



IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI COURT-III

IB – 257(ND)/2025

Order 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:

M/s. ASSETS CARE & RECONSTRUCTION ENTERPRISE LIMITED

(Acting In Its Capacity as Trustee of Acre - 110 - Trust)

Having Its Registered Office at:

14th Floor, Eros Corporate Tower,
Nehru Place, New Delhi - 110019

... APPLICANT/ FINANCIAL CREDITOR

VERSUS

M/s. JUST ABOUT MOVIES PRIVATE LIMITED

Having Its Registered Office at:

Flat No. - 502, 502-A,
5th Floor, 23 Barakhamba Road,
Narain Manzil, New Delhi – 110001

... RESPONDENT/ CORPORATE DEBTOR

Order Pronounced On: 25.11.2025

CORAM:

**SHRI BACHU VENKAT BALARAM DAS,
HON'BLE MEMBER (JUDICIAL)**

**DR. SANJEEV RANJAN,
HON'BLE MEMBER (TECHNICAL)**

APPEARANCES:

For the Applicant : Mr. Sumesh Dhawan, Mr. Abhirup Das Gupta,
Mr. Ishaan Duggal, Ms. Ruchi Goyal, Mr. Shaurya
Shyam, Ms. Kavya Tekriwal, Advs.

For the Respondent : Mr. Abhishek Anand, Mr. Karan Kohli, Ms. Aanya
Gupta Advs.



ORDER

PER: BACHU VENKAT BALARAM DAS, MEMBER (JUDICIAL)

1. The present Application has been filed by Assets Care & Reconstruction Enterprise Limited, the Financial Creditor before this Adjudicating Authority, under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“IBC” or “Code”) r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, (“Adjudicating Authority Rules”), for initiating the Corporate Insolvency Resolution Process (“CIRP”), declaring moratorium and for appointment of Interim Resolution Professional (“IRP”), against M/s. Just About Movies Private Limited, the Corporate Debtor herein for an alleged default of Rs. 250,00,00,000/- (Rupees Two Hundred and Fifty Crores Only).

SUBMISSIONS OF THE APPLICANT:

2. The case of the Applicant/Financial Creditor as stated in Part IV of the present application is as under:

PARTICULARS OF FINANCIAL DEBT		
1.	TOTAL AMOUNT OF DEBT GRANTED AND DATE(S) OF DISBURSEMENT	<u>Total amount of debt granted to the Corporate Debtor:</u> INR 250,00,00,000/- (Indian Rupees Two Hundred and Fifty Crores Only) <u>Particulars:</u> (i) That in or around March, 2019, Just About Movies Pvt Ltd (“ Corporate Debtor/ JAMPL ”) approached IIFL Finance Limited (“ IIFL ”) for availing financial assistance. (ii) Pursuant to discussions, IIFL



		<p>sanctioned a loan facility of INR 250,00,00,000/- (Indian Rupees Two Hundred and Fifty Crores Only) in favour of the Corporate Debtor for acquisition, construction and development of a project situated at Plot No. C, Community Centre, Anand Vihar, New Delhi - 110092 and a Term Sheet dated 25.03.2019 ("Term Sheet") was duly executed between the Corporate Debtor and IIFL.</p> <p>(iii) The Term Sheet executed by the Corporate Debtor provided that the borrower shall issue and the lender i.e. IIFL shall subscribe to 25,000 unlisted and unrated non-convertible debentures with an issue price of INR 1,00,000/- (Indian Rupees One Lakh Only) each.</p> <p>(iv) In furtherance of the Term Sheet, IDBI Trusteeship Services Limited ("Debenture Trustee/ IDBI") was appointed as the Debenture Trustee to act for and on behalf of IIFL and a Debenture Trust Deed dated 27.03.2019 ("Debenture Trust Deed") was executed between the Corporate Debtor (as the issuer), IDBI (as the</p>
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		<p>Debenture Trustee) and Shipra Estate Ltd (as the Promoter) (“Shipra Estate/ Corporate Guarantor”).</p> <p>(v) Both, the Debenture Trust Deed as well as the Term Sheet provided for an interest rate of 14% per annum on the financial assistance availed by the Corporate Debtor, which shall be compounded and payable on quarterly basis on the last date of each financial quarter. Further, as per Schedule III of the Debenture Trust Deed and the Term Sheet i.e. Financial Covenants and Conditions, it was agreed that there shall be a moratorium of 24 months on payment of interest instalment and the first interest payment date was to fall due on the 27th month from the date of first disbursement.</p> <p>(vi) The tenure of debentures was agreed to be 60 months from the closing date and in case of any delay in making payments in connection with the debentures and for breach of terms and conditions of the debentures, an additional default interest rate of</p>
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		<p>22% per annum, over and above the already applicable rate of interest was payable by the Corporate Debtor.</p> <p>(vii) On 27.03.2019, a letter was issued by the Corporate Debtor certifying that it has complied with the pre-disbursement conditions set under the Debenture Trust Deed.</p> <p>(viii) On 27.03.2019, by way of a Board Resolution, the Corporate Debtor duly confirmed the receipt of the subscription monies.</p> <p>(ix) In view of Clause 13 of the Debenture Trust Deed, an Escrow Agreement dated 27.03.2019 was also executed between the Corporate Debtor, IDBI and the HDFC Bank Ltd. (as escrow agent) whereunder <i>inter-alia</i> it was agreed that all receivables in respect of the Project shall be deposited in the escrow account and shall be utilised by the escrow agent to make payments of the redemption amount of Debentures.</p>
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<u>Dates of disbursement to the Corporate Debtor:</u>		
S. No.	Date	Amount Disbursed
1.	30.03.2019	INR 1,65,00,00,00 0/-
2.	28.06.2019	INR 10,50,00,000 /-
3.	25.07.2019	INR 1,00,00,000/-
4.	04.08.2019	INR 1,50,00,000/-
5.	04.09.2019	INR 5,00,00,000/-
6.	03.10.2019	INR 5,00,00,000/-
7.	01.11.2019	INR 8,00,00,000/-
8.	24.12.2019	INR 21,10,00,000 /-
9.	27.12.2019	INR 2,20,00,000/-
10.	07.01.2020	INR 2,00,00,000/-
11.	13.01.2020	INR 3,00,00,000/-
12.	16.06.2020	INR 50,00,000/-
13.	22.10.2020	INR 4,00,00,000/-
14.	03.03.2021	INR 11,00,000/-
15.	12.05.2021	INR 22,00,000/-
Total Amount Disbursed		INR 229,13,00,0 00/-



	<p>(x) That as per the terms and conditions of the Term Sheet read with the Debenture Trust Deed, the Corporate Debtor was required to make repayments towards the facilities on the due dates, without any delay, demur or objections. However, pursuant to the above disbursement by IIFL, the Corporate Debtor failed to comply with its obligations in accordance with the Debenture Trust Deed read with the Term Sheet and defaulted in payment of a sum of INR 59,93,68,537/- (Indian Rupees Fifty Nine Crores Ninety Three Lakhs Sixty Eight Thousand Five Hundred and Thirty Seven Only) due towards an interest instalment on 01.07.2021, thereby leading to an event of first default in terms of clause 23.1.1. of the Debenture Trust Deed by the Corporate Debtor.</p> <p>(xi) Notably, the factum of availing financial assistance from IIFL has been expressly admitted by the Corporate Debtor in its audited balance sheets as on 31.03.2021.</p> <p>(xii) Subsequently, vide Assignment Agreement dated 28.06.2022</p>
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		<p>executed by and between IIFL and ACRE i.e. the Financial Creditor herein, all rights, interests, benefits and guarantees arising in relation to the financial debt in subject matter were assigned by IIFL to ACRE.</p> <p>(xiii) As per the provisions of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and the covenants of the Assignment Agreement, Asset Care & Reconstruction Enterprise, acting in its capacity as trustee of ACRE – 110 - Trust is deemed to be a financial creditor of the Corporate Debtor.</p>
2.	AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED (ATTACH THE WORKINGS FOR COMPUTATION OF AMOUNT AND DAYS OF DEFAULT IN TABULAR FORM)	<u>Amount claimed to be in default:</u> The total amount payable by the Corporate Debtor to ACRE as on 15.02.2025 is INR 713,14,84,513.39/- (Indian Rupees Seven Hundred and Thirteen Crores Fourteen Lakhs Eighty Four Thousand and Five Hundred and Thirteen Rupees and Thirty Nine Paise Only) (including interest at the rate of 14% p.a. along with 22% additional rate of interest.)



		<p><u>Particulars:</u></p> <p>(i) As stated above, pursuant to the above disbursement by IIFL, the Corporate Debtor failed to comply with its obligations in accordance with the Debenture Trust Deed read with the Term Sheet and defaulted in payment of a sum of INR 59,93,68,537/- (Indian Rupees Fifty Nine Crores Ninety Three Lakhs Sixty Eight Thousand and Five Hundred and Thirty Seven Only) due towards an interest instalment on 01.07.2021, thereby leading to an event of first default in terms of clause 23.1.1. of the Debenture Trust Deed by the Corporate Debtor.</p> <p>(ii) Subsequently, on 31.07.2021, in clear admission of its dues, the Corporate Debtor made payment of a sum of INR 8,23,94,000/- (Indian Rupees Eight Crores Twenty-Three Lakhs Ninety-Four Thousand Only) in favour of IIFL, as reflected in the statement of account of IIFL.</p> <p>(iii) As a consequence of default on the part of the Corporate Debtor, IDBI (acting under instructions and for the benefit of IIFL), issued a Loan Recall Notice dated</p>
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		<p>02.08.2021 (“Loan Recall Notice”) to the Corporate Debtor (as the principal borrower), Shipra Estate (as Corporate Guarantor under the Debenture Trust Deed) and Mr Mohit Singh (as Personal Guarantor under the Debenture Trust Deed). By way of the said loan recall notice, the noticees, including the Corporate Debtor were called upon to immediately repay (along with interest and other charges) all amounts disbursed under the Debenture Trust Deed and the Term Sheet.</p> <p>(iv) Separately, on 02.08.2021, IDBI issued a notice to Shipra Estate, (“Invocation Notice”) specifically invoking the Corporate Guarantee extended. The said Invocation Notice was issued by IDBI under Clause 23 of the Corporate Guarantee executed by Shipra Estate in favour of the Applicant.</p> <p>(v) However, Shipra Estate also failed to honour its Corporate Guarantee, by virtue of which (Clause 1.1.1 of the Corporate Guarantee), it was liable to comply with the demand made by IDBI within 1 (one) day from the</p>
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		<p>receipt of the Invocation Notice.</p> <p>(vi) Notably, on 14.10.2021, after issuance of the Loan Recall Notice and the invocation of guarantee, Shipra Estate (through its director and promoter), Mr. Mohit Singh, assured IIFL that all outstanding dues shall be cleared.</p> <p>(vii) Since the Corporate Debtor failed to repay its dues under the Debenture Trust Deed and the Term Sheet even till April 2022, by way of one final opportunity, IDBI Trusteeship, under instructions from and on behalf of IIFL, issued a demand notice dated 28.04.2022 (“Demand Notice”) to Shipra Estate demanding immediate payment of INR3,22,28,48,450/- (Indian Rupees Three Hundred and Twenty-Two Crores Twenty Eight Lakhs Forty Eight Thousand Four Hundred and Fifty Rupees Only) due and payable to IIFL.</p> <p>(viii) In the above stated Demand Notice, it was clearly mentioned that the Financial Creditor shall be constrained to take recourse to legal action against Shipra</p>
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		<p>Estate and other obligors under the Debenture Trust Deed by initiating proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016. However, neither the Corporate Debtor nor Shipra Estate discharged their dues to IIFL, for whose benefit, all the aforesaid communication was issued.</p> <p>(ix) IDBI Trusteeship (for and on behalf of IIFL) issued a notice under Section 13(2) of the SARFAESI Act, 2002 (“SARFAESI Act”) to the Corporate Debtor as well as Shipra Estate. Notably, neither the Corporate Debtor nor Shipra Estate or Mr. Mohit Singh, raised any objection in respect of the said notice issued under Section 13(2) of the SARFAESI Act.</p> <p>(x) On 30.08.2022, IDBI Trusteeship issued Possession Notice under Section 13(4) of the SARFAESI Act, which was duly acknowledged by Mr. Amit Walia on behalf of the Corporate Debtor.</p> <p>(xi) Notably, the Corporate Debtor acknowledged its liability in relation to the loan facility availed from IIFL on 30.08.2022 from its</p>
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		<p>official email ID as per the MCA.</p> <p><u>Date of Default:</u> The first default by the Corporate Debtor occurred on 01.07.2021 in terms of Clause 23.1.1 of the Debenture Trust Deed whereby, the Corporate Debtor defaulted in payment of a sum of INR 59,93,68,537/- due towards an interest instalment.</p> <p>Thereafter, the Corporate Debtor made part payment of INR 8,23,94,000/- and issued emails dated 17.05.2022 and 30.08.2022 for settlement of dues of IIFL, thereby, acknowledged the debt due and payable by it to IIFL.</p> <p>Further, the Corporate Debtor has also issued a settlement proposal dated 22.03.2024, offering to pay a sum of INR 110 Crores to the Applicant herein and the same constitutes clear admission and acknowledgment of dues owed by the Corporate Debtor to the Applicant, above the threshold of INR 1 Crore.</p> <p>Notably, the period of Limitation as per the Limitation Act, 1963 would have expired within 3 years from the date of default i.e. 01.07.2021. However, in view of the</p>
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		acknowledgements made by the Corporate Debtor on 17.05.2022 and 30.08.2022, and Settlement Proposal dated 22.03.2024 in terms of Section 18 of the Limitation Act, 1963, the period of limitation will start afresh from 22.03.2024 and therefore, the present Application under Section 7 of the IBC is well within the period of limitation.
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3. That the Applicant has filed certain documents in support of its case as enumerated in Part V of the present application which are stated hereunder:

- (i) A deed of Corporate Guarantee dated 27.03.2019 executed by Shipra Estate in favour of IDBI Trusteeship guaranteeing the redemption of Debentures and payment of amounts due in respect of the Debentures.
- (ii) Deed of Personal Guarantee dated 27.03.2019 executed by Mr. Mohit Singh in favour of IDBI Trusteeship to guarantee compliance of the payment and other obligations set out in the Debenture Trust Deed and the signed Term Sheet.
- (iii) Share Pledge Agreement dated 27.03.2019 executed by Mr. Mohit Singh and Ms. Bindu Singh pledging 100% of the subscribed paid up shares of the Corporate Debtor in favour of IDBI Trusteeship for securing the debt amount.
- (iv) Memorandum of hypothecation dated 09.07.2019 executed by the Corporate Debtor in favour of IDBI Trusteeship inter alia hypothecating (by way of first ranking charge) all of the Corporate Debtors rights in respect of the Project.



- (v) Memorandum of entry and declaration dated 09.07.2019 executed by the Corporate Debtor (as mortgager) recording that the documents and title deeds in respect of the Project have been deposited by the Corporate Debtor in favour of IDBI Trusteeship (acting for the benefit of IIFL).
- (vi) Demand promissory notes dated 27.03.2019 issued by the Corporate Debtor, unconditionally promising to pay the sum of Rs. 250,00,00,000/- (Indian Rupees Two Hundred and Fifty Crores Only) together with interest thereon at 14% p.a. or such other higher rate as may be payable on a quarterly basis and compounded quarterly for a period of 60 months from the date hereof for value received.
- (vii) Post and cheques issued by the Corporate Debtor.
- (viii) First and exclusive charge on the Escrow Account where Receivables will be deposited.
- (ix) Exclusive charge on the schedule receivables, additional receivables, all insurance proceeds, both present and future from the Project.
- (x) As a consequence of default on the part of the Corporate Debtor, IDBI (acting under instructions and for the benefit of IIFL), issued a Loan Recall Notice dated 02.08.2021 to the Corporate Debtor, Shipra Estate and Mr. Mohit Singh. By way of the said loan recall notice, the noticees, including the Corporate Debtor were called upon to immediately repay (along with interest and other charges) all amounts disbursed under the Debenture Trust Deed and the Term Sheet.
- (xi) Separately, on 02.08.2021, IDBI issued a notice to Shipra Estate, specifically invoking the Corporate Guarantee extended. The said Invocation Notice was issued by IDBI under Clause 23 of the Corporate Guarantee executed by Shipra Estate in favour of the Applicant.



- (xii) However, Shipra Estate also failed to honour its Corporate Guarantee, by virtue of which (Clause 1.1.1 of the Corporate Guarantee), it was liable to comply with the demand made by IDBI within 1 (one) day from the receipt of the Invocation Notice.
- (xiii) Since the Corporate Debtor failed to repay its dues under the Debenture Trust Deed and the Term Sheet even till April 2022, by way of one final opportunity, IDBI Trusteeship, under instructions from and on behalf of IIFL issued a demand notice dated 28.04.2022 ("Demand Notice") to Shipra Estate demanding immediate payment of Rs. 3,22,28,48,450/- (Indian Rupees Three Hundred and Twenty-Two Crores Twenty Eight Lakhs Forty Eight Thousand Four Hundred and Fifty Rupees Only) due and payable to IIFL.
- (xiv) On 30.05.2022, in view of the default by Shipra Estate in making payment of Rs. 3,32,64,83,811/- (Indian Rupees Three Hundred and Thirty Two Crores Sixty Four Lakhs Eighty Three Thousand and Eight Hundred and Eleven) to IIFL in accordance with the Corporate Guarantee dated 27.03.2019, IDBI Trusteeship filed C.P. (IB) No. 513 of 2022 before this Hon'ble Tribunal seeking initiation of CIRP in respect of the Corporate Debtor under the provisions of the IBC.
- (xv) Vide Order dated 24.01.2024, this Hon'ble Tribunal was pleased to admit Shipra Estate into CIRP.
- (xvi) In this regard, it is pertinent to note that Company Appeal (AT)(INS) No. 377 of 2024 is pending against the Order dated 24.01.2024 before the Hon'ble NCLA T. New Delhi wherein, vide Order dated 21.02.2024, the Hon'ble NCLAT, New Delhi while noting that CoC in respect of Shipra Estate has been constituted, has directed that no further steps shall be taken in pursuance of the impugned order.
- (xvii) Information of default submitted by ACRE i.e. the Applicant with the National E-Governance Services Limited in Form C.



SUBMISSIONS OF THE RESPONDENT:

4. The Respondent/ Corporate Debtor has filed a reply affidavit denying the allegations levelled by the Applicant/ Financial Creditor.
5. The Respondent submitted that the Corporate Debtor by way of Debenture Trust Deed dated 27.03.2019 issued 25,000 debentures for Rs. 1 lakh each against IIFL, thereby totaling Rs. 250 crores. It is submitted that the said loan amount was for the purpose of acquisition, Construction, approvals and other related expenses in connection with construction and development of a real estate project situated at Plot No. C, Community Centre, Anand Vihar, New Delhi. The tenure of the said Debenture Trust Deed was for 60 months which unfortunately coincided with the period of pandemic starting from March, 2020.
6. Pursuant to execution of Debenture Trust deed, a Corporate Guarantee dated 27.03.2019 was executed between the M/s Shipra Estate Limited (“Corporate Guarantor”) and IDBI Trusteeship Services Limited against any default on the part of the Corporate Debtor.
7. A Debenture Trust Deed Appointment agreement dated 27.03.2019 was executed in favour of IDBI Trusteeship Services Limited, duly authorized by IIFL. An Escrow Agreement dated 27.03.2019 was further executed between the Corporate Debtor, IDBI Trusteeship Services Limited and HDFC Bank.
8. An amount of Rs. 229,13,00,000/- was disbursed by IIFL in favour of the Corporate Debtor towards contributing to the subscription amount of the debentures. The debt amount carried an exorbitant interest of 14% p.a. compounded quarterly and an additional default interest rate of 22% p.a. for over and above the already rate of interest payable by the Corporate Debtor. Copy of the board resolutions dated 26.03.2019 and 27.03.2019 by which the Corporate Debtor confirmed loan amount along with letter issued by the Corporate Debtor.



9. A Loan Recall Notice was sent to the Corporate Guarantor i.e., M/s Shipra Estate Limited and Corporate Debtor on 02.08.2021. That an Invocation Notice dated 02.08.2021 was also sent to the M/s Shipra Estate Limited invoking the Corporate Guarantee.
10. It is submitted that a part payment of Rs. 8,23,94,000/- was made by the Corporate Guarantor to IDBI Trusteeship Services Limited on behalf of the Corporate Debtor. Still a demand notice dated 28.04.2022 was issued by IDBI Trusteeship Services Limited to the Corporate Debtor to pay an amount of Rs. 322,28,48,450/-.
11. It is submitted that IDBI Trusteeship Services Limited filed C.P. (IB) No. 513 of 2022 under Section 7 of IBC against M/s. Shipra Estate Ltd. which is the Corporate Guarantor to the present Corporate Debtor.
12. The said matter was admitted by Bench-IV of this Adjudicating Authority, New Delhi vide order dated 24.01.2024. The said order was challenged before the Hon'ble NCLAT in Company Appeal (AT) (Ins) No. 377 of 2024. The Hon'ble NCLAT in its order dated 21.02.2024 noted the submissions of the parties that a settlement is likely to take place. The Hon'ble NCLAT also directed that no further steps shall be taken in pursuance of the impugned order passed by this Adjudicating Authority. The Hon'ble NCLAT vide order dated 24.05.2024, modified the order dated 21.02.2024 to the extent that CoC may proceed and it will be open for the Appellant to place settlement proposal before the CoC for approval of 90% of the CoC and to adopt Section 12-A process.
13. It is submitted that IIFL assigned all rights, interests, benefits and guarantees arising in relation to the financial debt to the present Applicant, the Financial Creditor by way of an Assignment Agreement dated 28.06.2022.
14. It is submitted that the settlement talks between the parties could not proceed because of certain disputes between the IIFL, the original lender and the assignee (the Applicant/ACRE).



15. Consequently, IIFL approached the Hon'ble Bombay High Court by filing Commercial Suit No. 10 of 2025. The Hon'ble Bombay High Court in Interim Application No. 843 of 2025 filed in the said suit passed an order on 09.05.2025 appointing an independent observer.
16. On the backdrop of the above submissions, the Respondent has raised several contentions with regard to the following:

(i) CONCEALMENT OF MATERIAL REPAYMENT DETAILS AND SUPPRESSION OF FACTS:

It is submitted that the Financial Creditor failed to disclose that an amount of Rs. 115,58,25,064.90/- was repaid by the Corporate Debtor to IIFL the original lender through Real Time Gross Settlement (RTGS) on 30.03.2019 which can be evident/reflected by the Bank account statements of the Corporate Debtor for the period from 01.04.2018 to 31.03.2019.

(ii) TRANSACTIONS ARE COLLUSIVE AND CHARACTERIZED BY ROUNDTRIPPING OF FUNDS:

It is contended that the loan amount allegedly disbursed by the IIFL to the Corporate Debtor were not genuine disbursement in the commercial sense, but mere paper transactions. The said loan amount were disbursed and substantial part of the amount was routed back either to the lender or its affiliates, without being utilized for any genuine business purpose of the Corporate Debtor...

(iii) THE FINANCIAL CREDITOR HAS FILED THE PRESENT SECTION 7 APPLICATION FOR RECOVERY OF ITS DUES AND NOT FOR REVIVAL OF THE CORPORATE DEBTOR:

It is submitted that the Financial Creditor has already filed a Section 7 Application against the Corporate Guarantor of the Corporate Debtor for the same debt wherein the Hon'ble NCLAT has given interim protection in terms of settlement between the parties and wherein the said Financial Creditor is getting the



entire debt amount on behalf of the Corporate Debtor despite which the present application has been filed with the intention of recovery and not for resolution of the Corporate Debtor as a going concern.

The Respondent further raised a contention relying upon the judgment delivered by the Hon'ble Supreme Court of India in the case of "**Vidarbha Industries Power Limited v. Axis Bank Limited**", 2022 SCC OnLine SC 841 and submitted that CIRP cannot be automatically initiated upon mere proof of default. The Respondent submitted that this Adjudicating Authority has discretion in admitting an insolvency application filed by a Financial Creditor and admission is not automatic merely because debt and default are proved. The Adjudicating Authority must apply its judicial mind and consider all relevant circumstances, such as the financial health and viability of the Corporate Debtor, before deciding to initiate insolvency proceedings.

(iv) NON-COMPLIANCE WITH BANKING EVIDENCE REQUIREMENTS UNDER REGULATION 2A OF CIRP REGULATIONS

The Respondent further submitted that the Financial Creditor has not annexed any bank account statement or banker's book evidencing the disbursement of the alleged debt as mandated under Regulation 2A of the CIRP Regulations. However, the Financial Creditor has merely annexed an internally generated Excel spreadsheet purporting to be the account statement of IIFL, which is neither certified nor supported by any authentic banking document or banker's book, and therefore, the said document is inadmissible in evidence and unreliable with mandatory evidentiary requirement.



(v) **NO VALID AUTHORISATION FOR ASSIGNMENT OF PROPOSED INTERIM RESOLUTION PROFESSIONAL IN PART-III OF THE APPLICATION:**

It is submitted that the Authorisation for Assignment (“AFA”) dated 02.02.2024 of the proposed Interim Resolution Professional (IRP) annexed with the Section 7 application is invalid beyond 30.06.2025, and therefore, the proposed IRP does not presently hold a valid AFA as mandated under the IBBI (Insolvency Professionals) Regulations, 2016. Regulation 7A expressly prohibits any Insolvency Professional from accepting or undertaking an assignment without a valid AFA. Since the proposed IRP’s authorisation expires on 30.06.2025, he cannot legally accept the present assignment. Hence, the Financial Creditor has filed the present Section 7 Application without complying with the mandatory provisions of the Code, amounting to concealment of material facts, and the same deserves to be rejected under Section 7(5)(a) of the Code with exemplary costs.

FINDINGS AND ANALYSIS:

17. We have heard the submissions of Ld. Counsel appearing on behalf of the Applicant-Financial Creditor and Ld. Counsel appearing on behalf of Respondent-Corporate Debtor and also perused the records.
18. It is a well settled principal of law that a Financial Creditor, in an application filed under Section 7 IBC, has to prove existence of debt and that a default has been committed by the Corporate Debtor in the repayment of the debt.
19. In the instant case, the Applicant i.e. M/s. Assets Care & Reconstruction Enterprise Limited, is an assignee of IIFL Finance Ltd. ("IIFL") pursuant to assignment agreement dated 28.06.2022 seeking initiation of CIRP of the Corporate Debtor i.e. Just About Movies Private Limited for a default of an amount of Rs. 250,00,00,000/-



20. The Applicant's case is based on a Term Sheet signed between IIFL Finance Limited (IIFL) and the Corporate Debtor for availing financial assistance of Rs. 250,00,00,000/- for acquisition, construction and development of a project situated at Plot No. C, Community Centre, Anand Vihar, New Delhi – 110092. In accordance with the Term Sheet, a Debenture Trust Deed was entered into between the Corporate Debtor, IDBI Trusteeship Service Limited (a Debenture Trustee) and Shipra Estate Ltd. (Corporate Guarantor).
21. As per the Debenture Trust Deed, IDBI Trusteeship Services Limited was appointed as a Debenture Trustee to act for and on behalf of IIFL. The term of the debentures was 60 months from the closing date as provided under Clause 5.1.1 of the Trust Deed.
22. As per the Trust Deed, an interest @ 14% per annum compounding quarterly and payable quarterly. The Trust Deed further stipulates that failure by the Issuer in making payment of the secured obligations will amount to an event of default.
23. As per Clause 23 of the Debenture Trust Deed, it deals with "Event of Default". Clause 23.1.1 of the said Trust Deed reads as under:
- "Payment*
- Failure by the Issuer in making the payment of Secured Obligations on the relevant Debenture Due Dates;"*
24. The Applicant contended that by way of Board Resolution, a Corporate Debtor fully confirmed the receipt of the debt amount.
25. The Applicant has placed on record copy of the Board Resolution passed at the meeting of Board of Directors of M/s. Just About Movies Private Limited held on March 27, 2019. The Board Resolution is extracted below:

"RESOLVED THAT (i) in accordance with the 'Debenture Trust Deed' dated 27.03.2019 executed by and among, inter alia, the Company and IDBI Trusteeship Services Limited; (ii) pursuant to the private placement memorandum dated 27.03.2019 and accepted by Mr. Deepak Garg (DIN: 00784709) and/or Mr Amit Walia (DIN:



03123852) Directors of the Company (iii) pursuant to Sections 42, 71 and all other applicable provisions, if any, of the Companies Act 2013 and the applicable rules and regulations thereunder, the Board of Directors of the Company be and is hereby authorized to issue and allot an aggregate of 25,000 (twenty five thousand) Secured Fully Paid Up Redeemable Non-Convertible, Unrated, Unlisted Debentures of Rs 1,00,000 (Rupees One lakh) each at par aggregating to Rs 250,00,00,000 (Rupees Two hundred and fifty crores) ("Debentures"), and immediately upon receiving the shareholder's approval, give effect to issuance and allotment of the said Debentures.

RESOLVED FURTHER THAT, in respect of the issuance and allotment of debentures to the allottees, Mr. Deepak Garg (DIN: 00784709) and/or Mr Amit Walia (DIN: 03123852) Directors of the Company be and are hereby severally authorized to have the name of the allottees recorded in all appropriate registers of the Company as the registered owner of non-convertible Debentures being issued by the Company and all appropriate filings be made with the Registrar of Companies, and other regulatory authorities and all formalities required by law be complied with.

RESOLVED FURTHER THAT, in respect of the issuance and allotment of debentures to the allottees, Mr. Deepak Garg (DIN: 00784709) and/or Mr Amit Walia (DIN: 03123852) Directors of the Company be and are hereby severally authorized to issue, in relation to the Debentures, (a) certificates representing the issued and allotted debentures under the common seal of the Company and the signatures of any two of the Directors of the Company along with the signature of any other person authorised by the Board of Directors as the authorized signatory in this regard, accordance with the provisions of the Companies Act 2013; and (b) in the absence of duly valid certificates, letters of allotment, under the signatures of any 2 (two) of the Directors of the Company.

RESOLVED FURTHER THAT, in the event letters of allotment are issued to the allottees, then upon expiry of the term of the letters of allotment and/or surrender of the letters of allotment by the said allottees, Mr. Deepak Garg (DIN: 00784709) and/or Mr Amit Walia (DIN: 03123852) Directors of the Company be and are hereby severally authorized to issue, in relation to such Debentures, certificates representing the issued and allotted debentures under the common seal of the Company and the signatures of any two of the Directors of the Company along with the signature of any other person authorised by the Board of Directors as the authorized signatory in this regard, in accordance with the provisions of the Companies Act 2013.

RESOLVED FURTHER THAT Mr. Deepak Garg (DIN: 00784709) and/or Mr Amit Walia (DIN: 03123852) Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and



things as deemed necessary to give effect to the above resolution and any one of the Directors of the Company and/or the company secretary, be and are hereby jointly and severally authorised, on behalf of the Company, to do all acts, matters, deeds and things including the payment of the requisite stamp duty and execute all certificates, documents, return of allotment and other writings as they or any of them may consider necessary or appropriate pursuant to or otherwise in connection with or to give effect to the above resolution including filings to be made with the appropriate Registrar of Companies.

RESOLVED FURTHER THAT a certified true copy of all the above resolution be delivered under the signature of Mr. Deepak Garg (DIN: 00784709) and/or Mr Amit Walia (DIN: 03123852) Directors of the Company to the allottees for their record.

RESOLVED FURTHER THAT Mr. Deepak Garg (DIN: 00784709) and/or Mr Amit Walia (DIN: 03123852) Directors of the Company be and are hereby severally authorised to do all such acts, deeds and take such steps as may be required to give effect to the above resolution.”

26. The Applicant/ Financial Creditor has also mentioned the dates of disbursements made to the Corporate Debtor in Part IV of the present Application. The details of the said disbursement is as follows:

S. No.	Date	Amount Disbursed (Rs.)
1.	30.03.2019	1,65,00,00,000/-
2.	28.06.2019	10,50,00,000/-
3.	25 .07.2019	1,00.00,000/-
4.	04.08.2019	1,50,00,000/-
5.	04.09.2019	5,00,00,000/-
6.	03.10.2019	5,00,00,000/-
7.	01.11.2019	8,00,00,000/-
8.	24.12.2019	21,10,00,000/-
9.	27.12.2019	2,20,00,000/-
10.	07.01.2020	2,00,00,000/-
11.	13.01.2020	3,00,00,000/-
12.	16.06.2020	50,00,000/-
13.	22.10.2020	4,00,00,000/-
14.	03.03.2021	11,00,000/-
15.	12.05.2021	22,00,000/-
Total Amount Disbursed		229,13,00,000/-

The Applicant has filed a copy of Account Statement of IIFL as on 30.05.2022 evidencing disbursements to the Corporate Debtor.



27. The Applicant has submitted that the first default by the Corporate Debtor occurred when the Corporate Debtor failed to pay the first interest installment of Rs. 59,93,68,537/- due on 01.07.2021 which amount to an event of first default in terms of clause 23.1.1 of the Debenture Trust Deed.
28. The Corporate Debtor on 31.07.2021 made a payment of Rs. 8,23,94,000/- in favour of IIFL which shows that the Corporate Debtor has admitted the debt.
29. The loan recall notice was issued on 02.08.2021 by IDBI Trusteeship Services Limited being the Debenture Trustee to the Corporate Debtor Shipra Estate Ltd. and Mr. Mohit Singh, calling upon them to immediately repay all amount disbursed under the Debenture Trust Deed and the Term Sheet.
30. The Corporate Debtor failed to repay its dues under the Debenture Trust Deed and the Term Sheet even till April, 2022. IDBI Trusteeship Service Limited under instructions from and on behalf of IIFL, issued a demand notice to the Corporate Debtor demanding immediate payment of Rs. 322,28,48,450/- due and payable to IIFL.
31. The Applicant Financial Creditor further contended that the Corporate Debtor vide its e-mail dated 30.08.2022 sent to IIFL acknowledged its liability.
32. The Corporate Debtor also acknowledged the facility by affixing acknowledgement on the possession notice dated 30.08.2022 issued by IDBI Trusteeship Service Limited. A perusal of the possession notice dated 30.08.2022 shows that the said notice was received by one Mr. Amit Walia, Deputy Manager for Just About Movies Private Limited on 30.08.2022.
33. The Corporate Debtor has admitted the loan transaction in the reply. The relevant para of the reply is extracted below:

“That it is submitted that the Corporate Debtor by way of Debenture Trust Deed dated 27.03.2019 issued 25,000



debentures for Rs. 1 lakh each against IIFL, thereby totalling Rs. 250 crores. It is submitted that the said loan amount was for the purpose of acquisition, construction, approvals and other related expenses in connection with construction and development of a real estate project situated at Plot No. C, Community Centre, Anand Vihar, New Delhi. The tenure of the said Debenture Trust Deed was for 60 months which unfortunately coincided with the period of pandemic starting from March, 2020.”

34. The Corporate Debtor has further admitted disbursement of an amount of Rs. 229,13,00,000/-. The relevant para of the reply is extracted below:

“That an amount of Rs. 229,13,00,000/- was disbursed by IIFL in favour of the Corporate Debtor towards contributing to the subscription amount of the debentures. The debt amount carried an exorbitant interest of 14% p.a. compounded quarterly and an additional default interest rate of 22% p.a. for over and above the already rate of interest payable by the Corporate Debtor.”

The above-mentioned paragraph of the Reply shows that the amount in question was disbursed to the Corporate Debtor which carried interest and that the Corporate Debtor has defaulted in repayment of said debt.

35. However, the Corporate Debtor objected to the rate of interest. The Corporate Debtor has also admitted making part payment of Rs. 8,23,94,000/- to the IDBI Trusteeship Service Limited.
36. The Respondent Corporate Debtor contended that the Financial Creditor has concealed and suppressed the fact that the Corporate Debtor has repaid an amount of Rs. 115,58,25,064.90/- to IIFL (the original lender) through RTGS on 30.03.2019 which is evident from the Corporate Debtor’s Bank statement and the same was acknowledged by IIFL.
37. The Respondent submitted that the Applicant has not mentioned anything about the said repayment in the present Section 7 application. The Applicant has filed an internally generated uncertified excel spreadsheet purporting to be an account statement of IIFL in order to conceal the repayment of Rs. 115,58,25,064.90/-. The said



RTGS entry has been removed from the alleged statement of account filed by the Applicant whereas the Corporate Debtor has filed the statement of account issued by Vijaya Bank wherein the said repayment of Rs. 115,58,25,064.90/- is reflected. The Corporate Debtor, therefore, contended that in view of the substantial payments having been made by the Corporate Debtor prior to the filing of the present application, the same ought to be dismissed.

38. In response to the allegations made by the Corporate Debtor made by the Corporate Debtor with regard to the concealment of the repayment of Rs. 115,58,25,064.90/-, it is submitted on behalf of the Applicant that the Corporate Debtor itself has admitted the debt of Rs. 224,30,00,000/- in its balance-sheet for the financial year 2019-2020 and Rs. 228,91,00,000/- for the financial year 2020-2021. Therefore, even assuming that the repayment was made by the Corporate Debtor, it can be inferred that the Corporate Debtor has admitted debt and default.
39. It is also submitted that the Corporate Debtor had taken the same argument in CP IB-513/2022 wherein vide order dated 24.01.2024 a co-ordinate Bench of this NCLT has rejected the said averments being contrary to the records.
40. The Corporate Debtor admitted in its reply that disbursement of Rs. 229,13,00,000/- was made in the favour of the Corporate Debtor. The arguments taken by the Corporate Debtor about the concealment of the amount cannot be accepted.
41. It is further contended on behalf of the Corporate Debtor that the alleged financial transactions between the parties are vitiated by the voice of round tripping and collusion. The loan amounts allegedly disbursed by IIFL to the Corporate Debtor were not genuine disbursement in the commercial sense but mere paper transactions designed with intent of artificially inflating the debt for ulterior purposes. It is submitted that the loan amounts were disbursed and simultaneously routed back either to the lender or to its affiliates



without using the amount for any genuine business purposes of the Corporate Debtor. However, the Corporate Debtor has failed to place on record any material to substantiate the allegations of round tripping and therefore, the arguments cannot be accepted.

42. It is further contended on behalf of the Respondent/ Corporate Debtor that the Applicant-Financial Creditor has filed the present application under Section 7 of the Code contrary to the assignment deed dated 28.06.2022 and contrary to the instructions of IIFL, the principal lender and assigner. The IIFL approached the Hon'ble Bombay High Court against ACRE in view of certain disputes arising out of the assignment deed dated 28.06.2022 wherein vide order dated 09.05.2025, the Hon'ble High Court was pleased to appoint an independent observer. Therefore, the Applicant could not have filed the present Section 7 application.
43. In response, it is submitted on behalf of the Applicant that the proceedings before the Hon'ble High Court of Bombay pertains to inter se disputes between the Applicant and its assignee IIFL and not relevant for the purpose of adjudication of the present Section 7 application. The appointment of the independent observer only is to oversee and assist the functioning of the trust and it does not in any matter restrain the applicant herein from acting on behalf of the trust to file or pursue the present application.
44. At the stage, it is pertinent to refer to the judgments passed by the Hon'ble Supreme Court reported in (2018) 1 SCC 407, in the case of "**Innoventive Industries Limited Vs. ICICI Bank**" and in the case of "**E.S. Krishnamurthy and Others Vs. Bharath Hi-Tecch Builders Private Limited**" reported in (2022) 3 SCC 161 wherein it has been held that, if the adjudicating Authority is satisfied that there is a debt and default has occurred, the Section 7 application shall be admitted.
45. On a conspectus of the case as stated above, it is evident from the records that the Applicant has established that an amount of Rs. 713,14.84,513.39 disbursed to the Corporate Debtor carrying



interest at the rate of 14% p.a. along with 22% additional rate of interest which satisfies the conditions as stipulated under Section 5 sub-Section 8 of the Code.

46. The Applicant has been able to establish the true essential ingredients i.e. debt and default and therefore, the present application filed under Section 7 deserves to be admitted.

ORDER:

47. In view of the above facts and circumstances and the foregoing discussion, we are satisfied that the present Application fulfils the criteria laid down under Section 7 of the Code. It is accordingly, ordered as follows: -

- a) The Application, **(IB)-257(ND)/2025** filed by the Applicant under Section 7 of the Code read with Rule 4 of the Adjudicating Authority Rules for initiating CIRP against the Respondent hereby ***stands admitted.***
- b) We declare a moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flow from the provisions of Section 14(1)(a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:
- i. *“The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;*
 - ii. *Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*
 - iii. *Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
 - iv. *The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the corporate debtor.*



[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, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;]

- c) It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14(3)(b) of the Code.
- d) Sub-section (3) (b) of Section 7 mandates the Financial Creditor to furnish the name of an Interim Resolution Professional. In compliance thereof the applicant has proposed the name of Mr. Anil Kashi Drolia as the Interim Resolution Professional (“IRP”) having address: B - 508, Ekta Woods, Raheja, Estate, Kulupwadi, Borivali - East, Near National Park, Mumbai suburban, Maharashtra – 400066. His E-Mail address is anildrolia.ip@gmail.com. His registration number is IBBI/IPA-001/IP-P-02327/2020-2021/13482. The Applicant filed a copy of the Consent issued by Mr. Anil Kashi Drolia in Form 2, Written Communication by proposed IRP, as per the requirement of Rule 9(1) of the Adjudicating Authority Rules, along with the Certificate of Registration and Authorization for Assignment in Form B.

Accordingly, Mr. Anil Kashi Drolia is appointed as the IRP.



- e) In pursuance of Section 13(2) of the Code, we direct the IRP, as the case may be to make a public announcement immediately with regard to the admission of this application under Section 7 of the Code. The expression immediately means within 3 (three) days as clarified by Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- f) During the CIRP period, the management of the Corporate Debtor shall vest in the IRP/RP, in terms of Section 17 of the IBC. 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 within one week from the date of receipt of this order, in default of which coercive steps will follow. There shall be no future opportunity given in this regard.
- g) The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance and this Adjudicating Authority directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- h) The Financial Creditor is directed to deposit a sum of Rs. 2,00,000/- (Rupees Two Lakhs only) with the IRP to meet out the expenses to perform the functions entrusted to him in accordance with regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. However, this amount shall be subject to adjustment by the Committee of Creditors, based on the accounts maintained by the IRP upon the conclusion of the CIRP. The needful shall be done within one week from the date of receipt of this order by the Financial Creditor.
- i) The IRP/RP is further directed to submit periodic progress reports to this Adjudicating Authority at the conclusion of each quarter.
- j) In accordance with the provisions of the Code, the Registry is directed to communicate a copy of the order to the Financial Creditor, the



Corporate Debtor, the IRP and the Registrar of Companies, NCT of Delhi and Haryana, by Speed Post and by email, at the earliest but not later than seven days from today.

- k)** The Registrar of Companies shall update his website by updating the status of the Corporate Debtor and specific mention regarding admission of this application must be notified.
- l)** The Registry is further directed to send a copy of this order to the IBBI for their record.
- m)** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

No order as to costs.

Sd/-

**DR. SANJEEV RANJAN
MEMBER (TECHNICAL)**

Sd/-

**BACHU VENKAT BALARAM DAS
MEMBER (JUDICIAL)**