



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **14.10.2025** THROUGH VIDEO CONFERENCING

PRESENT: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER :
PETITION NUMBER : CP(IB)/25/CHE/2025
NAME OF THE PETITIONER(S) : Canara Bank
NAME OF THE RESPONDENTS : Ushdev Windpark Pvt Ltd
UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

ORDER

Present: Ld. Counsel Shri. V. Manivannan for the Petitioner.

None for the Respondent.

Vide separate order pronounced in Open Court, petition is admitted. CIRP is initiated against the Corporate Debtor under Section 7 of IBC. Shri. Rajendran Shanmugam is appointed as the IRP.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Date: 14.10.2025

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – I, CHENNAI**

CP(IB)/25(CHE)/2025

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

In the matter of Ushdev Windpark Private Limited

Canara Bank,

Represented by its Senior Manager,
150, Habibullah Road,
T Nagar,
Chennai 600017

...Applicant

Vs

Ushdev Windpark Private Limited,

CIN: U40300TN2012PTC088608

Shop No A9, First Floor, Old No.18
Parsn Commercial Complex,
No.600 , Mount Road
Chennai-600006.

...Respondent

Order pronounced on 14th October, 2025

CORAM :

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For CanaraBank :

For Ushdev Windpark Private Limited :

Counsel Shri. M.S.Viswanathan

*Ld Counsel Shri. Vishnu Mohan with
Shri. K.Sanjay*

ORDER

(Heard Through Hybrid Mode)

CP(IB)/25(CHE)/2025

In the matter of Ushdev Windpark Private Limited

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1. This petition **CP(IB)/25(CHE)/2025** has been filed by Canara Bank, the financial creditor on 13.01.2025 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “the AAA Rules”) through Mr. A. Venkuidajalam , Senior Manager for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) in respect of Ushdev Windpark Private Limited, the Corporate Debtor (CD).

2. The petitioner is a banking company which sanctioned the loan to the Corporate Debtor through its branch office situated in Chennai. Corporate Debtor a private limited company having registered office at Chennai was incorporated in 2012. It is stated that the Corporate Debtor was engaged in the business of generating and promoting electrical power by conventional and non- conventional methods.

3. It is stated that Corporate Debtor was sanctioned a term loan facility of Rs.62.80 crores and Overdraft Bill Discounting limit of Rs. 2 crore on 24.10.2013. It is stated that term loan was disbursed on 14.08.2014 and 26.08.2014. Overdraft limit though sanctioned was not availed.

4. In Part III of the Petition, Petitioner has recommended the name of Shri. S.Rajendran, Registration No:IBBI/IPA-002/IP N00098/2017-18/10241 as Interim Resolution Professional. Written consent is also obtained.

5. As per Part IV of the petition, date of NPA is 30.05.2024 and the outstanding as on 01.11.2024 was Rs.40,36,64,542/- (Rs. Forty crores , thirty six



lakhs, sixty four thousand, five hundred and forty two only). Date of Default is mentioned as 30.05.2024.

6. The petitioner relies on following documents to prove the debt and default:

- i) Sanction Memorandum dated 24.10.2023.
- ii) Term Loan Agreement dated 01.07.2014.
- iii) Promissory Note dated 01.07.2024 for Rs.64.80 crore
- iv) Corporate Guarantee Agreement dated 01.07.2014 signed by Ushdev Power Holdings Private Limited.
- v) Personal Guarantee Agreement dated 01.07.2014 signed by Shri. Prateek Gupta.
- vi) Acknowledgement of Debt and Security by Corporate Debtor Ushdev Windpark Private Limited dated 25.05.2017, 19.05.2020 and 12.05.2022.
- vii) SARFAESI Demand notice dated 31.05.2024 issued by Canara Bank.
- viii) **Record of Default** in Form D issued by NeSL showing date of default as 01.03.2024 with status "AUTHENTICATED".

SUBMISSIONS OF CORPORATE DEBTOR

7. It is stated that the total project cost to setup the wind farm at Karnataka was about Rs. 75.50 crores. Accordingly, the Corporate Debtor availed the loan facility for a sum of Rs. 62.80 crores and the balance of about Rs. 12.70 crores was infused by the promoters into the project. It is stated that the Corporate Debtor paid interest of Rs. 71.66 crores, apart from principal repayment of Rs. 27.86 crores. For the loan amount of Rs. 62.80 crores, the petitioner recovered the entire amount along with the prescribed interest, in all totalling to about Rs.



100 crores. It is clear from the above, the petitioner has inflated the claim merely to harass the respondent.

8. It is stated that when there was a shortfall in the project loan to cover the costs of setting up the project, the Promoters infused further money of about Rs. 20.25 crores to ensure that the project is successfully completed and is able to generate revenue, both for the company and to service its loan obligations.

9. It is stated that the Corporate Debtor had also taken further efforts such as depositing a sum of Rs. 1 crore on or before dated 30.03.2024 to avoid declaration of NPA as per the instructions of the petitioner. Despite the above mentioned actions such as making of prompt payments, clearing of overdue balance etc. the bank made this vexatious and frivolous claim by manipulating the records.

10. It is stated that the Corporate Debtor had constantly taken efforts, however, the petitioner / FC ignored all these facts and made a false and frivolous claim before the Tribunal which is time barred and untenable on merits as well. For example, the respondent requested the petitioner bank on 04.04.2024 to honor the RTGS to various vendors with details, so that operation of the respondent would not get hampered, the petitioner failed to honor the payments, leaving the respondent in the lurch and at the risk of jeopardising the project and all revenues from the same.

11. It is stated that while these actions, which were partly attributable to the petitioner itself, affected the respondent's revenue and resulted in the company suffering severe losses, the promoters tried to intervene and agreed to infuse funds for its survival and also sought restructuring of the loan facility in order



to ensure that the company would be able to operate and generate revenue to service its financial obligations. The petitioner bank once again refused to consider the requests made by the respondent, and instead resorted to take action under the SARFAESI Act. Further, even before the respondent could reach out to the petitioner bank and sort out the issues, the petitioner resorted to filing of the present petition under IBC.

12. It is submitted that the basis of a petition under Section 7 of the I&B Code, 2016 is the existence of debt & default. It is stated that the expression "default" has been defined in Section 3(12) to mean non-payment of "debt" when whole or any part or instalment of the amount of debt has become due and payable and is not paid by the debtor or the corporate debtor, as the case may be. However, in the present case, the applicant has not only provided any record or statement to establish the actual date of default. It has even failed to aver or plead when the actual default took place. The petitioner had merely set out the date of NPA as the date of default mechanically, which would render the present application liable to be rejected for failure of any 'default' being established by the Petitioner.

13. It is stated that the Petitioner has not shown enough material to establish 'default' or "date of default" as mandated by law and various judicial pronouncements. The respondent submits that even where the corporate debtor purportedly admitted or acknowledged the liability, the same had to be before the expiry of three years from the actual date of default. In the present case, the petitioner has failed to show that the alleged 'claim' and/or "default" is within the period of limitation.



14. It is stated that Hon'ble Supreme Court in the case of **Asset Reconstruction Company (India) Limited vs. Bishal Jaiswal and Another (2021) 6 SCC 366**, has categorically held that Section 7 of the IBC comes into play when the corporate debtor commits "default" and the said provision consciously uses the expression "default" and not the date of notifying the loan account as NPA. Therefore, any action taken by the petitioner which is contrary to the above provision of law is untenable in nature. The petitioner has failed to show that the alleged "default" is within the period of limitation and hence, the instant petition is liable to be rejected.

SUBMISSIONS BY PETITIONER INCLUDING THE REJOINER

15. Petitioner on a query by the tribunal on 05.08.2025 gave clarifications vide a memo no SR 3459 dated 20.08.2025 by providing a table of the payments received from Corporate Debtor from the year 2018 onwards. The table contains 147 credit entries / repayments starting from 25.01.2018 to 05.08.2024. This proves that there were continuous repayments till 2024 and the petition filed is within the limitation period.

16. It is stated that the amount due as on the NPA date i.e., 30.05.2024 is Rs. 38,16,09,917.62/- as reflected in the demand notice under Section 13(2) of the SARFAESI Act dated 31.05.2024. The petitioner has claimed Rs. 40,36,64,542/- as on 01.11.2024, which includes interest accrued as per banking norms. As per RBI Master Circular RBI/2021-22/123 dated 01.10.2021, banks are permitted to charge unapplied interest post-NPA for computing total dues, although such interest is not recognized as income.



17. While the respondent is not wrong in stating that Schedule B of the term loan agreement refers to the repayment of the principal amount alone, it is erroneous to ignore the interest obligation. As per Clause 2 of the loan agreement, the borrower is liable to pay interest at a floating rate of 13.5% per annum. The borrower failed to adhere to the repayment schedule, which led to the account being classified as NPA and the consequent SARFAESI action. That the NPA classification was based on the conduct of the account and in compliance with applicable norms.

18. The petitioner initially identified the default by marking the account as Special Mention Account (SMA) as of 01.03.2024. The account was subsequently declared as NPA on 30.05.2024 in accordance with the 90-day norm under RBI and BASEL Norms. Accordingly, the default date is correctly recorded in the NeSL portal (Utility Information Record) as 01.03.2024. This demonstrates that the Petitioner has relied not only on the SARFAESI Act but also on statutory records maintained under the IBC framework. The demand notice dated 28.11.2024 specifies the debt amount due as on 01.11.2024, which represents the total outstanding recoverable as on that date. The default date is correctly mentioned as 30.05.2024 (i.e., the NPA date). There is no contradiction in these two dates and the Respondent is deliberately creating a facade of non compliance by the Applicant, before this Tribunal without any factual basis, the demand notice reflects recoverable dues post-NPA.

19. It is clarified that the total disbursed amount of Rs.62.80 Crore pertains to wind energy projects across Karnataka, Maharashtra, and Rajasthan. Separate mortgage deeds were executed. As on 01.11.2024, the respondent paid



only Rs.98.05 Crore against an outstanding of Rs.138.42 Crore, inclusive of principal and interest.

20. The Hon'ble Supreme Court in the case of **China Development Bank v. Doha Bank QPSC and Ors [Civil Appeal No 7407 of 2022 , Civil Appeal No 7615 of 2022 , Civil Appeal No 7328 of 2022 and Civil Appeal No 7434 of 2023]** emphasized that the Adjudicating Authority's role under Section 7 is limited to verifying the existence of debt and default. The Court held that once debt and default are established on a prima facie basis, the petitioner must be admitted without delving into the merits of the claim. This judgment reinforces that the Tribunal is not to act as a civil court at the admission stage.

21. Similarly Hon'ble Supreme Court in **M. Suresh Kumar Reddy v. Canara Bank [Civil Appeal No 7121 of 2022]** clarified that the Tribunal cannot reject a Section 7 petition on technical grounds or on the basis of disputed facts. It reiterated that the IBC's objective is to expedite the resolution process and that admission is mandatory where there is evidence of default and outstanding debt.

ANALYSIS

22. We heard the counsels for the parties and perused the records.

23. The financial creditor has provided documentary evidence in the form of Sanction Memorandum dated 24.10.2013, Term Loan Agreement dated 01.07.2014, Promissory Note dated 01.07.2024 for Rs.64.80 crore, Corporate Guarantee Agreement dated 01.07.2014 signed by Ushdev Power Holdings Private Limited, Personal Guarantee Agreement dated 01.07.2014 signed by



Shri. Prateek Gupta, Acknowledgement of Debt and Security by Corporate Debtor Ushdev Windpark Private Limited dated 25.05.2017, 19.05.2020 and 12.05.2022 and SARFAESI Demand notice dated 31.05.2024 issued by Canara Bank. From the above documents debt and default are proved. The debt falls within the definition of financial debt.

24. Corporate Debtor has claimed that it has paid much more than the principal and interest amount due but has not provided any statement to prove to that effect. However, petitioner has provided the Acknowledgements of debt, SARFAESI Notice etc., to prove debt and default which have not been denied by the Corporate Debtor. Further, explanation given by Canara Bank regarding the date of default and date of NPA being interchangeably used is acceptable.

FINDINGS

25. In view of the facts stated supra and also in view of the fact the 'financial debt' is proved by the Financial Creditor and the 'default' having been committed by the Corporate Debtor, this Tribunal admits the petition and initiates the Corporate Insolvency Resolution Process in relation to the Corporate Debtor viz., Ushdev Windpark Private Limited.

26. The petitioner in Part III of Form I has proposed the name of IRP as **Mr. Rajendran Shanmugam**, a registered Insolvency Professional having Registration Number **IBBI/IPA-002/IP- N00098/2017-2018/10241** and e-mail address **cs.srajendran.associates@gmail.com**. He has also consented for the same.



ORDER

27. In view of the aforesaid findings, the Petition bearing **C.P.(IB) No.25/CHE/2025** filed under Section 7 of the Code by Canara Bank by the Petitioner, for initiating CIRP in respect of **Ushdev Windpark Private Limited**, the Corporate Debtor is admitted.

28. As a consequence of the Petition being admitted in terms of Section 7 of the Code, **moratorium as envisaged under provisions of Section 14(1)** and as extracted hereunder shall follow in relation to the Corporate Debtor:

a. The institution of suits or continuation of pending suits or proceedings against the respondent including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

b. Transferring, encumbering, alienating or disposing of by the respondent 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 respondent in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

d. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the respondent.

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the



time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

29. However, during the pendency of moratorium period in terms of Section 14(2) and 14(3) as extracted hereunder;

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

b) a surety in a contract of guarantee to a corporate debtor.

30. The duration of period of moratorium shall be as provided in section 14(4) of the code which is reproduced below for ready reference:



14(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

31. The IRP is directed to take charge of the Corporate Debtor's management immediately. The IRP is also directed to cause public announcement as prescribed under Section 15 of the IBC, 2016 within three days from the date the copy of this Order is received, and call for submissions of claim by the creditors in the manner as prescribed under Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

32. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15, 17, 18 of the IBC, 2016 and file his report within 30 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

33. The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code. The Directors of the Corporate Debtor, its Promoters or any person associated with the management of the Corporate Debtor are/is directed to extend all assistance and cooperation to the IRP as stipulated under Section 19



of IBC, 2016 for the purpose of discharging his functions under Section 20 of IBC, 2016.

34. The IRP shall take custody of the records of information relating to the assets, finances and operations of the Corporate Debtor referred in clause (a) of section 18 and such other information required under regulation 36 and also the assets recorded in the balance sheet of the Corporate Debtor or in any other records referred in clause (f) of section 18 of IBC, 2016 and the personnel of the Corporate Debtor, its promoters or any other person associated with the management of the Corporate Debtor shall provide to the IRP, the list of assets in terms of Regulation 3A of the IBBI (Insolvency Resolution Process of Corporate Persons) Regulations, 2016.

35. The IRP shall conduct the Corporate Insolvency Resolution Process in respect of the Corporate Debtor as stipulated under Chapter VIII of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

36. This Tribunal appoints **Mr. Rajendran Shanmugam**, a registered Insolvency Professional having Registration Number **IBBI / IPA-002 / IP-N00098 / 2017-2018 /10241** and e-mail address *cs.srajendran.associates@gmail.com* having valid Authorisation for Assignment up to 31.12.2025, as the Interim Resolution Professional to carry out the functions under the Code.

37. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.

38. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or



Section 25, as the case may be, of the Code. The officers and managers of the Corporate Debtor, the Corporate Debtor are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP within a period of one week from the date of receipt of this Order and shall not commit any offence punishable under Chapter VII of Part II of the Code.

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

40. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Applicant is directed to deposit a sum of **Rs.3,00,000/- (Rupees Three Lakh)** 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 Applicant on priority upon the funds 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.

41. The Registry is directed to immediately communicate this Order to the Applicant, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp. A copy of this Order be sent to the Registrar of Companies, Tamilnadu, Chennai for updating the Master Data of the Corporate Debtor by the IRP.

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



43. Accordingly **CP(IB)/25(CHE)/2025** stands **admitted**.

-Sd-

**VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)**

-Sd-

**SANJIV JAIN
MEMBER (JUDICIAL)**