breach. This default is continuing.

ii. Non-submission of Account Bank Approvals: The Corporate Debtor was required to submit account bank approvals for its own accounts and those of ITPL within 90 days from the deemed date of allotment, i.e., by 26 November 2024 (schedule 2, Clause 7 of the DTDs). The Corporate Debtor failed to do so. This default is continuing.

iii. Non-completion of ITPL Capex (Silvassa): The Corporate Debtor was required to ensure that ITPL completed the capital expenditure for the Silvassa factory and obtained all necessary regulatory approvals within 90 days from the deemed date of allotment, i.e., by 26 November 2024 (Schedule 2, Clause 8 of the DTDs). The Corporate Debtor admittedly failed to fulfil this obligation within the stipulated period. The Corporate Debtor's contention that this obligation was deferred is entirely false. There is no communication or document on behalf of the Applicant or the debenture holders deferring this obligation. This default is continuing.

iv. Breach of Financial Covenants: As per the Corporate Debtor's own audited financials for the period ending 31 March 2025, multiple financial covenants under Clause 17.1 of the DTDs were breached: (a) total debt was INR 533.02 crores against a maximum of INR 500 crores; (b) annual EBITDA was INR 35.17 crores against a minimum ofINR 70 crores; (c) Total Debt/EBITDA ratio was 15.15x against a maximum of 6.0x; (d) fixed asset coverage ratio was 0.74x against a minimum of 1.25x; and (e) debt service coverage ratio was 0.98x against a minimum of 1.25x. These breaches are established from the Corporate Debtor's own records.

d. *Default Notices*

8.24 In view of the continuing non-payment related defaults, the Applicant issued Default Notice 1 dated 11 August 2025, recording the subsisting EoDs and demanding payment of Default Interest 2 ofINR 3,90,00,000/- for the period 1 November 2024 to 31 July 2025 [Page 499-502, Annexure A- 9, Vol Ill of the Petition]. The Corporate Debtor did not substantially respond to Default Notice 1. The Corporate Debtor's belated challenge to the validity of Default Notice 1 is a clear afterthought and is wholly untenable.

8.25 Thereafter, the Applicant issued Default Notice 2 dated 9 January 2026, reiterating Corporate Debtor's obligations to cure the subsisting non-payment related EoDs, and demanding updated Default Interest 2 of INR 6,06,66,667/- for the period 1 November 2024 to 31 December 2025 [Page 503-504; Annexure A-10, Vol Ill of the Petition]. The Corporate Debtor did not respond to Default Notice 2 either.

8.26 The Corporate Debtor's silence in response to both Default Notices is itself an admission of the subsisting defaults. It never disputed the EoDs, the levy of Default Interest 2, or the Applicant's right to issue those notices. The challenge raised for the first time before this Hon'ble Tribunal is clearly an afterthought.

Occurrence of default

e. Acceleration and Recall Notice:

8.27 In view of the continuing non-payment related EoDs and payment default on 28 February 2026, the Applicant, acting on the instructions of the debenture holders, issued the Recall Notice under Clause 6.2 of the DTDs [Pg. 508-511, Annexure A-12, Vol III of the Petition]. By the Recall Notice, the Applicant exercised its right to accelerate all debenture obligations and declared the entire outstanding amount immediately due and payable.

8.28 The Recall Notice was not sudden or premature. It followed a prolonged period of defaults, various notices, and repeated indulgences by the Applicant and debenture holders. The Corporate Debtor's claim that the Recall Notice was issued collusively during restructuring discussions is false and denied. No standstill arrangement, oral or written, was ever agreed to. Mere discussions, if any, do not amount to a standstill unless expressly recorded in writing. Clause 11.1 of the DTDs requires any modification or waiver to be in writing with the consent of all parties. The Corporate Debtor itself has not been able to demonstrate any such arrangement having been arrived at between the parties.

8.29 The total outstanding amount demanded under the Recall Notice was INR 337,25,54,537/-, comprising [Pg. 8-9, Part IV, Form 1, Vol 1 of the Petition; Pg. 1162-1164, Annexure A-25, Vol VII of the Petition]:

Particulars	**NCDs (INR)**	**OCDs (INR)**
Principal	1,60,00,00,000	1,00,00,00,000
Cash Coupon	3,68,03,390	15,89,672
Upfront Interest	83,84,259	60,08,352

Redemption Premium	33,47,77,431	35,20,13,614
Default Interest	4,53,33,333	2,83,33,333
Total	2,02,52,98,413	1,38,79,44,970

8.30 The Corporate Debtor failed to repay the outstanding amounts within the 7-day period stipulated in the Recall Notice or respond to the Recall Notice. The default date is accordingly 13 March 2026. The total outstanding amount as on 30 March 2026, being the date of filing of the captioned Company Petition, is INR 3,41,32,43,383/-.

f. <u>Default being deemed authenticated by NeSL</u>

8.31 NeSL generated Form D certificates on 24.04.2026 for both the NCDs and OCDs [Pg 193-212, Annexures F and G of the Second Additional Affidavit], recording the default status as Deemed Authenticated. The Corporate Debtor has not objected to these certificates. This constitutes an admission of the financial debt and the occurrence of default. The Corporate Debtor has not denied the existence of the debt, that payments fell due on the dates specified in the DTDs, or that it failed to make those payments.

iv. The *Mala Fide* Conduct Of The Corporate Debtor Proves Non-Existence Of Any Genuine Defence

8.32 The conduct of the Corporate Debtor clearly proves the absence of any bona fide defence to the captioned Company Petition. The Corporate Debtor received Default Notice 1 dated 11 August 2025 and Default Notice 2 dated 9 January 2026, both of which specifically recorded the subsisting

EoDs and called upon the Corporate Debtor to cure the same. The Corporate Debtor chose to remain entirely silent in response to both notices. Thereafter, the Recall Notice was issued by the Applicant, accelerating the entire debenture obligations. The Corporate Debtor equally chose not to respond to the Recall Notice. It was only after the Applicant proceeded to invoke the guarantees, invoke the pledge, and file the captioned Company Petition that the Corporate Debtor, for the very first time, sought to challenge the Default Notices and the Recall Notice. This belated challenge is a mala fide attempt to protract and delay the admission of the present Company Petition.

8.33 The mala fide nature of the Corporate Debtor's conduct is further demonstrated by the institution of Commercial Suit No. 410 of 2026 before the Hon'ble Delhi High Court on 9 April 2026, suppressing the filing and pendency of the present Company Petition, which had already been filed on 30 March 2026 and duly served upon the Corporate Debtor on the very same date. Such deliberate suppression of a material fact before a court of law conclusively establishes that the present challenge is not a bona fide dispute but a calculated attempt to obstruct and delay the legitimate insolvency resolution process initiated by the Applicant.

8.34 Therefore, in view of the aforesaid submissions, it is humbly prayed to this Hon'ble Tribunal to admit the present Company Petition and initiate the corporate insolvency resolution process against the Corporate Debtor.

9. Written Submissions (CD) dt. 07.07.2026

Non-Existence of Any Payment-Related Event of Default:

9.1 The CP primarily concerns purported default by the Respondent in two payment-related obligations under the DTDs: principal repayment and cash coupon payment from June 2025 onwards.

9.2 Admittedly, deferments for the same were sought and granted (without triggering an EOD) until 27th February 2026 [Annex. A-11 Colly / Pg. 505 / CP]. While the DTDs do not set out any procedure for deferment of obligations, the aforesaid deferments were agreed upon between parties by modifying the terms thereof through communications and conduct. It is settled in law, and thus demonstrated in this transaction, that parties to a contract are free to, by their dealings, expressly or impliedly, vary the terms of that contract.

9.3 Hence, the payment-related EOD purported by the Petitioner pertains to the period between 1st March 2026 when the second deferment period ended, and 6th March 2026, when the Petitioner issued the Recall Notice. In terms thereof, the Respondent submits that, during this period, discussions for restructuring of the transaction were underway with the Debenture Holders since November 2025. At this time, the Respondent was awaiting the response of the Debenture Holders to the restructuring offer submitted on 10th February 2026 [Annex. R-8/ Pg. 189/ Reply].

9.4 In view of these ongoing discussions, which continued even after the issuance of the Recall Notice, it is submitted that it was incumbent upon the Petitioner / Debenture Holders to have addressed communication making known their unwillingness to continue such discussions and/or issue notice calling upon the Respondent to fulfil the payment obligations prior to taking greatly prejudicial actions such as recall of the debenture obligations.

9.5 Thus, it is submitted that a clear and undisputed payment-related EOD does not exist in the present case.

Non-Existence Of Any Non-Payment-Related EoD:

9.6 The CP concerns four non-payment-related obligations of the Respondent: (i) failure to perfect security mortgage over the Nellore factory [Schedule 2, Clause 3, DTDs]; (ii) failure by ITPL to submit account bank approvals [Schedule 2, Clause 7, DTDs]; (iii) failure by ITPL to complete capital expenditure for Silvassa factory and obtain regulatory approvals [Schedule 2, Clause 8, DTDs]; and (iv) failure to maintain financial parameters under Clause 17.1 of the DTDs for F.Y. ending 31st March 2025.

9.7 The completion date for the aforesaid non-payment-related obligations was primarily between September to November 2024. However, no EOD was sought to be declared in terms thereof by the Petitioner until August 2025 (when Notice 1 was issued). This, in the case of the Respondent, is due to the fact that each non-payment-related obligation was substantially complied with and/or that compliance thereof was complete on the part of the Respondent, however there was inaction/processes pending completion by third parties. The exact status of continuing performance and/or substituted performance of each non-payment-related obligation is set out at paragraph 24 of the Reply.

9.8 It is submitted that the Debenture Holders were cognizant that any delays were beyond the control of and cannot be attributed to the Respondent. The Debenture Holders were at all times kept updated regarding these processes [Annex. R-3 / Pg. 38 / Reply]. Thus, in view of the constant communication taking place between the Respondent and the Debenture Holders regarding compliance or the progress/status thereof, the original timelines were waived and/or stood extended.

9.9 In any event, at the relevant time, the Petitioner did not issue a notice of default nor initialize the 30-day cure period nor issue notice of levy of default interest, as per Clauses 4.4.1, 4.4.3 and 6.1(b) of the DTDs.

9.10 In this regard, the Petitioner relies upon emails of the Debenture Holders informing the Respondent that default interest is levied due to the purported failure to remedy subsisting non-payment-related EODs [Annex. E Colly & F Colly / Pg. 70 & 85 / Rejoinder]. These emails by the Debenture Holders began to be issued on 26th November 2024. As set out above, the completion date for most of the concerned non-payment-related obligations fell on or after 26th November 2024. Thus, evidently, no 30-day (or any) cure period was provided by the Debenture Holders. Further, as per Clause 4.4.1 of the DTDs, it is the Petitioner (the Debenture Trustee), and not the Debenture Holders, who has the right to levy default interest or issue notice thereof. Thus, emails of the Debenture Holders in this regard would not suffice.

9.11 Additionally, contemporaneous to the aforesaid emails addressed by the Debenture Holders, the CS Tracker and constant updates regarding compliance were being shared back and forth [Annex. R-3 / Pg. 38 / Reply]. Evidently, the timelines for completion of these non-payment-related obligations were extended as, despite purported default interest being levied/informed, no payment thereof was made by the Respondent and neither did the Debenture Holders nor the Petitioner make any efforts for recovery thereof from the Respondent at the relevant time. This conduct on the part of the Petitioner and/or the Debenture Holders establishes their intention for waiver and to vary the contract.

9.12 Thus, it is submitted that a clear and undisputed non-payment-related EOD does not exist in the present case.

Notice 1 And Notice 2 Were Bad In Law:

9.13 The Respondent submits that Notice 1 [Annex. A-9 / Pg. 499 / CP] and Notice 2 [Annex. A-10/Pg. 503/CP] are contrary to the terms of the DTDs and liable to be disregarded as having no legal effect.

9.14 As set out hereinabove, the purported EODs which form the basis of Notice 1 and Notice 2 do not exist, whether unremedied or at all, in the manner alleged by the Petitioner. These obligations stood varied and the Petitioner, thus, did not issue any notice of default at the relevant time.

9.15 Notice 1 and Notice 2 are issued nine months thereafter and seek to declare an EOD in al retrospective manner impermissible under the DTDs. In any event, neither Notice 1 nor Notice 2 provided the requisite 30-day cure period. Further, the levy of Default Interest 2 on a retrospective basis under Notice 1 and Notice 2, without valid declaration of default and cure period, is untenable and ultra vires of the DTDs.

9.16 It is the case of the Petitioner that the 30-day cure period operated in an automatic manner, without issuance of any notice therefor. It is submitted that the DTDs do not specify as such and, in fact, Clause 4.4.3 of the DTDs specifically refers to the issuance of a notice/demand letter by the Petitioner prior to the levy of default interest.

9.17 Without prejudice to the foregoing, it is submitted that the issuance of a default notice and initialization of a cure period is a standard and equitable practice and ought to have been done by the Petitioner.

9.18 Thus, Notice 1 and Notice 2 are bad in law, non est and incapable of forming the basis of the Recall Notice.

The Recall Notice Was Pre-Emptive And Bad In Law:

9.19 It is the case of the Respondent that the Recall Notice [Annex. A-12/ Pg. 508 / CP] was issued in a pre-emptive manner, without the existence of a valid non-payment-related EOD and while alleging a payment-related EOD in an inequitable manner.

9.20 The Recall Notice alleges two types of defaults: (i) non-payment-related EODs viz. the very same EODs enumerated under Notice 1 and Notice 2; and (ii) payment-related EOD viz. the purported failure of the Petitioner to make payment of cash coupon and principal repayment on 28th February 2026.

9.21 Insofar as the Recall Notice is predicated upon Notice 1 [Annex. A-9/ Pg. 499 / CP] and Notice 2 [Annex. A-10 / Pg. 503 / CP] qua the non-payment-related EODs, it is submitted that the same is vitiated at its foundation as these notices are themselves invalid and unenforceable due to the Petitioner's breach of the contractual framework while issuing the same.

9.22 Further, insofar as the purported payment-related EOD is concerned, it is submitted that the Petitioner acted in a precipitous manner, without affording the Respondent a reasonable opportunity to comply, particularly in the context of ongoing restructuring discussions between the parties [Annex. R-8 / Pg. 189 / Reply]. The contemporaneous occurrence of restructuring discussions during the recall action strikes at the heart of good faith and demonstrates that the Recall Notice was issued in a collusive and coercive manner during restructuring discussions.

9.23 It is submitted that recall and acceleration of the entire debenture obligations is a drastic measure which may be resorted to only strictly in accordance with the DTDs and only upon the occurrence of an absolutely clear and undisputed EOD.

9.24 Assuming without admitting the existence of the purported EODs, it is submitted that under Clause 4.4.2(c) of the DTDs, acceleration of the entire debenture obligations due to a non-payment-related EOD requires issuance of a specific acceleration notice by the Petitioner. The Recall Notice conflates a demand for default interest with an acceleration notice, without separately identifying or formally declaring the EODs and, thereafter, issuing a distinct acceleration notice. The fact that acceleration would trigger the consequence of Default Interest 1 on the entire debenture obligations upon notice confirms that this is a two-step process viz., a valid declaration of an EOD and a formal acceleration notice. The objective of a two-pronged notice procedure is to provide the Respondent with adequate opportunity to take appropriate action prior to the contemplation of further steps towards acceleration of the debenture obligations. However, contrary thereto, the Recall Notice subsumes both into a single notice, bypassing procedural prerequisites under the DTDs.

10. <u>IA/2408/(MB)2026</u>

10.1 The present Interlocutory Application (I.A.) bearing IA (I.B.C)/ 2408(MB)2026 was filed on 08.06.2026 by the Applicant, Infiiloom India Private Limited (which is the Respondent in C.P. 411/2026), through one Mr. Sachin Kaushik, Authorised Signatory of the CD, under Section 65 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC"), seeking the following reliefs: -

a. *"This Hon'ble Tribunal be pleased to dismiss the captioned Company Petition (IB) No. 411 (MB) of 2026 filed by the; Petitioner in limine;*
b. *Pending the adjudication of this Interlocutory Application, this Hon'ble Tribunal be pleased to stay the proceedings in the captioned Company Petition (IB) No. 411 (MB) of 2026 filed by the Petitioner;*
c. *For ad-interim reliefs in terms of prayer clause (b);*
d. *For costs;*
e. *Any other order or direction as this Hon'ble Tribunal may deem fit and appropriate in the facts and circumstances of the present case."*

10.2 A conspectus of facts relevant to the present Application is set out hereunder in a limited manner. The Applicant refers to and relies upon the said Reply filed the in captioned Company Petition whereunder the facts and circumstances of the present transaction are set out m their entirety and are not being reiterated hereunder for the sake of brevity. The same be read as forming part of the present Application.

10.3 In or around 2024, the Applicant approached EAAA India Alternatives Limited ('EAAA') for the purpose of raising funds by way of issuance of unlisted, secured, redeemable debentures. After discussions, it was agreed that two funds managed by EAAA- India Special Assets Fund Ill and ISAF III Onshore Fund - as the Debenture Holders, would subscribe to 2600 debentures issued by the Applicant on a private placement basis.

10.4 Thus, various Deeds/ Agreements were entered into between the parties, primarily two Debenture Trust Deeds dated 14th August 2024 whereunder the Applicant issued 1600 unlisted secured redeemable non-convertible debentures ('NCDs' / 'NCD Deed') [Annex. A-4 Colly / pg. 35 I CP] and 1000 unlisted secured redeemable optionally-convertible debentures ('OCDs' I 'OCD Deed') [Annex. A-5 Colly / pg 249 I CP} respectively, cumulatively aggregating to Rs. 260,00,00,000/- (Rupees Two Hundred and Sixty Crores Only). By virtue of two Debenture Trustee Appointment Agreements dated 14th August 2024, the Petitioner was appointed as the Debenture Trustee in respect of the NCDs and OCDs [Annex. A-7 & A-8 I pg. -166 & 482 / CP].

10.5 To give effect to the DTDs, two resolutions dated 28th August 2024 were passed by the Applicant approving the allotment of the NCDs and OCDs respectively and the amounts in respect of the debentures were disbursed on 28th August 2024 [Annex. A-6 / pg. 46-1 /CP].

10.6 In furtherance of the debenture transaction, various security agreements were also entered into viz. Agreements/Indentures/Deeds for the purpose of mortgage, pledge of shares and/or corporate and personal guarantees [Annex. A-13, A-15 to A-19, & A-21 to A-23 / CP].

10.7 Under the DTDs, the relevant payment-related obligations of the Applicant were towards principal repayment [Clause 4.6.1, DTDs; Schedule 6, NCD Deed; Schedule 15, OCD Deed} and cash coupon/interest payment [Clause -1.3.1 (a) and (b), DTDs].

10.8 Furthermore, the DTDs deal with EODs in the following manner:

10.8.1 Upon the occurrence of an EOD, the Petitioner shall have the right to levy Default Interest. [Clause 4. 4.1, DTDs]

10.8.2 Upon the occurrence of a payment-related EOD, 'Default Interest I' would be payable immediately on the amount defaulted for a minimum period of one month or the period for which the default subsists. [Clause 4.4.2(a) and (b), DTDs}

10.8.3 Upon the occurrence of a non-payment-related EOD, 'Default Interest 2' would be payable immediately for the period for which the default subsisted, in the event that the same is not cured within the period provided for cure, if any, on issuance of a notice by the Petitioner (or in the absence of a demand letter from the Petitioner, on the immediately succeeding cash coupon date). [Clause 4.4.3(a) and (b), DTDs].

10.8.4 In the event of a non-payment-related EOD or 'other default', the same was required to be cured within a period of 30 days. [Clause 6.1 (b), DTD5].

10.9 During the subsistence of the transaction, the Applicant took all steps and every effo11 for fulfilment of the debenture documents and the conditions precedent/conditions subsequent set out under the DTDs. There was constant communication taking place between the Applicant and the

Petitioner and/or the Debenture Holders regarding such compliance as to the progress or status thereof.

10.10 On 30th June 2025, basis mutual discussions, the Applicant sought deferment of these payment-related obligations until 31st December 2025. Vide email dated 12th July 2025, the Debenture Holders granted such deferment and it was expressly agreed that same would not be considered an EOD [Annex. A-11 Colly / pg 505 I CP]. A copy of the email dated 30th June 2025 is annexed to the said Reply and marked as ANNEXURE R-1.

10.11 Thereafter, on 29th January 2026, basis mutual discussions, the Applicant sought deferment of these payment-related obligations until 27th February 2026. Vide email dated 30th January 2026, the Debenture Holders granted on the same terms as the previous deferment [Annex. A-11 Colly / pg 507 / CP]. Thus, the second deferment was also not tem1ed as an EOD. A copy of the email dated 29th January 2026 is annexed to the said Reply and marked as ANNEXURE R-2.

10.12 Amidst the period of deferment set out hereinabove, the Petitioner (purporting to be acting under the instructions of the Debenture Holders) issued a Notice of Default dated 11th August 2025 ('Notice 1') [Annex. A9 /pg 499 I CPJ alleging the following non-payment-related EODs:

10.12.1 Failure to perfect security of mortgage over the factory premises at Nellore within 14 business days from the Deemed Date of Allotment (28th August 2024) viz. around 17th September 2024. [Schedule 2, Clause 3, DTDs J.

10.12.2 Failure by lnfiiloom Textiles Private Limited ('ITPL'), the subsidiary of the Applicant, to submit account bank approvals for operation of accounts within 90 days from the Deemed Date of Allotment viz. around 26th November 2024. [Schedule 2, Clause 7, DTDs]

10.12.3 Failure by ITPL to complete capital expenditure in regards to the factory premises at Silvassa and obtain regulatory approvals for commissioning of machines within 90 days from the Deemed Date of Allotment viz. around 26th November 2024. [Schedule 2, Clause 8, DTDs].

10.12.4 Failure to maintain financial parameters set out under Clause 17.1 of the DTDs for the financial year ending 31st March 2025.

10.13 Further, under Notice 1, the Petitioner sought to levy Default Interest 2 upon the Applicant computed from 1st November 2024 until 31st July 2025 and further from 1st August 2025 until the date of cure of the purported EODs - for which it granted a cure period of seven days.

10.14 Pertinently, due to the following facts and events, Notice 1 was invalid in law:

10.14.1 As per the original terms of the DTDs, the timelines set out hereinabove fell in and around September to November 2024. However, for achieving these timelines, the parties were reliant on and/or had to function in collaboration with third parties, such as banks, who had their own administrative and regulatory processes.

10.14.2 Therefore, some of such processes could not be completed within the timelines originally set out in the DTDs. However, the Debenture Holders were cognizant of the fact that any such delays were beyond the control of and cannot be attributed to the Applicant.

10.14.3 The Debenture Holders were at all times kept updated and in the loop regarding these processes and, at no point in time prior to Notice 1 - for a period of over nine months - did the Petitioner ever put the Applicant to notice of 'default' in terms thereof and initialize the 30-day cure period.

10.14.4 It was only on 11th August 2025, almost a year after the original timelines had lapsed, that the Petitioner issued Notice 1 and: (i) sought to allege that, as on 11th August 2025, the timeline for the alleged EOD had lapsed as well the 30-day cure period; and (ii) sought to impose Default Interest 2 in a retrospective manner from 1st November 2024.

10.14.5 In fact, during the so-called period of breach, the Petitioner and/or the Debenture Holders continued engagement with the Applicant and even participated in the aforesaid discussions on deferment. It may be noted that there was a monthly MIS (Management Information System) Report and a CS (Condition Subsequent) Tracker that was at all times being shared back and forth between the Applicant and the Debenture Holders whereunder the actual timelines were being recorded by parties from time-to-time. Therefore, there was acceptance of 'Ongoing performance of the DTDs and waiver and/or acquiescence of the purported nonpayment-related EODs.

10.15 In and around the same time as receipt of Notice 1, discussions began to be held between the Applicant and the Debenture Holders for restructuring of the transaction. During the course of such discussions, it was understood that no steps would be taken pursuant to Notice 1.

10.16 However, to the surprise of the Applicant, the Petitioner (purporting to be acting under the instructions of the Debenture Holders) issued a Final Reminder Notice on 9th January 2026 ('Notice 2') [Annex. A-JO I pg. 503 ICP] alleging the very same non-payment-related EODs set out under

Notice 1 and sought to levy further Default Interest 2 upon the Applicant computed from 1st November 2024 until 31st December 2025 and further from 1st January 2026 until the date of cure of the purported EODs - for which it granted a cure period of 10 days.

10.17 It may be noted that, for all the same reasons set out hereinabove in relation to the invalidity of Notice 1, Notice 2 was invalid and bad in law.

10.18 Furthermore, in regards to the purported payment-related EODs, as set out hereinabove, these obligations had been deferred until 27th February 2026. At such time, the Applicant was awaiting the response of the Debenture Holders to the prior restructuring offer submitted on 10th February 2026. Thus, the Applicant did not yet take any steps towards the aforesaid payment obligations.

10.19 However, to the shock and dismay of the Applicant, approximately 6 days later, the Petitioner issued a Recall Notice on 6th March 2026 ('Recall Notice') [Annex. A-12 I pg. 508 I CPJ recalling the debenture obligations under the DTDs with immediate effect and calling upon the Applicant to pay an amount of Rs. 200,22,05,815/- (Rupees Two Hundred Crores Twenty-two Lakhs Five Thousand Eight Hundred and Fifteen only) along with an amount of Rs. 137,03,48,722/- (Rupees One Hundred and Thirty-seven Crores Three Lakhs Forty-eight Thousand Seven Hundred and Twenty-two only) towards principal, cash coupon, upfront interest, redemption premium and default interest under the DTDs respectively. The Recall Notice alleged the very same non-payment-related EODs as set out under Notice 1 and Notice 2. Further, the Recall Notice alleged a paymentrelated EOD viz. that the Applicant had not made payment of cash coupon and principal on 28th

February 2026 - without taking into consideration the pendency of the restructuring discussions.

10.20 Pertinently, the Recall Notice, too, was invalid in law as:

10.20.1 The reliance upon Notice 1 and Notice 2 in the Recall Notice is bad in law as Notice 1 and Notice 2 were invalid, as set out herein, having no legal effect. The invalidity of Notice 1 and Notice 2 extinguishes the substratum of the Recall Notice.

10.20.2 Neither the Recall Notice, nor Notice 1 or Notice 2, succeed in establishing any non-payment-related EOD, whether unremedied or at all, in the manner set out therein due to the specific reasons set out hereinabove resulting in the impossibility of performing the non-payment-related obligations so highlighted in the manner so sought and the variation thereof by conduct and/or waiver and/or acquiescence of substituted performance by the parties.

10.20.3 In view of the discussions on restructuring of the transaction ongoing between the Applicant and the Debenture Holders - which, in fact, continued until much after the issuance of the Recall Notice by the Petitioner - it was incumbent upon the Petitioner and/or the Debenture Holders to have addressed communication to the Applicant making known their unwillingness to continue such discussions and/or issue notice calling upon the Applicant to fulfil such payment obligations prior to taking greatly prejudicial actions such as recall of the debenture obligations.

10.21 Thereafter, between 11th and 18th March 2026, multiple meetings were held between the Applicant and the Debenture Holders for discussions regarding the Recall Notice and an express standstill understanding reached orally in these meetings, whereunder it was agreed that no enforcement or precipitative steps would be taken pending ongoing restructuring discussions. Acting on such representation, the Applicant continued engagement in good faith and refrained from taking protective legal action.

10.22 However, in violation of this express standstill understanding, on 20th March 2026, the Petitioner issued three demand notices invoking each Deed of Guarantee dated 17th August 2024 [Annex. A-26 toA-28/pg. 1165, 1168 & 1171 I CP}. Further, on 24th March 2026, the Petitioner issued a notice invoking pledge of shares under the Unattested Amended and Restated Pledge Agreement dated 17th June 2025 [Annex. A-29 I pg 1174 I CP].

10.23 On 25th March 2026 and 6th April 2026, the Applicant received respective intimation from CDSL, the depository, that the preference and equity shares of ITPL held by the Applicant had been transferred.

10.24 On 30th March 2026, the Applicant addressed a response to the Pledge Invocation Notice dated 24th March 2026, setting out the fundamental issues therewith - as cumulatively described hereinabove - and called upon the Petitioner to:

(i) unconditionally withdraw the notice in writing;

(ii) provide a complete, itemised statement of all amounts claimed thereunder as 'Debenture Obligations'; and

(iii) acknowledge in writing the oral standstill/no-further-steps understanding reached between the parties following the Recall Notice and confirm that no further enforcement action would be taken pending resolution of the disputes raised therein

a. On 10th April 2026, the Petitioner addressed a response to the letter of the Applicant dated 30th March 2026 inter alia repudiating the standstill understanding and upholding the purported validity of Notice 1, Notice 2 and the Recall Notice.

b. On 17th April 2026, the Applicant addressed a response to the letter of the Petitioner dated I 0th April 2026 inter alia setting out in detail the defects plaguing Notice 1, Notice 2 and the Recall Notice. Till date the Petitioner has not provided any response to the same; therefore, the contents stated therein are deemed to be admitted by the Petitioner.

c. On 8th April 2026, the captioned Company Petition was registered on behalf of the Petitioner.

d. On 15th April 2026, the Applicant filed Commercial Suit No. 410 of 2026 ('Suit') before the Hon'ble Delhi High Court challenging the basis, validity and vires of the action for recall on the part of the Petitioner alongwith an Application seeking reliefs under Order XXXIX Rules 1 & 2 of the Code of Civil Procedure, 1908 ('CPC'). The Hon'ble Delhi High Court issued notice to the Petitioner in the said Suit on 20th April 2026. On 14th May 2026, the Petitioner filed its reply to the Application of the Applicant under Order XXXIX Rules 1 & 2 of CPC. On 15th May 2026, the Petitioner filed two Applications under Order VII Rules 10 & 11 of CPC before the Hon'ble Delhi High Court for rejection/return of the plaint.

e. Thereafter, formal notice in the captioned Company Petition was received by the Applicant on 19th May 2026.

f. On 20th May 2026, the Petitioner filed its Written Statement to the said Suit. On 2151 May 2026, the Applicant filed its rejoinder to the reply of the petitioner in the Application under Order XXXIX Rules 1 & 2 of CPC. The next date in the said Suit before the Hon'ble Delhi High Court is 29th July 2026.

10.25 It is noted that, upon the direction of this Hon'ble Tribunal during the hearing of the captioned Petition on 151 h and 22nd April 2026 whereby this Hon'ble Tribunal inquired into the authority of the Petitioner to file the captioned Company Petition on behalf of the Debenture Holders, the Petitioner has filed an Additional Affidavit dated 201 h April 2026 (1st Additional Affidavit') and a further Additional Affidavit dated 28th April 2026 (2nd Additional Affidavit') in the captioned matter, purporting to answer the same.

PRELIMINARY OBJECTIONS ON MAINTAINABILITY OF THE CAPTIONED COMPANY PETITION

The Applicant challenges the maintainability of the captioned Company Petition filed by the Petitioner on the following grounds which are in the alternative and without prejudice to one another:

10.26 The captioned Company Petition is filed by the Petitioner without due authorization on behalf of the Debenture Holders:

10.27 A perusal of Clause 8.1 of the DTDs reveals that the Petitioner was empowered to file the captioned Company Petition only pursuant to 'instructions of the Debenture Holders'.

10.28 Admittedly the captioned Company Petition, in the manner as filed, did not disclose any written 'instructions of the Debenture Holders', and therefore this Hon'ble Tribunal vide order dated 15th and 22nd April 2026 directed the

Petitioner to place on record valid authority to maintain the captioned Company Petition. In order to demonstrate its purported authority to file the captioned Company Petition, the Petitioner has filed the 1st Additional Affidavit and the 2nd Additional Affidavit inter alia placing on record: (i) Indenture of Trust dated 16th December 2020 and 12th April 2021 with respect to India Special Assets Fund III and ISAF III Onshore Fund (that is the Debenture Holders), whereby the Funds were settled by EAAA with Vistara (ITCL) India Limited ('Vistra') as the Trustee and EAAA as the Investment Manager; and (ii) Investment Management Agreements dated 9th November 2021 and 24th March 2022 whereby EAAA was appointed as the Investment Manager of the Trust.

10.29 A perusal of the aforesaid Indentures of Trust reveals that EAAA is the Investment Manager of the Trust, appointed by Vistara, for the purpose of rendering investment advisory and management services [Clauses 3. 4 and 6.2]. Vistara is *inter alia* empowered to institute legal proceedings for or on behalf of or in the name of the Trust [Clause 7.1.32]. Vistara shall enter into an investment Management Agreement for the purpose of delegating various powers and duties to the Investment Manager [Clause 7. 2. 7].

10.30 On 15th December 2020 and 12th April 2021, the Board of Directors of EAAA passed resolutions inter alia for the purpose of executing the Indentures of Trust and other agreements in relation to the Trust [pg. 53 & I 20 of 2nd Additional Affidavit].

10.31 A perusal of the aforesaid Investment Management Agreements reveals that EAAA shall be the lawful attorney of the Funds and the powers given to Vistra under the Indentures in respect of the management and administration of the Fund [Clause 2. I. I}. Vistra confers various powers and duties upon EAAA in relation to the Fund subject to the provisions of the Fund Documents and the oversight of Vistra [Clause 4. I}. EAAA is inter alia empowered to institute legal proceedings for or on behalf of or in the name of the Trust [Clause 4.2.27]. EAAA is empowered to delegate its powers and duties and/or employ agents or service providers to do any act required to be transacted or done in the execution of the Trust [Clauses 4.2.8 and 4.2.9].

10.32 By virtue of these documents, the Petitioner has sought to demonstrate the course of authority from the Debenture Holders to Vistra to EAAA. However, there is nothing on record to establish the flow of such authority inter alia for the purpose of filing the captioned Company Petition -from EAAA to the Petitioner. No agreement demonstrating such delegation of power entered into between EAAA and the Petitioner has been placed on record. Despite the same, the captioned Company Petition has been instituted by the Petitioner, in its own name, as an agent of EAAA, purporting to act on behalf of the Debenture Holders.

10.33 As set out hereinabove, as per Clause 8.1 of the DTDs, the Petitioner is only authorized to file the captioned Company Petition pursuant to 'instructions of the Debenture Holders'. This requirement qua specific authority to be granted to the Petitioner is compounded by Clause 2.8 of the DTDs, which notes that the Petitioner does not act in an individual capacity.

10.34 Thus, the Petitioner has failed to satisfy that it was authorized by the Debenture Holders and/or EAAA acting on their behalf to file the captioned Company Petition.

10.35 In this regard, under the 1st Additional Affidavit, the Petitioner has produced three emails from EAAA seeking to establish authority for the purpose of instituting the captioned proceedings. It may be noted that the email dated 6th March 2026 [Annexure A to 1st Additional Affidavit] is solely in regard to the Recall Notice and the email dated 15th April 2026 [Annexure C to 1st Additional Affidavit] is addressed much after the institution of the captioned proceedings. Thus, the sole document produced on record in this regard by the Petitioner is the email dated 27th March 2026 [Annexure B to 1st Additional Affidavit] addressed directly by EAAA to its legal counsel, specifying that the Petitioner (marked in CC) shall execute the Petition.

10.36 The Applicant states and submits that the email dated 27th March 2026 does not aid the case of the Petitioner as it does not satisfy the lacuna whereby there is no formal authorization of the Petitioner on record for filing of the captioned Company Petition in its own name nor any formal delegation of this power from EAAA to the Petitioner.

10.37 As described hereinabove, with reference to the specific flow of authority in the present transaction, at no point has it been established that the Petitioner is authorized to *suo moto* institute the captioned legal proceedings on behalf of the Debenture Holders. In fact, such an exercise of power on the part of the Petitioner has been specifically made subject to the receipt of instructions in this behalf, and the Petitioner has been unable to produce any written instructions from the Debenture Holders.

10.38 It is submitted that, in the absence of an agreement entered into between the Petitioner and the Debenture Holders and/or Vistra and/or EAAA demonstrating the delegation of such authority, it was required for EAAA, as the Investment Manager, to have passed a resolution authorizing the Petitioner to execute and file the captioned Company Petition for or on their behalf and/or for or on behalf of the Debenture Holders or in its own name. In view of the Petitioner's inability to act *suo moto* in this regard, it is submitted that the email dated 27th March 2026 does not satisfy the procedural requirements.

10.39 Even assuming without admitting that the power to file the captioned proceedings is vested in the Petitioner by virtue of the DTDs, such power is particularly circumscribed by the requirement of a mandate on the part of the Debenture Holders and/or EAAA acting on their behalf. It is submitted that EAAA, being the company appointed as the Investment Manager, acts only through its Board of Directors and in terms of resolutions passed thereby to exercise the powers under the Investment Management Agreements. It is submitted that in the absence of such a resolution, the Petitioner was not authorized to file the captioned Company Petition and the same is, therefore, not maintainable.

10.40 Additionally, it may be noted that the Petitioner has only produced a communication from EAAA acting on behalf of the Debenture Holders to issue the Recall Notice. Therefore, an adverse inference may be drawn that the Petitioner also acted in an unauthorized manner whilst issuing Notice 1 and Notice 2, further subverting their validity.

10.41 Therefore, in view of the aforesaid. It is submitted that the captioned Company Petition is liable to be dismissed in limine.

B. The captioned matter contains disputed questions of fact which are to be adjudicated upon by the civil court:

10.42 The Applicant states and submits that the captioned Company Petition has been filed on the strength of the Recall Notice and is predicated upon a purported default in repayment pursuant to the action for recall/acceleration of the debenture obligations under the DTDs.

10.43 Per contra, it is the case of this Applicant/Respondent in its Reply to the captioned Company Petition that the Recall Notice was bad in law inasmuch as it alleges the existence of a payment-related EOD in an inequitable manner and that it was issued without the existence of a valid non-payment-related EOD. It is further the case of this Applicant/Respondent that the substratum of the Recall Notice, that is, Notice 1 and Notice 2, are also invalid inasmuch as these notices sought to strictly enforce time-bound obligations that had long since been varied by the conduct of parties to the contract and after substituted, continuing performance was accepted.

10.44 Therefore, this Applicant/Respondent challenges the basis, validity and vires of the action for recall, whereas the captioned Company Petition presupposes and purports to act in furtherance of the action for recall.

10.45 Pursuant to Clause 19.32 of the DTDs, whereby exclusive jurisdiction over disputes arising therefrom has been mutually conferred upon the Hon'ble Delhi High Court, this Applicant has filed Commercial Suit No. 410 of 2026 before the Hon'ble Delhi High Court for the purpose of challenging the vires of the recall action alongwith consequential enforcement actions taken by the Petitioner viz. enforcement of guarantees and pledge of shares. It may be noted that the Hon'ble Delhi High Court has taken cognizance thereof and issued notice therein on 20th April 2026. The civil court having appropriate jurisdiction is, thus, seized of the matter.

10.46 It is submitted that the case of this Applicant/Respondent in its Reply to the captioned Company Petition contains disputed questions of fact in regards to the vires of the actions of the Petitioner and/or the Debenture Holders qua the contractual framework of the DTDs. It is further submitted that, in terms of Section 9 of the Code of Civil Procedure, 1908, these questions are to be adjudicated upon by the civil court. Further, it is respectfully submitted that this Hon'ble Tribunal would not have jurisdiction to decide such questions in the exercise of power under the Code.

10.47 The captioned Company Petition proceeds on the basis that Notice 1, Notice 2 and the Recall Notice are valid and proper in law and that a default has purportedly been committed by this Applicant/Respondent in terms thereof. However, unless and until this Applicant/Respondent's challenge hereof before the civil court is decided, the captioned Company Petition ought not to proceed.

10.48 Therefore, on the ground of jurisdiction, it is prayed that the captioned Company Petition be dismissed in limine.

11. FC'S CONTENTIONS IN REPLY TO THE I.A.

11.1 The Petitioner has read and perused the contents of the IA and has understood the contents thereof. Save and except what is expressly admitted herein, all statements, averments, allegations, submissions and contentions in the IA to the contrary are denied. The Petitioner craves leave to file a detailed paragraph-wise response to the IA if so required or directed by this Hon'ble Tribunal at a later stage.

11.2 For consistency, the Petitioner has used the same terms and abbreviations as used in the CP, the Additional Affidavits filed thereunder, and the Affidavit in Rejoinder dated 17 June 2026 (Rejoinder) filed by the Petitioner in response to the Affidavit-in Reply dated 5 June 2026 (Reply) filed by the Corporate Debtor to the CP.

11.3 For the sake of brevity, the contents of the CP, the First Additional Affidavit dated 20 April 2026 (First Additional Affidavit), the Second Additional Affidavit dated 28 April 2026 (Second Additional Affidavit), and the Rejoinder, along with all documents and annexures filed thereunder, are not reproduced herein. The contents of the same be treated as part and parcel of the present Reply.

11.4 Nothing contained in this Reply to IA shall be construed as a waive or Abandonment of any contention, submission, or ground raised in the CP, the Additional Affidavits, or the Rejoinder filed thereunder.

11.5 At the outset, it is submitted that the Default Notices and the Recall Notice were each validly issued in strict accordance with the terms of the DTDs, following persistent and continuing defaults on the part of the Corporate Debtor. The Corporate Debtor's bare assertion of invalidity of such notices is entirely unsubstantiated and is comprehensively addressed in the Rejoinder filed by the Petitioner

11.6 Without prejudice to the foregoing, the Petitioner respectfully submits the following grounds: The IA is an abuse of process as the grounds raised therein are identical to the preliminary objections already taken in the Reply.

11.7 At the very outset, it is submitted that the present IA is a complete abuse of the process and is liable to be dismissed in limine on the ground that the grounds raised therein are not new, independent, or distinct grounds warranting a separate application. A perusal of the IA makes it abundantly clear that the two grounds raised therein i.e., (i) alleged lack of authority of the Petitioner to file the CP; and (ii) alleged jurisdiction of the civil court to adjudicate disputed questions of fact, are verbatim reproductions of the preliminary objections already raised by the Corporate Debtor in Paragraphs 45 to 63 of the Reply filed to the CP. The IA is therefore nothing more than a dressed-up reiteration of the Reply, filed as a separate application only to multiply proceedings and delay the adjudication of the CP.

11.8 It is submitted that where the grounds sought to be urged in an interlocutory application are already part of the record by virtue of the pleadings filed in the main proceedings, the filing of a separate interlocutory application on the same grounds is wholly unnecessary, redundant, and an abuse of the process of this Hon'ble Tribunal.

11.9 The conduct of the Corporate Debtor throughout these proceedings speaks for itself.

11.10 The Corporate Debtor filed the Reply to the CP dated 5 June 2026 (filed on 8 June 2026 and only served on 11 June 2026), raising the very same preliminary objections as are now sought to be urged in the present IA.

11.11 On the very same date that the Corporate Debtor filed its Reply to the CP, i.e., 8 June 2026, it also simultaneously filed the present IA raising identical grounds, thereby creating a parallel proceeding on the same issues. Pertinently, the Corporate Debtor deliberately chose not to serve a copy of the present IA upon the Petitioner at the time of its filing.

11.12 Thereafter, the Petitioner came to know of the filing and listing of the present IA only upon perusing the cause list of this Hon'ble Tribunal for the hearing scheduled on 12 June 2026. Immediately thereafter, the Petitioner, through its advocates, sent an email dated 1 June 2026 to the Corporate Debtor's advocates requesting service of a copy of the present IA. However, the Corporate Debtor failed to serve a copy of the IA even upon receipt of the said email. In fact, a copy of the present IA was served upon the Petitioner only during the course of the hearing on 12 June 2026, thereby depriving the Petitioner of any meaningful opportunity to peruse the IA and respond to the contentions raised therein at the hearing. A copy of the email dated 11 June 2026 is hereto annexed and marked as Annexure “A”.

11.13 It is apparent that having no bona fide defence to the existence of the financial debt or the occurrence of default, the Corporate Debtor has sought to file the present IA to delay the final hearing of the CP. Such conduct deserves no indulgence from this Hon'ble Tribunal. Therefore, in view of the above, this Hon'ble Tribunal is respectfully prayed to dismiss the IA in limine with exemplary costs.

11.14 The Petitioner is authorised to file and prosecute the present CP on behalf of the Debenture Holders

11.15 It is submitted that the Corporate Debtor's objection to the Petitioner's authority to file and maintain the captioned CP is wholly misconceived and has already been comprehensively addressed in the First Additional Affidavit and the Second Additional Affidavit, both of which have been placed on record before this Hon'ble Tribunal pursuant to the directions of this Hon'ble Tribunal vide orders dated 15 April 2026 and 22 April 2026. This Hon'ble Tribunal, having considered the said Additional Affidavits and being satisfied with the authority of the Petitioner, was pleased to issue notice vide order dated 7 May 2026 in the present CP. The Corporate Debtor's attempt to re-agitate this issue in the IA is therefore wholly untenable.

11.16 The chain of authority from the Debenture Holders to the Petitioner is clearly and conclusively established. EAAA India Alternatives Limited (EAAA) constituted the respective Trusts vide Indentures of Trust dated 16 December 2020 and 12 April 2021 (Indentures of Trust) (Annexures A and B of the Second Additional Affidavit) and appointed Vistra ITCL (India) Limited (Vistra) as the Trustee. Under Clause 7.1.32 and Clause 7.1.1 of the Indentures of Trust, Vistra has the power to institute legal proceedings for or on behalf of or in the name of the Trust or a Scheme.

11.17 Vistra thereafter appointed EAAA as the Investment Manager of the respective Funds under the Investment Management Agreements dated 9 November 2021 and 24 March 2022 (IMAs) (Annexures D and E of the Second Additional Affidavit), pursuant to Clauses 3.4 and 6.2 of the Indentures of Trust. The following provisions of the IMAs are relevant:

11.18 Under Recital E of the IMAs, Vistra has appointed EAAA as the Investment Manager and has authorised EAAA to take any actions, exercise any right or make any determination or decision, and to perform all acts and contracts and other undertakings on behalf of Vistra.

11.19 Under Clause 2.1.1 of the IMAs, EAAA is constituted as the true and lawful attorney of the Funds and is vested with all powers and privileges given to the Trustee under the Indentures in relation to the management and administration of the Funds.

11.20 Under Clause 4.2.2 of the IMAs, EAAA has the power to take all decisions on behalf of the Funds, including decisions in relation to the management and administration of the Funds; and

11.21 Under Clause 4.2.27(a) of the IMAs, EAAA is expressly authorised to institute legal proceedings for or on behalf of or in the name of the Trust or a Scheme

11.22 In this regard, EAAA, in its capacity as Investment Manager of the Debenture Holders, gave the necessary instructions to the Petitioner in its capacity as Debenture Trustee to institute and prosecute the present CP against the Corporate Debtor. The email dated 27 March 2026 (Annexure B of the First Additional Affidavit) constitutes the clear and unambiguous instruction to the Petitioner to execute and file the CP. A perusal of the said email clearly shows that the Petitioner was marked in copy and was requested to fill in the factual details and keep its signatory available for execution.

11.23 Further, EAAA, by its email dated 15 April 2026 (Annexure C of the First Additional Affidavit), again instructed the Petitioner to continue prosecuting the present CP and take all necessary steps in that regard. The aforesaid correspondence leaves no manner of doubt that the Petitioner had the requisite authority from the Debenture Holders, acting through EAAA as their Investment Manager, both to institute the present CP and to continue prosecuting the same.

11.24 The Corporate Debtor's contention that a formal board resolution of EAAA was required to authorize the Petitioner to file the CP is entirely without any legal basis and contrary to the contractual framework. Under Clause 8.1 of the DTDs, the Petitioner is expressly empowered to act on the instructions of the Debenture Holders, and no particular form is prescribed for such instructions.

11.25 The Corporate Debtor's further contention that the Petitioner may have acted in an unauthorized manner while issuing Default Notice 1 and Default Notice 2 is equally baseless and speculative. The Petitioner has issued both notices in its capacity as Debenture Trustee under the DTDs, which expressly empower the Petitioner to issue notices of default and levy Default Interest 2. Copies of the emails instructing the Petitioner to issue Default Notice 1 and Default Notice 2 are on record at Annexure-B to the Rejoinder.

11.26 The objections raised by the Corporate Debtor to the Petitioner's authority are wholly misconceived, contrary to the contractual framework governing the transaction and devoid of any factual or legal basis. Significantly, the Corporate Debtor has at all times been fully aware of the structure of the transaction, the role of EAAA as Investment Manager acting on behalf of the Debenture Holders, and the role of the Petitioner as Debenture Trustee acting pursuant to such instructions

11.27 The Corporate Debtor has itself appointed the Petitioner as the debenture trustee and accordingly, has never questioned its authority as the debenture trustee. Equally, the Corporate Debtor has consistently engaged with and recognized EAAA as the representative of the Debenture Holders. Having never disputed this position during the subsistence of the transaction, the Corporate Debtor cannot now be permitted to raise belated and opportunistic objections to the Petitioner's authority. These objections are nothing more than an afterthought, raised in a transparent attempt to manufacture a defence where none exists and to divert attention from the undisputed debt and default. The very fact that the Corporate Debtor has been constrained to rely on such meritless technical objections, rather than address the debt and default on merits, speaks volumes about the absence of any genuine defence to the present proceedings.

11.28 The civil suit does not create a bar for this Hon'ble Tribunal to adjudicate the present CP.

11.29 The Corporate Debtor has filed the suit before the Delhi High Court after filing of the present CP. The suit has been filed only to manufacture a non-existent dispute and then to use it as a defense in the present proceedings. The Corporate

Debtor's conduct is an attempt to set at naught the intent and object to the Insolvency and Bankruptcy Code, 2016 (IBC). It is evident that since the filing of the suit no relief whether ad interim or interim has been sought by the Corporate Debtor. This makes it even clearer that the suit is not a » bona fide action but a complete mala fide manoeuvre to create multiple fronts of litigation and delay the adjudication of the present CP.

11.30 Even otherwise, the Corporate Debtor's contention that the present CP involves disputed questions of fact which ought to be adjudicated by the Delhi High Court is wholly untenable and contrary to settled law. The jurisdiction of this Hon'ble Tribunal under Section 7 of IBC is limited to determining: (i) whether a financial debt exists; and (ii) whether a default has occurred. Both questions are clearly and conclusively answered in the affirmative on the basis of the undisputed record. The Corporate Debtor has never denied the existence of financial debt nor the fact that it has failed to make payments as and when they fell due.

11.31 It is submitted that pendency of the Commercial Suit filed by the Corporate Debtor before the Hon'ble Delhi High Court does not in any manner oust or limit the jurisdiction of this Hon'ble Tribunal under the IBC. IBC is a special statute and Sections 63 and 231 of the IBC specifically bar civil courts from entertaining any suit or proceedings in respect of matters within the jurisdiction of this Hon'ble Tribunal. The IBC is a complete and self-contained code, and the jurisdiction of this Hon'ble Tribunal thereunder is exclusive and cannot be ousted by the pendency of civil proceedings.

11.32 It is further submitted that the Commercial Suit filed by the Corporate Debtor before the Hon'ble Delhi High Court is itself not maintainable and is barred by law. The Corporate Debtor's mala fide conduct is further evident from its failure to disclose the pendency of the present CP in proceedings initiated by it before the Hon'ble Delhi High Court. The Corporate Debtor filed the said Suit on 9 April 2026, i.e., after the present CP had already been filed on 30 March 2026 and after the Corporate Debtor had been duly served with the same on 30 March 2026. Despite having full notice of the pendency of the present insolvency proceedings, the Corporate Debtor deliberately suppressed the filing of the present CP in the said Suit and approached the Hon'ble Delhi High Court as if no insolvency proceedings were pending. This suppression of material facts is consistent with the Corporate Debtor's conduct in the present proceedings and constitutes a clear abuse of process.

11.33 It is also pertinent to note that the Petitioner has filed applications under Order VII Rule 10 and Order VII Rule 11 of the Code of Civil Procedure, 1908 before the Hon'ble Delhi High Court challenging the maintainability of the said Suit on various grounds, including that the Suit is barred by law, that the court lacks territorial jurisdiction, that there has been non-compliance with Section 12A of the Commercial Courts Act, 2015, and that the Suit is grossly undervalued.

11.34 Save and except as specifically admitted herein, all other allegations, submissions, averments, and contentions made in the IA are false, misconceived, and contrary to the record, and are hereby specifically denied. The Corporate Debtor is put to strict proof of the same.

11.35 The Petitioner craves leave of this Hon'ble Tribunal to file any additional pleadings, affidavits, and/or documents in order to supplement and/or support the contentions raised hereinabove.

11.36 In view of the aforesaid facts and circumstances, it is respectfully submitted that the IA is wholly misconceived, devoid of merit, and has been filed with the mischievous intent of delaying the adjudication of the CP. The Petitioner has established the existence of financial debt and the occurrence of default, which is all that is required for the admission of the present CP under Section 7 of the IBC. It is humbly prayed that this Hon'ble Tribunal may be pleased to dismiss the IA with exemplary costs, admit the CP and initiate the Corporate Insolvency Resolution Process against the Corporate Debtor.

12. WRITTEN SYNOPSIS OF ARGUMENTS ON BEHALF OF THE APPLICANT IN THE I.A. / CD:

OBJECTION ON AUTHORITY

12.1 To establish its purported authority to file the CP, the Petitioner has filed an Additional Affidavit dated 28th April 2026 ('2nd Additional Affidavit') inter alia placing on record: (i) Indentures of Trust dated 16th December 2020 and 12th April 2021 whereby India Special Assets Fund III and ISAF III Onshore Fund ('Funds' or 'Trust' or 'Debenture Holders') were settled by EAAA India Alternatives Limited ('EAAA' or 'Investment Manager') with Vistra (ITCL) India Limited ('Vistra' or 'Trustee') as the Trustee; and (ii) Investment Management Agreements dated 9th November 2021 and 24th March 2022 whereby EAAA was appointed as the Investment Manager of the Trust.

12.2 The chain of authority under the said documents is as follows:

INDENTURES OF TRUST		
CLAUSE NO.	**PARTICULARS**	**REFERENCE**
3.4	Trust shall be managed by Vistra and Vistra shall appoint an Investment Manager.	Pg. 20 / 2nd AA / Vol. I
6.2	Investment Manager shall render investment advisory and management services to the Trust.	Pg. 22 / 2nd AA / Vol. I

7.1.1	Vistra bears all general powers with respect to the Trust, subject to the Fund Documents.	Pg. 23 / 2nd AA / Vol. I
7.1.3 2(a)	Vistra has the power, without any furlher act or approval Of Contributories or Beneficiaries, to institute legal proceedings for or on behalf Of or in the name of the Trust or the Trustee, pursuant to the advice of the Investment Manager.	Pg. 31 / 2nd AA / Vol. I
7.2.7	Vistra shall enter into an Investment Management Agreement for delegating its powers/duties to the Investment Manager.	Pg. 33 / 2nd AA / Vol. I
INVESTMENT MANAGEMENT AGREEMENTS		
E	EAAA shall take action, exercise rights or make decisions on behalf of Vistra, subject to the Investment Management Agreement and Fund Documents.	Pg. 131 / 2nd AA / Vol. I
2.1.1	EAAA shall be the lawful attorney of the Fund and powers and privileges given to the Trustee under the Indenture in respect of the Fund.	Pg. 137 / 2nd AA / Vol. I
4.2.8 & 4.2.9	EAAA may delegate powers and duties vested in it under the Investment Management Agreement and/or employ agents or service providers to do any act required in the execution Of the Trusts.	Pg. 139 / 2nd AA / Vol. I
4.2.27	EAAA has the power, without any further act or approval Of Contributories or Beneficiaries, to institute legal proceedings for or on behalf of or in the name of the Trust or the Trustee.	Pg. 145 / 2nd AA / Vol. I

12.3 Upon a perusal of the aforesaid clauses, the chain of authority to institute legal proceedings is established from the Debenture Holders to Vistra and, thereafter, to EAAA. It is also clearly established that there is a discontinuity in that chain of authority between EAAA and the Petitioner. There is no document on record which demonstrates the authorization of the Petitioner to *suo motu* file the CP. Neither is there any document on record whereby EAAA has formally delegated its powers to the Petitioner.

12.4 To address this *lacuna*, the Petitioner has filed an Additional Affidavit dated 20th April 2026 (‘1st Additional Affidavit’) placing on record certain emails addressed by EAAA.

12.5 Email dated 06.03.2026 (Annex. A /Pg. 4 / 1st AA): This email is solely in regards to the issuance of the recall notice.

12.6 Email dated 27.03.2026 (Annex. B / Pg. 5 / 1st AA): This email is addressed directly by EAAA to its legal counsel, simply specifying that the Petitioner (marked in CC) shall execute the Petition.

12.7 Email dated 15.04.2026 (Annex. C / Pg. 6 / 15t AA): This email is addressed after the institution of the CP and after it was listed before this Hon'ble Tribunal.

12.8 The aforesaid emails do not satisfy the standard of a formal authorization or delegation of power whereby the Petitioner may file the CP in its own name. It is the case of the Applicant that, as per Section 179 of the Companies Act, 2013, EAAA - being the Company appointed as Investment Manager - was required to pass a Board Resolution authorising and/or appointing the Petitioner to institute and prosecute the CP in the exercise of its powers under the Investment Management Agreement and in terms of Clause 8.1 of the Debenture Trust Deeds dated 14.08.2024 ('DTDs').

12.9 Clause 8.1.(i) & (m) of the DTDs (Annex. A4-Colly/Pg. 107 / CP / Vol. I) empowers the Petitioner, as the Debenture Trustee, to institute the CP expressly only upon the instructions of the Debenture Holders. Admittedly, the CP, as filed, does not disclose any instructions of the Debenture Holders to file the same and, even after filing of the Additional Affidavits, it is submitted that the Petitioner has been unable to produce any such valid instruction.

12.10 Therefore, the CP is filed by the Petitioner in a defective manner, lacking appropriate authorization, and the same ought to be dismissed *in limine*.

OBJECTION ON JURISDICTION

12.11 The CP finds it basis in the Recall Notice dated 06.03.2026. It is predicated upon the occurrence of a purported default in repayment pursuant to recall/acceleration of the debentures under the DTDs. Per contra, the Applicant has filed Commercial Suit No. 410 of 2026 before the Hon'ble Delhi High Court (pursuant to Clause 19.32 of the DTDs) challenging the basis, validity and vires of the recall action.

12.12 It is, therefore, the case of the Applicant that there are disputed questions of fact in regards to the vires of the actions of the Petitioner and/or the Debenture Holders qua the contractual framework. As per Section 9 of CPC these questions are to be adjudicated upon by the civil court. This Hon'ble Tribunal would not have jurisdiction to decide these questions in the exercise of power under Section 7 of the Code.

12.13 Notice has been issued in Commercial Suit No. 410 of 2026 on 20th April 2026. The civil court having appropriate jurisdiction is, thus, seized of the matter. Therefore, on the ground of jurisdiction, it is prayed that the captioned Company Petition be dismissed *in limine.*

13. ANALYSIS & FINDINGS

13.1 We have heard the Learned Counsel appearing for the Applicant/FC as well as the Learned Counsel appearing for the CD and have carefully perused the pleadings & documents placed on record.

13.2 Before examining the factual foundation of the claim, it is necessary to consider whether the jurisdictional requirements prescribed under the IBC stand satisfied.

13.3 It is well settled that the jurisdiction of the Adjudicating Authority under Section 7 is summary in nature. The enquiry is confined to determining whether there exists a financial debt within the meaning of Sections 5(7) and 5(8), whether such debt is owed by the corporate debtor against whom CIRP is sought, and whether a default has occurred. The Tribunal is not expected to undertake an elaborate adjudication of disputed contractual rights. In ***Innoventive Industries Ltd. v. ICICI Bank & Anr***., (2018) 1 SCC 407 and ***M. Suresh Kumar Reddy v. Canara Bank***, (2023) 7 SCC 252, the Hon'ble Supreme Court reiterated that proceedings under Section 7 are confined to these statutory requirements. Accordingly, the controversy in the present matter must be examined only to the extent necessary for determining whether the jurisdictional requirements under Section 7 of the IBC stand satisfied.

13.4 The undisputed/admitted facts in this matter are:

i) the CD raised an aggregate amount of Rs.260 Crores through issuance of secured redeemable Non-Convertible Debentures (NCDs) and Optionally Convertible Debentures (OCDs) under the Debenture Trust Deeds (DTDs) dated 14.08.2024, as amended on 27.08.2024;

ii) the Applicant was appointed as the Debenture Trustee under the respective Debenture Trustee Appointment Agreements;

iii) the debentures were duly subscribed by India Special Assets Fund III and ISAF III Onshore Fund, and the funds were disbursed to the CD;

iv) various security documents including mortgages, pledge agreements, corporate guarantees and personal guarantees were executed pursuant to the financing transactions;

v) the CD sought deferment of certain repayment obligations by its communications dated 30.06.2025 and 29.01.2026, which requests were accepted by the Debenture Holders;

vi) the Applicant thereafter issued notices alleging occurrence of Events of Default followed by the Recall Notice dated 06.03.2026; and

vii) the amounts demanded under the Recall Notice remain unpaid.

13.5 The principal disputes which arise for determination are:

(i) Whether the Applicant was duly authorised by the Debenture Holders to institute and prosecute the present proceedings.

(ii) Whether the successive deferments granted by the Debenture Holders merely postponed the payment schedule or resulted in a binding modification of the contractual obligations under the DTDs.

(iii) Whether the restructuring negotiations and exchange of proposals between the parties suspended or otherwise precluded the Debenture Trustee from invoking the contractual remedies available under the DTDs.

(iv) Whether the alleged non-payment Events of Default relating to the perfection of security, bank account approvals, completion of conditions subsequent and compliance with financial covenants were in fact committed by the CD, or whether such obligations stood substantially complied with, waived or extended by the conduct of the parties.

(v) Whether the Default Notices issued by the Applicant complied with the contractual procedure stipulated under the DTDs, particularly concerning the grant of the stipulated cure period and levy of default interest.

(vi) Whether the Recall Notice validly accelerated the debt in accordance with the terms of the DTDs.

(vii) Whether the pendency of the Commercial Suit and the contractual disputes raised therein constitute a valid ground for declining admission of the present application under Section 7 of the IBC.

(viii) Whether, on the basis of the material placed on record, the Applicant has established the existence of a financial debt and the occurrence of default within the meaning of Sections 5(8) and 7 of the IBC.

13.6 The controversy, therefore, is not with respect to the existence of the underlying financing transaction or the disbursal of funds. The dispute essentially centres around the validity of the contractual steps taken by the Applicant for enforcement of the DTDs, the legal effect of the deferments and restructuring discussions, and whether the events relied upon by the Applicant constitute a default within the meaning of Section 3(12) of the IBC.

13.7 Both the NeSL Form – Ds with respect to the NCDs & OCDs record the default status as 'Deemed to be Authenticated'.

13.8 The first objection of the CD concerns the maintainability of the Petition on the ground that the Applicant lacked due authorisation from the Debenture Holders to institute proceedings under Section 7 of the IBC.

13.9 The record, however, shows that although the India Special Assets Fund III and ISAF III Onshore Fund are the Debenture Holders, the respective Investment Management Agreements authorize EAAA India Alternatives Limited, as the Investment Manager, to manage the Funds, exercise the Trustee's powers, appoint agents, and initiate legal proceedings to enforce the Funds' rights. The execution of the Investment Management Agreements and the authority conferred thereunder have not been disputed. The Applicant has also placed on record communications issued by the Investment Manager instructing the Debenture Trustee to initiate appropriate proceedings against the CD. No contractual provision exists that requires any separate resolution or additional authorisation from the Debenture Holders. In such circumstances, the Investment Manager's instructions constitute valid authority for the Applicant to invoke the contractual remedies under the DTDs. The objection regarding the competence of the Applicant to maintain the present proceedings is, therefore, devoid of merit.

13.10 Equally unsustainable is the dispute sought to be raised regarding the existence of a financial debt. The DTDs, Subscription Agreements and the connected transaction documents unequivocally establish that the Debenture Holders subscribed to secured NCDs and OCDs issued by the CD, pursuant to which an aggregate amount of Rs.260 Crores was disbursed. The transaction carries all the essential attributes of a financial debt, including consideration for the time value of money in the form of a coupon, redemption premium and other commercial terms. The CD has neither disputed the execution of the transaction documents nor the receipt of the funds. In fact, its defence is not that no financial debt exists, but that the debt had not become payable because of the deferments granted by the Debenture Holders, the restructuring discussions that followed and the alleged invalidity of the contractual notices. These contentions relate to the occurrence of default and the enforceability of contractual remedies, and do not alter the character of the transaction as a financial debt within the meaning of Section 5(8) of the IBC.

13.11 The principal issue, therefore, is whether a default had occurred on the date of institution of the present Application. The CD contends that no payment default had crystallised since the Debenture Holders had successively deferred the repayment obligations and thereafter entered into restructuring negotiations, during which the parties allegedly proceeded on the understanding that coercive action would not be taken until the restructuring proposals were considered. It is further contended that the non-payment Events of Default either never occurred or stood waived, and consequently the Default Notices and Recall Notice were prematurely and invalidly issued. The Applicant, on the other hand, submits that the deferments merely postponed the due dates without extinguishing the repayment obligations, that the restructuring discussions never culminated in a binding agreement modifying the Debenture Trust Deeds, and that upon expiry of the final deferment on 27.02.2026, the continued failure of the CD to discharge the coupon and principal amounts constituted a payment-related Event of Default entitling the Applicant to invoke the contractual remedies.

13.12 Having considered the material placed on record, we find no merit in the contention that the deferments or restructuring negotiations suspended the repayment obligations indefinitely. The deferment communications merely extended the due dates up to 31.12.2025 and thereafter up to 27.02.2026, while expressly preserving the rights and remedies available under the DTDs. They neither substituted the original repayment obligations nor constituted a novation of the contract. Likewise, the restructuring proposals admittedly remained at the stage of negotiations, and no concluded agreement or executed amendment to the DTDs has been placed on record evidencing any alteration of the repayment schedule or any standstill arrangement restraining the Applicant from enforcing its contractual rights. Mere commercial negotiations or exchange of proposals, however advanced, cannot supersede existing contractual obligations in the absence of a binding agreement. Commercial negotiations, by their very nature, remain exploratory unless they end up in a concluded and enforceable agreement. A lender's willingness to consider restructuring or accommodate the borrower's requests cannot be interpreted either as an abandonment of its contractual rights or as a suspension of the borrower's repayment obligations. Consequently, upon expiry of the last deferment on 27.02.2026, the repayment obligations revived in terms of the DTDs, and the continued non-payment thereafter furnished the Applicant with the contractual right to invoke the remedies available under the transaction documents, subject to compliance with the contractual framework.

13.13 The CD has next questioned the validity of the Default Notices and the Recall Notice by contending that the contractual procedure prescribed under the

DTDs was not followed, that the stipulated cure period was not afforded, that Default Interest was levied prematurely and that the entire recall of the outstanding debt is consequently unsustainable. The Applicant, on the other hand, submits that the notices were issued only after repeated defaults and successive deferments, and that despite adequate opportunities the CD failed to regularise its obligations, compelling invocation of the acceleration clause. On an overall reading of the DTDs and the contemporaneous correspondence, we find that the CD was, at all material times, fully aware of the defaults alleged against it and the consequences flowing therefrom. The requests for deferment, restructuring discussions and subsequent communications all proceeded on the admitted basis that the repayment obligations under the DTDs continued to subsist. The challenge raised by the CD is, therefore, directed substantially towards the legal consequences of the notices rather than the absence of notice itself. Likewise, the pendency of restructuring negotiations cannot invalidate the Recall Notice, since no concluded restructuring agreement or standstill arrangement restricting the Applicant's contractual remedies has been brought on record.

13.14 Considerable emphasis was placed by the CD upon Clause 6.1(b) of the DTDs, which prescribes a cure period of 30 days in respect of certain categories of contractual defaults. According to the CD, Notice-I dated 11.08.2025 granted only 7 days to cure the alleged breaches relating to Conditions Subsequent, financial covenants and other contractual obligations, thereby rendering the declaration of Events of Default, levy of Default Interest and the subsequent Recall Notice contrary to the agreed contractual framework. There can be no dispute that commercial contracts are ordinarily required to be enforced in accordance with the procedure consciously agreed upon by the parties and that Clause 6.1(b), to the extent applicable, contemplates a thirty-day cure period. However, the Recall Notice dated 06.03.2026 cannot be examined in isolation. Apart from referring to the earlier notices, it specifically records that, upon expiry of the final deferment on 27.02.2026, the CD had failed to discharge the coupon and principal repayment obligations then due, thereby constituting an independent payment-related Event of Default under the DTDs. Consequently, even assuming that the objection regarding the contractual cure period merits consideration in relation to certain non-payment defaults, it does not, by itself, displace the payment default forming the principal basis of the Recall Notice and the present proceedings. To hold otherwise would imply that every restructuring proposal or request for accommodation automatically suspends contractual remedies unless expressly rejected.

13.15 Upon consideration of the terms of the DTDs and the material placed on record, this Tribunal finds that the Recall Notice dated 06.03.2026 cannot be regarded as premature or otherwise contrary to the contractual framework. The deferment granted to the CD stood extended only up to 27.02.2026 and, consequently, the payment obligation falling due on 28.02.2026 remained unsatisfied. Nothing has been placed on record to establish that the Applicant had thereafter agreed to any further binding deferment, waiver or standstill so as to suspend the contractual consequences of such non-payment. Mere continuation of restructuring discussions, in the absence of a concluded and binding modification of the DTDs, cannot operate to extinguish or postpone an accrued right of the Applicant to take recourse to the remedies expressly provided under the financing documents. The contention that Clause 4.4.2(c) required a further or separate notice before acceleration under Clause 6.2 is also not found sustainable, as the said provision cannot be construed in a manner that renders the express contractual right of acceleration under Clause 6.2 nugatory.

13.16 It is further evident that the Recall Notice specifically recorded the Events of Default, invoked the Applicant's contractual right to accelerate the outstanding debenture obligations and quantified the amounts thereby becoming due, including the principal and other contractual dues. The notice, therefore, constituted a valid exercise of the right of acceleration contemplated under the DTDs and was not merely a demand confined to payment of default interest. The objections founded upon the alleged invalidity of the earlier notices or the pendency of restructuring discussions do not, in the facts of the present case, establish any waiver of the Applicant's contractual rights or invalidate the subsequent acceleration. Accordingly, this Tribunal is satisfied that the Recall Notice dated 06.03.2026 was issued in accordance with the terms of the DTDs and that, upon such valid acceleration, the outstanding debt became due and payable.

13.17 The CD has also urged that, in view of the Commercial Suit pending before the Hon'ble High Court of Delhi challenging the Default Notices and Recall Notice, and having regard to the disputes relating to waiver, novation, restructuring and interpretation of the DTDs, the Application at hand ought not to be entertained. While there can be no quarrel with the proposition that disputed contractual rights requiring elaborate evidence are ordinarily amenable to adjudication by a competent civil forum, such disputes do not, by themselves, strip this Adjudicating Authority of the jurisdiction conferred under Section 7 of the IBC. The execution of the DTDs, disbursal of the subscription amounts and existence of the financial debt are undisputed. The disputes raised by the CD are directed principally towards the contractual consequences of the deferments, restructuring negotiations and notices issued by the Applicant. As held by the Hon'ble Supreme Court in *Innoventive Industries Ltd*. and *M. Suresh Kumar Reddy*, the enquiry under Section 7 remains confined to the existence of a financial debt and occurrence of default. Therefore, the pendency of civil proceedings or the existence of contractual disputes cannot, by themselves, constitute a ground to refuse admission once the statutory requirements of the IBC stand satisfied. Moreover, the respondent has failed to produce before us any order from the Hon’ble Delhi High Court restraining this Tribunal from proceeding further in the present application. Thus, in our view, there is no legal impediment to continue with the present application.

13.18 Reliance was also placed by the CD upon *Vidarbha Industries Power Ltd. v. Axis Bank Ltd.*, (2022) 8 SCC 352. However, *Vidarbha Industries* was decided in exceptional circumstances where the corporate debtor possessed an accrued and enforceable regulatory entitlement capable of satisfying the financial debt, a situation which does not arise in the present case. As already discussed, the material on record establishes only that the parties engaged in restructuring negotiations while the Debenture Holders simultaneously reserved their contractual rights. No binding modification of the DTDs or express waiver of the repayment obligations has been established. The contractual defences raised by the CD, therefore, do not displace the material establishing the existence of debt and payment default for the limited purposes of Section 7 of the IBC. We, therefore, hold that reliance by the CD on *Vidarbha* Judgement is totally misplaced.

13.19 The CD has further sought dismissal of the Company Petition through I.A. (IBC) No. 2408(MB)2026 under Section 65 of the IBC, alleging that the insolvency proceedings have been initiated fraudulently and with malicious intent in view of the deferments granted, the restructuring discussions, the alleged invalidity of the contractual notices and the pendency of the Commercial Suit. This contention is equally devoid of merit. Section 65 is attracted only where proceedings are initiated fraudulently or for a purpose other than insolvency resolution, and the burden of establishing such circumstances lies upon the applicant invoking the provision. In the present case, the Applicant has placed on record the DTDs, transaction documents, deferment communications, Default Notices, Recall Notice and other contemporaneous material in support of the financial debt and the alleged defaults. The issues raised by the CD substantially overlap with the contractual defences already considered hereinabove and do not, by themselves, establish fraud, *mala fides* or abuse of the insolvency process. Mere pendency of restructuring discussions or parallel civil proceedings cannot render recourse to Section 7 malicious once the Applicant asserts debt and default based on documentary evidence. Consequently, I.A. 2408 of 2026 does not merit acceptance and is liable to be dismissed.

13.20 From the foregoing discussion, certain facts emerge beyond dispute. The execution of the DTDs and other transaction documents, the subscription of the secured NCDs and OCDs by the Debenture Holders, the disbursal of an aggregate sum of Rs.260 Crores to the CD and the existence of a financial debt within the meaning of Section 5(8) of the IBC stand admitted. The principal defence of the CD rests upon the deferments granted by the Debenture Holders, the restructuring negotiations, the alleged invalidity of the contractual notices and the pendency of the Commercial Suit. However, the material on record establishes that the deferments merely postponed the repayment obligations till 27.02.2026 without extinguishing or substituting them, while the restructuring discussions admittedly never culminated in a concluded agreement modifying the DTDs or restricting the Applicant from enforcing its contractual remedies. Upon expiry of the final deferment, the coupon and principal amounts became payable, and the continued non-payment constituted a payment-related Event of Default, which forms the principal basis of the Recall Notice dated 06.03.2026. The objections founded upon Clause 6.1(b) concern only certain categories of non-payment defaults and do not displace the independent payment default reflected in the Recall Notice. Likewise, the contractual disputes pending before the Hon'ble High Court do not alter the limited jurisdiction exercised by this Adjudicating Authority under Section 7 of the IBC.

13.21 This Adjudicating Authority is equally unable to accept the contention that the contractual disputes raised by the CD or the pendency of parallel proceedings constitute a bar to admission of the present Petition. The scope of enquiry under Section 7 is limited to ascertaining whether a financial debt exists and whether a default has occurred; it does not extend to a final adjudication of disputed contractual rights or claims in the nature of a civil suit. The findings recorded herein are, therefore, confined solely to determining whether the jurisdictional requirements prescribed under the IBC stand satisfied and shall not be construed as a final adjudication upon the parties' contractual rights, liabilities or claims arising under the DTDs or the other transaction documents, all of which shall remain open for consideration before the competent forum, if otherwise maintainable.

13.22 It is a settled principle under IBC that while exercising jurisdiction under Section 7 of the IBC, the Adjudicating Authority is required to examine the transaction as a whole and not by reading isolated clauses or individual communications divorced from their commercial context. The DTDs, deferment letters, restructuring correspondence, Default Notices and Recall Notice constitute one continuous chain of events and must therefore receive a harmonious construction consistent with the commercial intent of the parties.

13.23 Hon'ble Supreme Court in Civil Appeal No(s). 2211/2024 decided on 18.02.2026 in the matter of ***Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan, IRP of Hiranmaye Energy Ltd. and Ors***., while examining the validity of the admission of the Corporate Debtor to CIRP has laid down as under :-

> ***"B. Validity of CIRP Admission***
>
> *28. The other aspect on which the Appellant has heavily relied is the acceptance of various sums of money paid by the Corporate Debtor purportedly under the 1st and 2nd restructuring proposals, which according to them amounts to deemed approval of such proposal. As discussed earlier, such argument flies in the face of the fact that the 2nd Respondent had resolutely maintained and rightly so, that the restructuring proposals were underpinned on pre-implementation conditions which the Corporate Debtor had failed to fulfil. Under such circumstances,*

receipt of various sums of money would not amount to acceptance of the restructuring proposals, thereby novating the earlier loan agreement. Neither would such part payments constitute full satisfaction of the existing debt so as to render the Section 7 application inadmissible.

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

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

32. In light of such classification, the Code makes a distinction in the manner in which an insolvency process may be initiated by a financial creditor under Section 7, IBC in contradistinction to an operational creditor under Section 8 and 9, IBC. Unlike an operational creditor, a financial creditor may trigger an insolvency process under Section 7 in respect of default of any financial debt, whether owed to itself or to any other financial creditor. While the financial creditor may directly file an application under Section 7 setting out the particulars of the financial debt and evidence of default, the operational creditor, on the occurrence of a default, is to first deliver a demand notice of the unpaid debt to a corporate debtor and the latter may within 10 days of receipt of such demand notice bring to the notice of the operational creditor the existence of a dispute or record the pendency of a pre-existing suit or arbitration proceeding in respect of such debt. Once a corporate debtor demonstrates a dispute regarding the existence of the debt, the insolvency process stands aborted vis-à-vis the *operational creditor. But when the financial creditor initiates the insolvency process for the purposes of admission, the Adjudicating Authority is only to ascertain the existence of a default from the records of the information utility or the evidence furnished by the financial creditor within fourteen days from the receipt of such application. At this stage, neither is a corporate debtor entitled nor is the Adjudicating Authority required to examine any dispute regarding the existence of such debt. This significantly reduces the scope of enquiry at the stage of a time-bound admission of an insolvency process by a financial creditor which has been succinctly summed up in Innoventive (supra):*

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

33. Reiterating the ratio in Innoventive (supra), this Court in ES Krishnamurthy v. Bharath Hi-Tech Builders (P) Ltd. [(2021) ibclaw.in 173 SC]32 held as follows: "34. The adjudicating authority has clearly acted outside the terms of its jurisdiction under Section 7(5) IBC. The adjudicating authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the adjudicating authority must then either admit or reject an application, respectively. These are the only two courses of action which are open to the adjudicating authority in accordance with Section 7(5). The adjudicating authority cannot compel a party to the proceedings before it to settle a dispute."

34. In a similar vein, the Adjudicating Authority is not required to go into the inability of a corporate debtor to pay its debt. This is a clear departure from the scheme of winding up envisaged under Section 433(e) of the *erstwhile Companies Act, 1956 which required the Adjudicating Authority to come to a finding with regard to the inability of the company to pay the debt and thereby arrive at a requisite satisfaction whether it is just and equitable to wind up the company.*

<u>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.</u> 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)

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

a. The Code prescribes that 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.

13.25 Applying the ratio of Power Trust (*supra*), we are of the view that the Application is complete in all respects; the Applicant has advanced a financial debt which is in default for an amount exceeding Rs. 1 Crore. The Applicant has placed necessary proof, being a record of default issued by the information utility which clearly indicates that the debt is in default. It is noted that the Respondent/Corporate Debtor has not denied the disbursement and default.

13.26 Upon an overall consideration of the pleadings, transaction documents and contemporaneous correspondence, we are satisfied that the Applicant 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 3(12) prior to institution of the present proceedings. Although the CD has raised several defences founded upon the interpretation of the DTDs, the effect of the deferments, restructuring discussions, contractual notices and related proceedings before the Hon'ble High Court, those contentions, in the facts of the present case, do not eclipse the documentary evidence establishing the financial debt and the payment-related default. Equally, no material has been placed on record to establish that the present proceedings have been initiated fraudulently or with malicious intent so as to attract

Section 65 of the IBC. Consequently, **I.A. 2408 of 2026** is liable to be **dismissed**.

13.27 For all the aforesaid reasons, none of the objections raised by the CD constitute a legal impediment to the admission of the present Petition under Section 7 of the IBC.

13.28 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, being C.P. (IB) 411/MB/2026, filed under Section 7 of IBC, 2016, by Catalyst Trusteeship Limited, the OC, for initiating CIRP in respect of Infiiloom India Private Limited, the CD, is **admitted** and I.A. 2408/2026 filed by the CD is hereby **dismissed.**

We further declare a moratorium under Section 14 of the 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 CD 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 CD 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 CD in respect of its property, including any action under the Securitisation 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 CD.

II. That the supply of essential goods or services to the CD, 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 CD 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.

V. That this Bench hereby appoints **Mr. Pulkit Gupta**, having Registration No. as IBBI/IPA-001/IP-P-02364/2021-2022/13697 and **e-mail pulkit.gupta@in.ey.com**, having valid Authorisation for Assignment up to 30.06.2027, from the panel as provided by the IBBI, as the IRP in this matter.

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 CD 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 CD are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the CD. Coercive steps will follow against them under the provisions of the IBC read with Rule 11 of the NCLT Rules, 2016 for any violation of the law.

VIII. That the IRP/IP shall submit to this Tribunal periodical reports with regard to the progress of the CIRP in respect of the CD.

IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the OC 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 OC 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. Order to be communicated to all the Statutory Authorities by the IRP.

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 OC, the CD 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//