

NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT VI

Item No. P-1

IA (I.B.C) 683/MB/2026

in CP (IB) No. 1257/MB/2025

And **CP (IB) No. 1257/MB/2025**

CORAM:

SHRI SAMEER KAKAR

HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA

HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **13.05.2026**

NAME OF THE PARTIES:

Canara Bank

Vs.

**M/s. Supreme Housing And
Hospitality Private Limited**

Under Section 7 of the IBC, 2016.

ORDER

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

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)

//AS//

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI

C.P. (IB)/1257/MB/2025

*[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]*

CANARA BANK

[PAN No.: AAACC6106G]

Head Office: 112, J. C. Road, Bangalore

Stressed Asset Management Branch:

Circle Office Building

8th Floor, 'B' Wing, C-14, G-Block

Bandra-Kurla Complex, Bandra East, Mumbai – 400051.

...Financial Creditor

V/s

M/S. SUPREME HOUSING AND HOSPITALITY PRIVATE LIMITED

[CIN No.: U45201MH2006PTC165665]

Sharma Bungalow, Behind Lake Castle Building

Hiranandani Garden, Powai, Mumbai – 400076.

...Corporate Debtor

IA (I.B.C) 683/MB/2026

in

CP (IB) No. 1257/MB/2025

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

M/S. SUPREME HOUSING AND HOSPITALITY PRIVATE LIMITED

...Applicant/CD

V/s

CANARA BANK

... Respondent/FC

Pronounced: 13.05.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For FC: Adv. Nitish Dhruva, Adv. Yash Dhruva, Adv. Niyati Merchant i/b MDP
Legal

For CD: Adv. Rohan Agrawal a/w Adv. Haaris Koradia i/b Adv. Sujit Lahoti &
Associates.

ORDER

[PER: CORAM]

1. BACKGROUND

1.1 This C.P. (IB) No. 1257 of 2025 (Application) was filed on 13.11.2025 by Canara Bank, the Financial Creditor (FC) having PAN No.: AAACC6106G, under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC), read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking initiation of Corporate Insolvency Resolution Process (CIRP) against Supreme Housing and Hospitality Private Limited, the Corporate Debtor (CD), having CIN No.: U45201MH2006PTC165665.

1.2 This Application has been affirmed by one Mr. Gaurav Pareek, Senior Manager, Canara Bank. As per Part IV of the Application, the amount claimed to be in default is Rs. 5,67,43,40,067.80/- (Rupees Five Hundred Sixty-Seven Crore Forty-Three Lakhs Forty Thousand Sixty-Seven and Eighty Paise only) as on 31.10.2025, out of which principal amount is

Rs.175,83,35,822.71/- and interest amounts to Rs.391,60,04,245.09/-. The date of default is stated as 01.07.2017.

1.3 The Applicant has proposed M/s. KDRA Insolvency Professionals Private Limited, having Registration No. IBBI/IPE-0059/IPA-1/2022-23/50037, to act as the Interim Resolution Professional (IRP) in case the Application is admitted.

2. CONTENTIONS OF APPLICANT (FC)

2.1 The Corporate Debtor had approached the Financial Creditor for grant/sanction of Term Loan on 12.01.2014. The Financial Creditor considered the request of the Corporate Debtor and grant/sanction of Term Loan (LRD) of Rs. 390.00 Crores *vide* sanction letter dated 29.03.2014 and the said amount was disbursed to the CD on 16.05.2014. Details of Credit facilities granted in the name of M/s. Supreme Housing and Hospitality Private Limited ("Corporate Debtor").

Facility	Limit (Amt. in Rs.)
Fund Based	
TL TXCOSLB192840478 (173000584721)	390,00,00,000
Total FB	390,00,00,000
Non-Fund Based	
BG	NIL
Total NFB	NIL
Total Indebtedness	390,00,00,000

2.2 As per the terms of the Sanction Letter, the Term Loan was repayable in 108 monthly structured instalments as per receipt of lease rentals commencing from March, 2014 for an amount of Rs. 5 Crores, and the last instalment of Rs. 7.86 Crores. To secure the aforesaid credit facilities, the CD executed various loan and security documents in favour of the FC. However, the CD availed and enjoyed the aforesaid Credit facility i.e. Term Loan (Lease Rental Discounting) of Rs.390 Crores but did not adhere to repay the outstanding dues as a result of which the account of the CD was classified as Non-Performing Asset (NPA) on 29.09.2017.

2.3 That due to the defaults committed by the CD, the FC accordingly filed a Company Petition No. 1397 of 2020 ("First Company Petition") under section 7 of the IBC, 2016 before the Hon'ble NCLT, Mumbai which was admitted vide Order dated 23.11.2022.

2.4 Further, Company Appeal (AT) (Insolvency) No. 1436-1437 of 2022 along with IA No. 958, 959 and 1847, 1850 of 2023 was filed by the Suspended Directors of the CD against the Order dated 23.11.2022 before the Hon'ble NCLAT which was disposed of vide order dated 24th August 2023 in view of the acceptance of OTS ("1st OTS proposal") and liberty was granted to the Financial Creditor to revive the Company Petition if the CD makes default.

2.5 Subsequently, a Company Petition came to be filed by the ICICI Bank Limited, being the Financial Creditor ("ICICI Bank"), against the CD under Section 7 of the Code for CIRP, being Company Petition No.348 of 2022. The same came to be admitted by this Hon'ble NCLT vide Order dated 14.02.2024, whereby CIRP was initiated against the CD. Further, Mr.

Prashant Jain was appointed as the Interim Resolution Professional of the CD.

2.6 Furthermore, the said Order dated 14.02.2024 was challenged before the Hon'ble NCLAT by one of the suspended Director of the CD *vide* Company Appeal (AT)(INS) No. 342 of 2024.

2.7 That the Hon'ble NCLAT in Company Appeal No. 342/2024 *vide* Order dated 21.02.2024 directed for a *status quo* on the constitution of CoC or any other steps in furtherance of the Order dated 14.02.2024 and was further continued from time to time in view of an amicable settlement proposed by the CD.

2.8 In view of the interim order granted by the Hon'ble NCLAT in the said Appeal for IRP to not take any further steps in the CIRP of the CD, leaving the Bank with no recourse, as the CoC has not been formed yet.

2.9 Eventually, settlement was arrived at between the ICICI Bank Limited and the CD and thus the Hon'ble NCLAT disposed of the Company Appeal No. 342/2024 *vide* Order dated 22.11.2024 and granted liberty to the IRP to file an application under Section 12A within a period of 2 weeks and in the meantime, the interim protection was continued.

2.10 Further, the CD defaulted with the terms of the OTS entered into with the FC and with no concrete visibility on the source of funds, the FC had once again filed Company Petition No. 1041 of 2024 ("Second Company Petition") on 24th July 2024 before the Hon'ble NCLT Bench IV Mumbai which was listed on board on 31.01.2025 where the CD had also given their one-time settlement proposal to the FC. The CD appeared in the second company petition filed by the FC, and to wriggle out of the insolvency

proceeding, took shelter of the status quo order granted by the Hon'ble NCLAT in the proceeding filed against the CIRP Order passed in the proceedings initiated by ICICI Bank Limited. In view of the *status quo* order, the Second Company Petition filed by the FC was dismissed as non-maintainable.

2.11 In the meantime, the Suspended Director of the CD from time to time filed Interlocutory Applications before the Hon'ble NCLAT in the Company Appeal No. 342/2024 for extension of interim protection granted *vide* Order dated 22.11.2024 and the extension was granted from time to time and lastly, vide order dated 25.02.2025 for filing Application under Section 12A in the Company Petition filed by ICICI Bank Limited, however the same was rejected by the Hon'ble NCLAT. The relevant paragraph of the said order is reproduced hereinbelow:

“11. ...From the facts brought on record, it is clear that as on date, both the parties have not agreed and signed any Settlement Agreement, so that an application under Section 12A can be filed for withdrawal of the CIRP. We have already noticed the submission of the learned Counsel for Canara Bank, who has claimed that it has also dues on the Corporate Debtor, who also contents that no further indulgence be granted to the Applicant.

12. After having heard the submissions of the learned Counsel for the parties and taking into

consideration the various orders passed in this Appeal and the final order on 22.11.2024 and subsequent orders, extending time for filing 12A application, including order dated 29.01.2025 passed in IA No. 615 of 2025, we are of the view that the Appellant is not entitled for any further extension, as prayed in IA No. 922 of 2025. In result, IA No. 922 of 2025 is rejected. In consequences of rejection of IA No. 922 of 2025, as directed on 29.01.2025, CIRP against the Corporate Debtor shall commence and proceeded in accordance with law. IA No. 922 of 2025 is dismissed accordingly.”

2.12 In view of the Order dated 25.02.2025, the Applicant herein initiated CIRP process against the CD and accordingly, the Bank vide its email dated 05.03.2025 filed its claim under Form C dated 03.03.2025.

2.13 Eventually, a settlement was arrived at between ICICI Bank and the CD and accordingly, the IRP appointed in the said matter filed a Section 12A application before the Hon'ble NCLT, Mumbai Bench, being Interlocutory Application No.2917 of 2025, seeking withdrawal of the CIRP against the CD.

2.14 The FC filed an Intervention Petition, being Intervention Petition No. 54 of 2025, thereby objecting to the withdrawal of the CIRP process against the CD. The FC craves leave to refer to and rely upon the said Intervention Petition as and when produced.

- 2.15 Eventually, the CD once again gave an OTS proposal (“2nd OTS proposal”) to the FC on 07.06.2025 to the tune of Rs.460 crores, whereby an amount of Rs.23 crores was available in the escrow account and fixed deposits available with the FC and the balance Rs.437 crores would be paid by the CD within a period of 90 days after removing the CD from the rigors of CIRP. The said amount was to be paid by an Investor and accordingly a mechanism was derived at between the CD and the Investor wherein Investor had given a Final Sanction to the CD.
- 2.16 The said 2nd OTS proposal was duly accepted by the FC on 16.06.2025 on the terms and conditions mentioned therein.
- 2.17 Upon such acceptance of the OTS proposal by the FC, the 12A application filed in the proceedings initiated by ICICI Bank Limited came to be allowed by this Hon’ble Tribunal *vide* Order dated 30.07.2025 and the CD was out of the rigors of the Code. Accordingly, as per the terms of the OTS, the FC has adjusted the upfront amount/amount kept in no-lien account/FDRs of Rs.24,20,00,000/- upon passing of the Order dated 30.07.2025.
- 2.18 Thereafter, Applicant sent various reminders through letter and email to Corporate Debtor requesting to pay the balance OTS amount at the earliest.
- 2.19 Thereafter, instead of arranging the funds from Investor, who had already provided Final Sanction letter, the CD raised an old matter related to Wilful Defaulter proceedings initiated against it and the Promoters/Directors and accordingly, the CD then challenged the Wilful Defaulter proceedings by filing a Writ Petition (L) No. 31477 of 2025 before the Hon'ble Bombay High Court, wherein it was once again reiterated by the CD that it shall pay the balance OTS amount of Rs.437 crores on or before the expiry of 90 days

(from 30th July, 2025 i.e. date of the corporate debtor coming out of CIRP)
i.e. by 28th October, 2025.

2.20 However, the CD once again failed to pay the OTS amount within the stipulated timeline i.e. on or before 28.10.2025. Accordingly, the FC *vide* its Letter dated 29.10.2025 recorded the default committed by the CD.

2.21 The FC has also issued an E-Auction Notice on 01.11.2025 for conducting an auction of the secured assets of the CD.

2.22 The CD once again sought for an extension of time to comply with the OTS obligations, however the same was rejected by the Hon'ble Bombay High Court *vide* its Order dated 03.11.2025.

2.23 The CD thereafter filed a fresh Writ Petition being Writ Petition (L) No.35167 of 2025, thereby challenging the Wilful Defaulter declaration on merits, and the Hon'ble Bombay High Court *vide* its order dated 07.11.2025 granted stay for a period of 3 weeks on the wilful defaulter declaration; however permitted the FC to pursue their remedies against the CD before the appropriate forum.

2.24 In view of the above, the CD has defaulted on its liability to repay its debts to the FC as more particularly stated herein. Hence, the present Petition ought to be admitted.

2.25 The Applicant has attached the following supporting documents along with the Application and Additional Affidavits dated 09.03.2026:

- a) Master data of the Applicant and the CD.
- b) Copy of the Order passed by the Hon'ble NCLT, Mumbai, whereby the Company Petition No.1397 of 2020 ("First Company Petition") against

the Corporate Debtor, filed by the Financial Creditor u/s 7 of the IBC, 2016 was admitted.

- c) Copy of the Order passed by the Hon'ble NCLAT disposing of the Company Appeal (AT) (Ins) No.1436-1437 of 2022 along with IA No.958, 959 and 1847, 1850 of 2023 filed by the Suspended Directors of the Corporate Debtor against the Order dated 23rd November 2022 before the Hon'ble NCLAT in view of the acceptance of OTS ("1st OTS proposal") and liberty was granted to Financial Creditor to revive the Company Petition if Corporate Debtor makes default.
- d) Copy of the Order passed by the Hon'ble NCLT whereby the Hon'ble NCLT admitted the Company Petition No.348 of 2022 filed u/s 7 of the IBC by ICICI Bank Limited, being the Financial Creditor against the Corporate Debtor, and appointed Mr. Prashant Jain as the Interim Resolution Professional of the Corporate Debtor and CIRP was initiated against the Corporate Debtor.
- e) Copy of the Order passed by the Hon'ble NCLAT in Company Appeal No.342/2024 whereby the Hon'ble NCLAT directed status quo on the constitution of CoC or any other steps in furtherance to the Order dated 14th February 2024 and was further continued from time to time in view of an amicable settlement proposed by the Corporate Debtor.
- f) Copy of the Order passed by the Hon'ble NCLAT as settlement was arrived at between ICICI Bank Limited and Corporate Debtor, the Hon'ble NCLAT disposed of the Company Appeal No.342/ 2024 granting liberty to the IRP to file Application u/s 12A within a period of 2 weeks and in the meantime, the interim protection was continued.

- g) Copy of the Order passed by the Hon'ble NCLT Bench IV Mumbai whereby the Hon'ble Bench dismissed the 2nd Company Petition filed by the FC as nonmaintainable, in view of the status quo order granted by the Hon'ble NCLAT in the proceeding filed against the CIRP Order passed in the proceedings initiated by ICICI Bank Limited.
- h) Copy of the Order passed by the Hon'ble NCLAT whereby the Hon'ble NCLAT dismissed IA No.922/ 2025 and passed directions that CIRP against Corporate Debtor shall commence and proceeded in accordance with law.
- i) Copy of the letter received from Investor giving Final Sanction to the Corporate Debtor.
- j) Copy of the OTS letter received from the Corporate Debtor to the Financial Creditor.
- k) Copy of the acceptance letter from the Financial Creditor accepting the 2nd OTS proposal.
- l) Copy of the Order passed by this Hon'ble Tribunal allowing the 12A application filed in the proceedings initiated by ICICI Bank Limited.
- m) Copies of the reminder letters from the Applicant to the Corporate Debtor requesting to pay the balance OTS amount.
- n) Copy of the Order passed by Hon'ble Bombay High Court in Writ Petition (L) No.31477/2025 filed by the Corporate Debtor challenging the Wilful Defaulter proceedings and reiterated that it shall pay the balance OTS amount of Rs.437 crores on or before the expiry of 90 days by 28th October, 2025.

- o) Copy of the Letter from Financial Creditor to Corporate Debtor recording the default committed by the Corporate Debtor.
- p) Copy of the E-Auction Notice issued by the Financial Creditor for conduction of auction of the secured assets of the CD.
- q) Copy of the Order passed by Hon'ble Bombay High Court in Writ Petition (L) No.31477/2025 filed by the Corporate Debtor.
- r) Copy of the Order passed by Hon'ble Bombay High Court in Writ Petition (L) No.35167/2025 filed by the CD.
- s) Copies of the estimated Valuation Report from the FC i.e. Canara Bank in respect of the securities.
- t) Copy of the Annual Report of the CD for the Financial Years 2017-2018, 2018-2019, 2019-2020, 2020-2021, 2021-2022, 2022-2023, 2023-2024, 2024-2025.
- u) Copy of the Certificate of Registration of charge duly registered with the Registrar of Companies with respect to the securities, the owners of secured properties have mortgaged the properties in favour of Erstwhile Syndicate Bank.
- v) NeSL Report.
- w) Copy of the sanction letter from the Financial Creditor sanctioning Term loan of Rs.390 crores to the CD.
- x) Copy of the General Agreement by CD.
- y) Copy of the Escrow Agreement.
- z) Copy of the Guarantee Agreement executed by Bhawanishankar H. Sharma.

- aa) Copy of the Guarantee Agreement executed by Vikram Bhawanishankar H. Sharma.
- bb) Copy of the Guarantee Agreement executed by Vikas Bhawanishankar H. Sharma.
- cc) Copy of the Indenture of Mortgage.
- dd) Statement of Account along with the IT certificate in the Bankers' book in accordance with the Bankers' Books Evidence Act, 1891 along with Particulars of Claim.
- ee) Copy of the Notice u/s 13(2) of SARAFESI Act, 2002 issued by Erstwhile Syndicate Bank to CD demanding payment of the facilities provided.
- ff) Copy of the Reply by CD to the notice issued by FC.
- gg) Copy of the Recall notice from Applicant calling upon CD to make payment of Outstanding amount.
- hh) Copy of the OTS letter by Mr. Vikram Sharma.
- ii) Copy of the acknowledged OTS Sanction letter dated 21.08.2023 by the Corporate Debtor.
- jj) Copy of the cancellation Notice dated 01.03.2024 of OTS dated 21.08.2023.
- kk) Copies of Form-2 of the new proposed IRP (written consent dated 27.02.2026, Authorisation for Assignment and Certificate of Registration).
- ll) Copy of Certificate under the Banker's Book Evidence Act, 1891.

3. CONTENTIONS OF CD

- 3.1 Affidavit-in-Reply dated 19.01.2026 was filed and affirmed by one Mr. Bhawanishankar Harishchandra Sharma, who is stated to be the Director and authorized representative of the CD.
- 3.2 The Present Petition could not have been filed by the Petitioner *inter alia* because the Petitioner, sometime on or about 22nd August 2024, has instituted proceedings under the provisions of Section 95 of the IBC in respect of the personal guarantees allegedly given against (i) Vikram Bhawanishankar Sharma, (ii) Vikas Bhawanishankar Sharma and (iii) Bhawanishankar H. Sharma, being Company Petition Nos. 883 of 2024, 876 of 2024 and 878 of 2024, respectively ("PG Petitions"). Hence, in view of the moratorium under the provisions of Section 96 of the IBC the Petitioner could not have filed the Present Petition.
- 3.3 A few relevant averments made in the PG Petitions are reproduced herein below:

14.	<i>Details regarding personal guarantor (in addition to information in serial no 1-13 of this part)</i>	
	<i>Name of corporate debtor for which guarantee is given</i>	<i>SUPREME HOSUING AND HOSPITALITY PRIVATE LIMITED (undergoing IPR process with order dated 14th February, 2024 of Hon'ble NCLT Mumbai)</i>
	<i>Any current or past position held in the corporate debtor (to the extent known)</i>	<i>Not Known</i>
	<i>Identification number of corporate debtor</i>	<i>CIN: U17120MH2007PTC169520</i>
	<i>Whether corporate debtor is an associate (to the extent known)</i>	<i>No Known associates</i>
	<i>Any securities held in corporate debtor for whom guarantee is given</i>	<i>No</i>

Part-III

3.	<i>Date on which debt was due</i>	<i>1st April, 2017</i> <i>(The account was irregular on 01.04.2017, but the invocation of Personal guarantors is on 10.07.2024 and the total amount to be paid within 15 days and due date of dues is 25.07.2024)</i>
4.	<i>Date on which default occurred</i>	<i>1st July, 2017</i> <i>(The date of NPA of the corporate debtor is 01.07.2017, but the invocation of Personal guarantors is 10.07.2024 and the total amount to be paid within 15 days and due date of dues is 25.07.2024)</i> <i>Further, Demand Notice dated 36.07.2024 was issued by the Applicant Bank to the Personal Guarantor under Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution</i>

		<i>Process for Personal Guarantor to Corporate Debtors) Rule, 2019 calling upon the Guarantor to pay the amount of Rs. 515,51,27,752.62/-</i> <i>(Rupees Five Hundred Fifteen Crores Fifty One Lakh Twenty Seven Thousand Seven Hundred Fifty Two and Paise Sixty Two Only) as on 31.07.2024</i> <i>A copy of the said Demand Notice is annexed herewith as Annexure-6.</i> <i>The said Demand Notice was duly served on the Personal Guarantor on 27.07.2024.</i> <i>Personal Guarantor failed to pay the debt within the period of fourteen (14) days from the date of service of notice in terms of provisions of section 95(4) of the</i>
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		<i>Insolvency and Bankruptcy Code, 2016</i>
5.	<i>Nature of the debt</i>	<i>Financial Debt/outstanding amount under financial debt provided by the Applicant Bank to the Corporate Debtor as mentioned at Serial Number 2 above.</i> <i>The personal guarantor has provided guarantee in favour of the applicant Bank for securing the said financial debt provided by the Bank to the Corporate Debtor.</i>
10.	<i>Particulars of an order of a court, tribunal or arbitral panel adjudicating on the default, if any (attach a copy of the order)</i>	<i>1. Order dated 14th February 2024 passed by the Hon'ble NCLT Mumbai in Vide CP (IB) No. 348/MB-VI/2022 against the Corporate Debtor.</i>

3.4 Hence, upon filing of the PG Petitions (which are in relation to the debt allegedly owed by the CD), there is a moratorium under the provisions of Section 96 of the IBC in respect of the entire debt and the present Petition having been filed by the Petitioner in respect of the same debt (forming subject matter of PG Petitions) could not have been filed.

3.5 It is submitted that the protective mandate of the moratorium under Section 96 of the Code is in respect of the 'debt' and not the debtor and therefore, no proceedings against any entity and/or person in respect of the alleged debt owed by the Corporate Debtor can be filed after the filing of the PG Petitions.

3.6 The Present Petition suffers from severe defects and absence of mandatory compliance and, on this ground alone, is liable to be dismissed at the threshold. A detailed list of all the defects in Form - 1 is particularised hereinbelow:

(i) No Working Computation Attached

The Form - 1 as prescribed under the Application to AA Rules, inter alia, in Part - IV stipulates that the "*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)*" be provided. However, in the Present Petition, the Petitioner has failed to provide the Workings for computation of amount and days of default in a tabular form, as prescribed.

(ii) Copy of the Present Petition not served upon the IBBI

Rule 4 (3) of the Application to AA Rules stipulates that "The Applicant shall serve a copy of the application to the registered office

of the corporate debtor and to the Board, by registered post or speed post or by hand or by electronic means, before filing with the Adjudicating Authority." In the Present Petition, no such proof of service thereof to the Board, i.e. the Insolvency and Bankruptcy Board of India has been produced. The said Rule 4 (3) of the Application to AA Rules was amended on 24th September 2020 to specifically include that a copy of an application shall be served upon the Board prior to filing. Hence, in the absence of any proof of service thereof, it is clear that the procedure mandatorily required to be adhered to by the Petitioner before filing the Present Petition has not been complied with.

(iii) No Proof of Disbursement of alleged Debt and/or Default in Repayment thereof

Section 7(2) of the Code provides that an application under Section 7 (1) of the Code must be filed in such manner as may be prescribed which has been stipulated in detail in the Application to AA Rules. Rule 4 of the Application to AA Rules provides that an application shall be formed in Form 1 accompanied with documents and records required therein. The Form I inter alia in Part - V prescribes that the following documents, records and evidence of default must be provided:

- a. Particulars of Security held, the date of its creation, its estimated value;
- b. Record of default with the information utility;

- c. The latest and complete copy of the financial contract reflecting all amendments and waivers to date;
- d. Record of default with any credit information company;
- e. Copies of entries in a bankers book in accordance with the Bankers Books Evidence Act, 1891;
- f. Other documents in order to prove the existence of financial debt, the amount and date of default.

Therefore, an application under Section 7 of the Code must *inter alia* necessarily provide documents and *cogent* evidence showing (i) existence of a debt, (ii) disbursement of a debt, and (iii) default of a debt. In the Present Petition, though the Petitioner alleges that there is an alleged debt payable by the Respondent in respect of which there is an alleged default. However, the same lacks proof of the alleged debt and the alleged default. In the absence of a Petitioner being able to prove the sanction, disbursement and default of a debt, an Application filed under Section 7 of the Code, must necessarily fail and be dismissed.

- (iv) The absence of the above key ingredients and pre-requisites in the Present Petition, which have been stipulated *inter alia* under the provisions of Section 7 of the Code read with Rule 4 and Form 1 of the Application to AA Rules, the only consequence is that the same must fail and be dismissed with exemplary costs.

3.7 The entire foundation of the Present Petition proceeds on a fundamentally erroneous assumption that a subsisting and continuing "default" exists. Any alleged default of the year 2017 stood expressly and unequivocally waived

once the Respondent Bank accepted and sanctioned a One Time Settlement ("OTS") proposal in August 2023. Upon such acceptance, the earlier classification of the account as Non-Performing Asset and the alleged default stood eclipsed and novated by the sanctioned settlement, and no insolvency proceedings could thereafter be premised on the alleged historical default of 2017.

3.8 The loan account of the Respondent was classified as a Non-Performing Asset (NPA) on 29.09.2017. Thereafter, the Respondent, expressly accepted the Petitioner's One Time Settlement ("OTS") proposal of Rs.431 Crores on 21st August 2023, permitting implementation through a Scheme under Section 230 of the Companies Act, 2013. The acceptance of the OTS constituted a clear waiver of the alleged prior default and amounted to a fresh contractual arrangement governing the rights and obligations of the parties. Pursuant thereto, the Respondent filed its Section 230 Scheme on 30th August 2023 proposing time-bound payment to all creditors through monetisation of its assets.

3.9 The OTS accepted on 21st August 2023 could not be implemented solely due to supervening legal proceedings and not on account of any unwillingness or inability on the part of the Respondent. On 14th February 2024, the Respondent was admitted into Corporate Insolvency Resolution Process ("CIRP") in Company Petition (IB) No. 348 of 2022, rendering the pending Section 230 proceedings and appeal infructuous and placing the Respondent under statutory restraint from making payments outside the CIRP framework. Thus, between 28th August 2023 and 14th February 2024,

the Respondent was legally disabled from consummating the OTS, despite the same having been sanctioned.

3.10 During the pendency of the CIRP, and in complete disregard of the sanctioned settlement as well as the statutory framework under the Code, the Petitioner issued a show cause notice and proceeded to declare the Respondent as a wilful defaulter on or about 29th May 2024. The said proceedings and declaration were neither duly communicated nor brought to the knowledge of the Respondent at the relevant time, and came to light only subsequently in the year 2025.

3.11 Post settlement of ICICI Bank's dues they had filed a Section 12A of the code. And consequently, the order admitting the Respondent in CIRP was set aside. It was after that the Respondent discovered in August 2025 that they had been reflected as a wilful defaulter on the TransUnion CIBIL platform by Petitioner. This wrongful classification has rendered it impossible for the Respondent to raise finances or mobilise funds to discharge the balance settlement amount, thereby artificially creating a so-called "default".

3.12 A creditor cannot create a default by its own acts and omissions and then seek to take advantage thereof. And any alleged default post-August 2023 is wholly bank-created, self-serving and legally unsustainable.

3.13 The CD has attached the following supporting documents along with the Reply:

- a) Copy of Company Petition No. 883 of 2024.
- b) Copy of Company Petition No. 876 of 2024.
- c) Copy of Company Petition No. 878 of 2024.

4. REJOINDER

- 4.1 Rejoinder dated 13.02.2026 was filed and affirmed by one Mr. Kishore K Mane, who is stated to be the Chief Manager and authorized representative of the Applicant.
- 4.2 The CD began committing defaults from 01.07.2017 onwards, in the repayment of the said Facility, as is evident from the Statement of Accounts annexed to the Company Petition. The account of the Respondent was declared as NPA on September 29, 2017.
- 4.3 In view of the defaults committed by the Respondent, the Petitioner has also issued a Notice dated 30.10.2017 ("Demand Notice") inter alia recording the defaults on the part of the Corporate Debtor, and calling upon the Respondent to make payment of the outstanding amounts, within a period of 60 days from the date of the notice, failing which the Petitioner shall take appropriate legal action.
- 4.4 There is no response to this notice and no payments have been made by the Respondent to clear the outstanding dues. Thus, there exists a clear and undisputed default on the part of the Respondent. At no point in time has the Respondent ever denied/disputed the clear debt and default on the part of the Respondent in the due repayment of the said Loans to the Petitioner.
- 4.5 Thus, there being a clear debt and default on the part of the Respondent in the repayment of the said Loans, the present Company Petition ought to be admitted.

- 4.6 Not only is a clear debt and default on the part of the Respondent, the same has continuously been acknowledged and admitted by the Respondent, from time to time.
- 4.7 By the Balance Sheet for the year ending March 31, 2023; and the Balance Sheet for the year ending March 31, 2024, the Respondent has acknowledged the debt due and payable to the Petitioner.
- 4.8 Furthermore, the Respondent has consciously acknowledged the debt due and payable to the Petitioner through certain settlement letters including (i) OTS Letter dated August 11, 2023 [Exhibit MM to the Petition]', and (ii) Settlement Letter dated June 7, 2025 [Exhibit L to the Petition]', and also through Revival Letter dated June 8, 2018.
- 4.9 By the Reply, the CD contends that the present Company Petition is bailed by law. The reason given by the CD is that upon filing of the Company Petitions against the Personal Guarantors of the Borrower i.e. the CD; there is a moratorium under the provisions of Section 96 of the IBC in respect of the entire debt and the present Company Petition, having been filed by the Petitioner in respect of the same debt (forming subject matter of the PG Petitions) could not have been filed.
- 4.10 It is submitted that the contentions of the CD in this regard is a gross misinterpretation of the provisions of Section 96 of IBC. It is vehemently denied that the moratorium under Section 96 of the IBC will bar the present Company Petition filed under Section 7 of the IBC. All allegations made by the Corporate Debtor in this regard therefore ought to be disregarded by this Hon'ble Court.

4.11 The present Company Petition is complete in all respects and does not suffer from any severe defects and does not lack any mandatory compliances.

5. ADDITIONAL AFFIDAVIT (FC)

5.1 The Applicant filed an Additional Affidavit dated 09.03.2026, affirmed by Mr. Kishor K Mane, who is stated to be the Chief Manager of the Applicant, and brought on record certain additional documents.

5.2 The present Petition is currently at the pre-admission stage and no IRP has been appointed. Consequently, the Applicant has taken a commercial call to ensure effective management of the CIRP of the CD upon admission and therefore seeks to change the initially proposed IRP, Mr. Harish Kant Kaushik with M/s. KDRA Insolvency Professionals Private Limited to act as an IRP in the captioned Company Petition and has procured its Form-2, i.e., the written consent dated 27.02.2026. Further, it is certified that no disciplinary proceedings are pending against the proposed IRP with the Board or ICAI Institute of Insolvency Professionals.

5.3 The Financial Creditor has filed the Affidavit in Rejoinder dated 13th February, 2026, and has relied upon the balance sheet for the year ending 31st March, 2023 (Exhibit-A to rejoinder) as well as proof of disbursement (Exhibit-D to rejoinder), however the Banker's Book Evidence remained to be annexed to the rejoinder. Accordingly, by way of present Affidavit, the Financial Creditor brought on record the Banker's Book Evidence.

6. SHORT SYNOPSIS (FC) dated 11.03.2026

6.1 From time to time, the CD has acknowledged the debt and default after the date of default which is 01.07.2017. The same is evident from:

- a) Revival Letter dated June 8, 2018 [Rejoinder/Ex.B/Pg.45];
- b) Balance Sheet for the year ending March 31, 2023 [Rejoinder/Ex.A/Pg.18,29];
- c) OTS Letter dated August 11, 2023 [Petition/Ex.MM/Pg.338];
- d) Balance Sheet for the year ending March 31, 2024 [Petition/Ex.V/168,180];
- e) OTS Letter dated June 6, 2025 [Petition/Ex.L/Pg.III]; and
- f) HC Order dated October 17, 2025 [Petition/Ex.P/Pg.130].

6.2 It is pertinent to note that:

- a) the period from March 15, 2020 to February 28, 2022 is excluded for the purpose of ascertaining limitation, in light of the Supreme Court decision in Re: Cognizance for Extension of Limitation; and
- b) the period from November 22, 2022 to August 24, 2023 and February 14, 2024 to July 30, 2025 when the Corporate Debtor was in the Corporate Insolvency Resolution Process ("CIRP") is excluded for the purpose of ascertaining limitation, as per Section 60(6) of the IBC.

Hence, the present Company Petition filed in November 2025 is well within limitation.

6.3 The NeSL Report shows the date of default as 01.07.2017 and is "Authenticated".

6.4 The Statement of Accounts are at Petition/Ex.HH/Pg.307 along with Certificate of the Banker's Book of Evidence Act, 1891 at Petition/Ex.HH/Pg.309.

- 6.5 The First Admission Order was challenged by the suspended directors of the Corporate Debtor before the Hon'ble NCLAT, and by order dated August 24, 2023, in view of the acceptance of an OTS Proposal dated August 11, 2023 accepted by the Financial Creditor on August 21, 2023 ("First OTS Agreement"), the matter was disposed of.
- 6.6 Thereafter, in Company Petition No. 348/2022 filed by ICICI Bank, the Corporate Debtor was once again admitted into CIRP by an order dated February 14, 2024 ("Second Admission Order")
- 6.7 The Second Admission Order was challenged by the suspended directors of the Corporate Debtor before the Hon'ble NCLAT, and by an order dated February 21, 2024, the Hon'ble NCLAT directed status quo on constitution of COC so that parties could explore settlement. The Appeal was ultimately disposed of by order dated November 22, 2024 giving the parties the liberty to file an Application under Section 12A in view of settlement.
- 6.8 Meanwhile, due to breach of the First OTS Agreement, the FC filed Company Petition No. 1041 of 2024 ("Second Company Petition") against the CD. However, in view of the status quo order passed by the Hon'ble NCLAT in the proceedings pertaining to ICICI Bank, the Hon'ble NCLT disposed of the Second Company Petition by an order dated January 31, 2025.
- 6.9 From time to time, the suspended directors of the CD filed Interlocutory Applications before the Hon'ble NCLAT for extension of time of the interim protection granted by the order dated November 22, 2024. Eventually an Interlocutory Application No. 2917/ 2025 was filed under Section 12A of the IBC ("12A Application") before the Hon'ble NCLT seeking withdrawal of

CIRP qua the CD. The FC intervened and objected to the withdrawal of the Company Petition.

6.10 During these proceedings, the CD once again gave an OTS Proposal to the FC on June 7, 2025, offering to settle the debt for INR 460 crores. The same was accepted by the FC by its letter dated June 16, 2025 ("Second OTS Agreement"). Accordingly, the 12A Application was allowed by an order dated July 30, 2025.

6.11 From time to time, the FC sent reminders to the CD to pay the outstanding amounts [Petition/Ex.O/Pg.128]. However, the same was not paid.

6.12 In certain proceedings relating to Wilful Defaulter before the High Court, it was reiterated by the CD that it shall pay the balance OTS amount of INR 437 crores by October 28, 2025, which is recorded in order dated October 17, 2025. However, the amount was not paid.

6.13 Accordingly, the FC once again sent a letter dated October 29, 2025 recording the default on the part of the CD.

6.14 Hence, not only has the CD breached the terms of the facilities granted from time to time, the CD has also breached the First OTS Agreement and the Second OTS Agreement, thus constituting further defaults on the part of the CD.

6.15 For this, one must see the provisions of Section 96 of the IBC along with the definition of "debt" laid down in S.3(11) of the IBC, which means "*a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt*". By a plain language of the sections, the interim moratorium under S.96 shall be in existence with respect to all the debts, which is the liability or obligations in respect of a claim due from

the debt or, which in this case is the personal guarantors, and also any legal proceedings which are pending with respect to such debt is deemed to be stayed and no further action shall lie.

6.16 The liability and obligations of the personal guarantors arises out of an independent contract of guarantees and accordingly, there are separate claims/actions filed against the personal guarantor by the PG Petitions. Hence, the liability of the personal guarantors are distinct from one another and from the principal borrower; and even the claims filed against the personal guarantors and the principal borrower are independent and separate. Thus, the “debts” are different and therefore, it is clear that the S.96 moratorium will only affect the debts of the personal guarantor and cannot be extended to the principal borrower i.e. the CD.

6.17 Under Section 128 of the Contract Act, the liability of the surety or the guarantor is co-extensive, meaning the guarantor is liable as much and in equal terms as the principal is liable, but this does not mean that the cause of action in one case will extinguish the cause of action in another case. The cause of action in the present S.7 Company Petition is the default in the loan repayment by the CD, whereas the cause of action in the PG Petitions is the non-payment of debt on invocation of guarantee. Both are separate contracts governed under the contract act and remedy under one contract shall not extinguish the other in law.

6.18 The words “in relation to” and “any” in S.96 of the IBC cannot be stretched to mean that the debt of guarantor are also also debts of the CD who is the principal borrower in first instance, and all the proceedings arise out of these debts comes under the moratorium. All it means is that any action against

the particular personal guarantor/debtor pertaining to these debts shall be in moratorium.

6.19 The Hon'ble Supreme Court in the case of *Lalit Kumar Jain v. Union of India* 2021 (9) SCC 321 has held that the approval of a resolution plan of the Corporate Debtor does not *ipso facto* discharge a personal guarantor of her or his liabilities under a contract of guarantee, and that the liability of a personal guarantor arises out of an independent contract [para 111]. Hence, the liability of the personal guarantor, arising out of an independent contract, is distinct from that of the liability of the borrower and hence, the debt is also separate.

6.20 The Hon'ble NCLT, Kochi Bench in the case of *Furnace Fabrica (India) Limited vs. State Bank of India* IA(IBC)339/KOB/2023 in CP(IBC)/14/KOB/2023 decided on 01.11.2023 has conclusively held that the moratorium under Section 96 and 101 of the IBC cannot be meant to prohibit the right to action under Section 7 or 9 or 10 of the IBC which lie against a company or body corporate and not against an individual as under PIRP [paras 3 to 6].

6.21 The Hon'ble Delhi High Court in the case of *Axis Trustee Services Limited vs. Brij Bhushan Singh & Anr.* 2022 SCC Online Del 3634 has also held that the interim moratorium under S. 96 of the IBC in respect of one of the guarantors would not *ipso facto* apply against a co-guarantor [para 34 to 37]. Similarly, the interim moratorium in respect of the PG Petitions cannot apply to the present S.7 Petition filed against the principal borrower i.e. the CD.

6.22 The Hon'ble NCLAT in the case of *Bhavesh Gandhi v. Central Bank of India (Company Appeal) (AT)(Ins) No. 923 of 2022* has also observed that the under Section 96(1)(b) of the IBC, with regard to all the debts of the debtor i.e. the personal guarantor, no proceeding can be initiated [para 14]. Thus, the Hon'ble NCLAT has interpreted the provisions of S.96 to apply to the debts of the personal guarantor and the same cannot be extended to the principal borrower i.e. the CD.

6.23 Hence the PG Petitions and the S.96 moratorium operating in respect of the personal guarantors will not bar the present Company Petition.

6.24 It is submitted that the present Company Petition is not defective since all relevant documents have been annexed including:

- a) Working computation of total debt [Rejoinder/Ex.C/Pg.48];
- b) Proof of disbursement [Rejoinder/Ex.C/Pg.49]; and
- c) Proof of service on IBBI [Rejoinder/Ex.C/Pg.122].

Hence, the present Company Petition is complete in all aspects.

7. SHORT SYNOPSIS (CD) dated 10.03.2026

7.1 The Petitioner has already initiated proceedings under Section 95 of the IBC against the Personal Guarantors of the CD, being Company Petition Nos. 883 of 2024, 876 of 2024 and 878 of 2024, respectively. (The same is now dismissed as infructuous by order dt. 30th January 2026 passed by NCLT Mumbai Bench IV).

7.2 These proceedings relate to the same alleged financial debt which forms the subject matter of the present Section 7 Petition. Upon filing of the aforesaid Personal Guarantor Petitions, the statutory moratorium under

Section 96 of the IBC came into effect. Section 96 provides for a moratorium in respect of any debt during the pendency of insolvency proceedings against the personal guarantor.

7.3 CIRP in respect of the Personal Guarantors has already been initiated by the Hon'ble Bench III of this Tribunal in C.P.(IB) No. 538 of 2022 against Bhavamishankar Sharma, C.P.(IB) No. 535 of 2022 against Mr. Vikram Sharma C.P.(IB) 536 of 2022 against Vikas Sharma filed by SREI Infrastructure Finance Ltd., and an Interim Moratorium under Section 96 of the IBC is already in effect therein.

7.4 The legal consequence of such a moratorium is that any proceedings in respect of the same debt cannot continue simultaneously, including proceedings under Section 7 against the CD.

7.5 Therefore, the present Company Petition, which pertains to the same alleged debt, cannot proceed and is liable to be rejected as barred by law.

7.6 In view of the aforesaid legal position, the CD has filed an Interlocutory Application under Section 60(5) of the IBC seeking (a) dismissal of the present Company Petition in limine; (b) keeping the proceedings in abeyance pending adjudication of the issue; and grant of interim and ad-interim reliefs.

7.7 By order dated 17.02.2026, this Hon'ble Tribunal has been pleased to record the submissions of the Respondent judgment of the Hon'ble Bombay High Court in Writ Petition No. 7477 of 2024. Wherein it was held that:

A) The moratorium under Section 96 of the IBC applies to the debt itself and not merely to the personal guarantor.

B) Once proceedings under Section 94 or 95 of the IBC are initiated against a personal guarantor, the moratorium operates in respect of the entire debt.

7.8 Therefore, parallel proceedings in respect of the same debt cannot be continued simultaneously.

7.9 The CD submits that the ratio of the aforesaid judgment squarely applies to the present case and this C.P. therefore cannot be proceeded with.

8. IA/683/(MB)2026

8.1 The present Interlocutory Application (I.A.) bearing IA/683/(MB)2026 was filed on 07.02.2026 by the Applicant, M/s. Supreme Housing and Hospitality Private Limited (who is the Respondent in C.P. 1257/2025), under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC"), seeking the following reliefs: -

- "a. that the captioned Petition bearing Company Petition No. 1257 of 2025) be dismissed in limine;*
- b. that pending the hearing and final disposal of the present Interlocutory Application, the proceeding in the captioned Petition bearing Company Petition No. 1257 of 2025 be kept in abeyance;*
- c. for ad-interim and interim reliefs in terms of prayer clause (b) above be granted;*
- d. for costs; and*

e. for such further and other orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case."

8.2 The Applicant (Corporate Debtor) is filing the present Interlocutory Application seeking dismissal of the Company Petition bearing C.P. No. 1257 of 2025 ("captioned Petition") at the threshold, as the same is barred by law, not maintainable, suffers from several defects, incomplete and an abuse of process of law.

8.3 The Applicant states that based on grounds raised hereinbelow, it is evident that the captioned Petition is not maintainable and is filed by Respondent (original Petitioner in the captioned Petition) with *mala fide* intent.

8.4 The Applicant submits that the captioned Petition is incomplete, defective and does not make out any case for admission on the basis of the documents sought to be relied upon by the Respondent in the captioned Petition. The Applicant further submit that the captioned Petition, as it stands, is inadequate, and does not meet with the mandatory threshold of documents compulsorily required to be filed as is envisaged under the Code read with the Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority Rules, 2016 ("Application to AA Rules").

8.5 The Applicant submits that the captioned Petition fails to establish any cogent proof evidencing a default so as to pass muster with the requirements of the Code and the Regulations framed thereunder, warranting admission.

8.6 The Applicant submits that the captioned Petition could not have been filed by the Respondent *inter alia* because the Respondent has instituted proceedings

under the provisions of Section 95 of the Code against (i) Vikram Bhawanishankar Sharma, (ii) Vikas Bhawanishankar Sharma and (iii) Bhawanishankar H. Sharma being Company Petition Nos. 883 of 2024, 876 of 2024 and 878 of 2024, respectively. Hence, in view of the moratorium under the provisions of Section 96 of the IBC, the Respondent could not have filed the captioned Petition.

8.7 The Applicant submits that the captioned Petition is an abuse of process of law and a *mala fide* attempt by the Respondent to arm-twist the Applicant. The Applicant further submits that the captioned Petition is a dishonest and malicious attempt by the Respondent to initiate a corporate insolvency resolution process against the Applicant which has been filed with an ulterior motive to pressurize the Applicant into meeting the onerous and unconscionable demands of the Respondent.

8.8 The Applicant submits that the captioned Petition is barred by law for the following reasons:

- a) The Applicant submits that sometime on or about 22nd August 2024, the Respondent have filed Petitions under Section 95 of the Code against (i) Vikram Bhawanishankar Sharma, (ii) Vikas Bhawanishankar Sharma and (iii) Bhawanishankar H. Sharma being Company Petition Nos. 883 of 2024, 876 of 2024 and 878 of 2024, respectively ("PG Petitions").
- b) The Applicant states that the perusal of the Personal Guarantee Petitions ("*PG Petitions*") above, will show that the same have been filed in respect of the personal guarantees allegedly given by (i) Vikram Bhawanishankar Sharma, (ii) Vikas Bhawanishankar Sharma and (iii) Bhawanishankar H. Shanna in respect

of the purported dues of a Corporate Debtor herein. A few relevant averments made in the PG Petitions are reproduced herein below:

Part-II

14.	<i>Details regarding personal guarantor (in addition to information in serial no 1-13 of this part)</i>	
	<i>Name of corporate debtor for which guarantee is given</i>	<i>SUPREME HOSUING AND HOSPITALITY PRIVATE LIMITED (undergoing IPR process with order dated 14th February, 2024 of Hon'ble NCLT Mumbai)</i>
	<i>Any current or past position held in the corporate debtor (to the extent known)</i>	<i>Not Known</i>
	<i>Identification number of corporate debtor</i>	<i>CIN: UJ7120MH2007PTCJ69520</i>
	<i>Whether corporate debtor is an associate (to the extent known)</i>	<i>No Known associates</i>
	<i>Any securities held in corporate debtor for whom guarantee is given</i>	<i>No</i>

Part-III

3.	<i>Date on which debt was due</i>	<i>1st April, 2017 (The account was irregular on 01.04.2017, but the invocation of Personal guarantors is on 10.07.2024 and the total amount to be paid within 15 days and due date of dues is 25.07.2024)</i>
4.	<i>Date on which default occurred</i>	<i>1st July, 2017 (The date of NPA of the corporate debtor is 01.07.2017, but the invocation of Personal guarantors is 10.07.2024 and the total amount to be paid within 15 days and due date of dues is 25.07.2024) Further, Demand Notice dated 36.07.2024 was issued by the Applicant Bank to the Personal Guarantor under Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantor to Corporate Debtors) Rule, 2019 calling</i>

		<i>upon the Guarantor to pay the amount of Rs. 515,51,27, 752.621- (Rupees Five Hundred Fifteen Crores Fifty One Lakh Twenty Seven Thousand Seven Hundred Fifty Two and Paise Sixty Two Only) as on 31.07.2024.</i> <i>A copy of the said Demand Notice is annexed herewith as Annexure-6.</i> <i>The said Demand Notice was duly served on the Personal Guarantor on 27.07.2024.</i> <i>Personal Guarantor failed to pay the debt within the period of fourteen (14) days from the date of service of notice in terms of provisions of section 95(4) of the Insolvency and Bankruptcy Code, 2016.</i>
5.	<i>Nature of the debt</i>	<i>Financial Debt/outstanding amount under financial debt provided by the Applicant Bank to the Corporate Debtor as mentioned at Serial Number 2 above.</i> <i>The personal guarantor has provided guarantee in favour of the applicant Bank for securing the said financial debt provided by the Bank to the Corporate Debtor.</i>
10.	<i>Particulars of an order of a court, tribunal or arbitral panel adjudicating on the default, if any (attach a copy of the order)</i>	<i>1. Order dated 14th February 2024 passed by the Hon'ble NCLT Mumbai in Vide CP (IB) No. 348/MB-VI/2022 against the Corporate Debtor.</i>

- c) The Applicant further states that upon filing of the PG Petitions (which are in relation to the debt allegedly owed by the Applicant), there is a moratorium under the provisions of Section 96 of the Code in respect of the entire debt and the present Petition having been filed by the Respondent in respect of the same debt (forming subject matter of PG Petitions) could not have been filed.
- d) The Applicant submits that protective mandate of the moratorium under Section 96 of the Code is in respect of the 'debt' and not the debtor and therefore no proceedings against any entity and/or person in respect of the alleged debt owed by the Applicant can be filed after the filing of the PG Petitions.

- e) The Applicant submits that in the circumstances aforesaid, on this ground alone, the captioned Petition is liable to be dismissed, as barred in law.

8.9 The Applicant submits that the captioned Petition suffers from several defects, is incomplete and hence liable to be dismissed in limine. The detailed list of all the defects in the Form-1 is particularised hereinbelow:

a) No Working Computation Attached

The Form - 1 as prescribed under the Application to AA Rules, inter alia, in Part - IV stipulates that the "*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)*" be provided. However, in the Present Petition, the Petitioner has failed to provide the Workings for computation of amount and days of default in a tabular form, as prescribed.

b) Copy of the Present Petition not served upon the IBBI

Rule 4 (3) of the Application to AA Rules stipulates that "The Applicant shall serve a copy of the application to the registered office of the corporate debtor and to the Board, by registered post or speed post or by hand or by electronic means, before filing with the Adjudicating Authority." In the Present Petition, no such proof of service thereof to the Board, i.e. the Insolvency and Bankruptcy Board of India has been produced. The said Rule 4 (3) of the Application to AA Rules was amended on 24th September 2020 to specifically include that a copy of an application shall be served upon the Board prior to filing. Hence, in the absence of any proof of service thereof, it is clear that the procedure mandatorily required

to be adhered to by the Petitioner before filing the Present Petition has not been complied with.

c) No Proof of Disbursement of alleged Debt and/or Default in Repayment thereof

Section 7(2) of the Code provides that an application under Section 7 (1) of the Code must be filed in such manner as may be prescribed which has been stipulated in detail in the Application to AA Rules. Rule 4 of the Application to AA Rules provides that an application shall be formed in Form 1 accompanied with documents and records required therein. The Form 1 *inter alia* in Part - V prescribes that the following documents, records and evidence of default must be provided:

- a. Particulars of Security held, the date of its creation, its estimated value;
- b. Record of default with the information utility;
- c. The latest and complete copy of the financial contract reflecting all amendments and waivers to date;
- d. Record of default with any credit information company;
- e. Copies of entries in a bankers book in accordance with the Bankers Books Evidence Act, 1891;
- f. Other documents in order to prove the existence of financial debt, the amount and date of default.

Therefore, an application under Section 7 of the Code must *inter alia* necessarily provide documents and *cogent* evidence showing (i) existence of a debt, (ii) disbursement of a debt, and (iii) default of a debt. In the Present Petition, though the Petitioner alleges that there is an alleged debt payable by the Respondent in respect of which there is an

alleged default. However, the same lacks proof of the alleged debt and the alleged default. In the absence of a Petitioner being able to prove the sanction, disbursement and default of a debt, an Application filed under Section 7 of the Code, must necessarily fail and be dismissed.

- d) The absence of the above key ingredients and pre-requisites in the Present Petition, which have been stipulated inter alia under the provisions of Section 7 of the Code read with Rule 4 and Form 1 of the Application to AA Rules, the only consequence is that the same must fail and be dismissed with exemplary costs.

8.10 The Applicant therefore states and submit that for all the reasons aforesaid, the captioned Petition lacks bona fide proof, is devoid of merits and a clear and blatant attempt to surreptitiously obtain orders from this Hon'ble Tribunal. Hence, the same deserves to be dismissed, with exemplary costs.

9. ANALYSIS AND FINDINGS

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

9.2 The undisputed/admitted facts in this matter are:

- a) Term Loan of Rs. 390 Crores was sanctioned and disbursed to the CD in 2014.
- b) Loan documents were executed and the account was classified as NPA on 29.09.2017.
- c) Prior Section 7 proceedings, appeals, and CIRP (later withdrawn under Section 12A) are undisputed.

d) OTS proposals were made and accepted, including the 2nd OTS dated 07.06.2025.

9.3 However, several issues remain disputed, namely:

- a) Applicability of Section 96 moratorium to the present Petition.
- b) Maintainability of the Petition in light of PG proceedings.
- c) Alleged defects and compliance under Section 7 and Form 1.
- d) Existence of subsisting default post-OTS.

9.4 In the present case, the existence of financial debt and its disbursement is borne out from the record. The classification of the account as NPA on 29.09.2017, statements of accounts, and acknowledgements in balance sheets and settlement proposals clearly establish a continuing liability. The Hon'ble Supreme Court in *Asset Reconstruction Company (India) Ltd. v. Bishal Jaiswal* has held that entries in balance sheets constitute valid acknowledgements under Section 18 of the Limitation Act, thereby extending limitation. Further, repeated OTS proposals and revival letters also amount to an acknowledgement of debt.

9.5 The failure of the CD to comply with the terms of the OTS, particularly the subsequent OTS dated 07.06.2025, gives rise to a fresh cause of action. In this regard, it is well settled that breach of a settlement agreement revives the creditor's right to initiate proceedings. The contention that the earlier OTS resulted in novation extinguishing prior default is therefore untenable in view of the admitted breach of such settlement.

9.6 The CD herein had filed I.A. 683 of 2026 on 07.02.2026 under Section 60(5) of the IBC, seeking the reliefs as mentioned herein above.

9.7 The limited issue that arises for consideration in the present I.A. is whether the interim moratorium under Section 96 of the IBC which is triggered upon filing of an application under Section 95 against personal guarantors, operates as a bar to initiation or continuation of insolvency proceedings against the Corporate Debtor under Section 7 of the IBC.

9.8 A plain and purposive reading of Section 96 of the IBC makes it clear that the interim moratorium is triggered upon the filing of an application under Section 95 and is operative in relation to the personal guarantor against whom such application is instituted.

“96. Interim- moratorium. -

(1) When an application is filed under section 94 or section 95 –

(a) an interim-moratorium shall commence on the date of the application in relation to all the debts and shall cease to have effect on the date of admission of such application; and...”

The statutory language does not display any legislative intent to extend the scope of such moratorium to the CD or to any other entity not subject to proceedings under Part III of the IBC (Insolvency Resolution And Bankruptcy For Individuals And Partnership Firms). The protection under Section 96 is thus clearly circumscribed and confined to the individual debtor, namely the personal guarantor.

9.9 The scheme of the IBC further protects this interpretation. The IBC delineates two distinct insolvency frameworks — one governing corporate persons under Part II and the other governing individuals and partnership firms under Part III. These systems, though interconnected, are designed to operate independently within their respective domains. In the absence of an express statutory bar, the initiation of proceedings under one part cannot be construed to inhibit proceedings under the other. The construction sought to be advanced by the Applicant would amount to mixing these distinct statutory mechanisms, thereby undermining the efficiency of the IBC.

9.10 In this regard, we place reliance on the recent judgment of the Hon'ble High Court of Bombay in ***IL & FS Financial Services Ltd. v/s Serveall Constructions Pvt. Ltd. and Ors.*** (06.04.2026) wherein it has been authoritatively held that the interim moratorium imposed under Section 96 in proceedings against personal guarantors does not extend to the principal borrower. The Hon'ble High Court has unequivocally clarified that proceedings against the principal borrower are not interdicted by such moratorium and may continue independently. The relevant extract of the said judgement is reiterated as under:

“46. Hence, in the present case, the interim moratorium imposed under Section 96 of the IB Code in the IRP proceedings initiated for defendants nos. 3 and 4, who are personal guarantors in the present suit, would not apply to defendant no. 1, who is the principal borrower in the present suit against whom no proceedings have been initiated under the IB Code. Hence, this suit shall remain stayed only against

defendants nos. 2 to 4 until the respective moratorium orders are operative.”

9.11 A similar exposition of law is found in the decision of our Coordinate Bench at NCLT Kochi, in ***Furnace Fabrica (India) Limited v. State Bank of India*** IA(IBC)339/KOB/2023 in CP(IBC)/14/KOB/2023 (01.11.2023), wherein it has been held that the moratorium under Sections 96 and 101 of the IBC cannot be construed so as to bar proceedings under Sections 7, 9 or 10 against a corporate debtor. The Tribunal has further observed that the expression “in relation to debt” must receive a contextual and harmonious interpretation, consistent with the overall scheme of the IBC, and cannot be extended to defeat the enforceability of contractual rights arising under loan and guarantee arrangements. In the said Order NCLT Kochi observed the following:

“6. On the conjoint reading of the provisions of the code, in line with the judgements referred above, we are of opinion that the moratorium under section 96 and 101 of the code cannot be meant to prohibit the right to action under section 7 or 9 or 10 of IBC which lie against a company or body corporate and not against an individual as under PIRP. It is our view that the word ‘in relation to debt’ should be read in harmony with the other parts of the code and after giving due importance to the purpose and terms of a contract of guarantee and loan agreements. Hence,

we deem it fit that no stay can be granted in this matter.”

9.12 This Tribunal agrees with the aforesaid pronouncements. The legal position that emerges is that the interim moratorium under Section 96 is person-specific and not debt-centric and does not apply to the benefit of the CD. The pendency of proceedings against personal guarantors does not eclipse or suspend the independent statutory remedies available against the CD under Part II of the IBC.

9.13 It is also a settled principle of law that the liability of a guarantor is co-extensive with that of the principal borrower. However, such co-extensiveness does not imply exclusivity of remedies. A creditor is entitled, in law, to proceed simultaneously or independently against the principal borrower as well as the guarantor. The initiation of proceedings against one does not operate as a legal bar against the other.

9.14 In the present case, the Applicant has failed to demonstrate any statutory provision or binding precedent which would support its contention that the present Petition is barred in law. The objections raised are premised on an erroneous interpretation of Section 96 and are liable to be rejected. The averments made in the Application, as borne out from the record, do not disclose any legal impediment to the maintainability of the present proceedings.

9.15 In view of the foregoing analysis, this Tribunal is of the considered opinion that the plea of bar under Section 96 of the IBC is devoid of merit and cannot be sustained. The interim moratorium in respect of personal guarantors does not operate as a bar to the initiation or continuation of insolvency proceedings against the CD.

9.16 The submission of the CD that the moratorium under Section 96 attaches to the “debt” and consequently prohibits all proceedings in relation to such debt, irrespective of the person against whom such proceedings are initiated, is untenable. Such an expansive interpretation is neither borne out by the text of the provision nor supported by the scheme of the IBC. If accepted, it would lead to an odd situation whereby the mere initiation of proceedings against personal guarantors would effectively insulate the CD from insolvency proceedings, thereby challenging the statutory remedies available to creditors under Sections 7, 9 and 10 of the IBC.

9.17 With the above directions, the present application, i.e., **IA/683(MB)/2026**, is hereby **disposed of** as not maintainable.

9.18 The objections regarding alleged defects in the petition are also liable to be rejected. Procedural defects which are curable cannot defeat substantive rights where debt and default are otherwise established. In the present case, the Applicant has placed on record necessary documents through Rejoinder and Additional Affidavit, thereby curing any alleged defects.

9.19 It is also pertinent that the CD has, from time to time, acknowledged the debt through balance sheets, OTS proposals, and undertakings before judicial fora. Such conduct reinforces the existence of liability and default. At the same time, the repeated failure to honour settlement commitments, coupled with attempts to delay proceedings through multiple litigations, reflects a pattern which cannot be countenanced under the time-bound framework of the IBC.

9.20 In view of the above, this Tribunal finds that the existence of financial debt and default stands established; the defence under Section 96 is untenable on merits; and the objections regarding defects are curable and have been duly addressed.

9.21 The judgments cited by the Applicant are supportive of admission of this matter.

9.22 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. The Code prescribes whenever a corporate debtor defaults on a debt that is due and payable, an insolvency process may be initiated. Section 3(12) defines “default” as non payment of a debt which has become due and payable, and includes default in respect of a part or instalment thereof. Such insolvency process may be initiated either by the corporate debtor itself, or by its creditors who are classified as financial creditor or operational creditor. “Financial creditor” is defined as any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned.²⁶ A “financial debt” means a debt along with interest if any, which is disbursed against the consideration for time value of money and includes money borrowed against payment of interest.²⁷ “Operational creditor” is defined as a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned.²⁸ “Operational debt” is a claim in respect of the provision of goods or services including employment or a debt in respect of payment of dues arising under any law for the time being in force and payable to the Central or State government, or any local authority.²⁹ 31. In *Swiss Ribbons (P) Ltd. v. Union of India* [(2019) ibclaw.in 03 SC],³⁰ such classification of creditors as financial creditors and operational creditors has been held to be constitutionally valid. The Bench underscored the essential differences between a financial creditor and operational creditor and held that financial creditors were mostly secured creditors like banks and financial institutions who extended finance to enable a corporate debtor to set up and/or operate its business. Such credit is extended to a corporate debtor under well-defined loan agreements having specified repayment schedules and reserving rights to recall the loan in case of default or restructure the same enabling a corporate debtor to tide over unforeseen financial stress. On the contrary, operational creditors are mostly unsecured creditors and their claims are relatable to supply of goods and services in the operation of the business. Ordinarily, operational debts are not based on admitted documents and the

possibility of genuine disputes with regard to such debts is much higher compared to financial debts.

32. In light of such classification, the Code makes a distinction in the manner in which an insolvency process may be initiated by a financial creditor under Section 7, IBC in contradistinction to an operational creditor under Section 8 and 9, IBC. Unlike an operational creditor, a financial creditor may trigger an insolvency process under Section 7 in respect of default of any financial debt, whether owed to itself or to any other financial creditor. While the financial creditor may directly file an application under Section 7 setting out the particulars of the financial debt and evidence of default, the operational creditor, on the occurrence of a default, is to first deliver a demand notice of the unpaid debt to a corporate debtor and the latter may within 10 days of receipt of such demand notice bring to the notice of the operational creditor the existence of a dispute or record the pendency of a pre-existing suit or arbitration proceeding in respect of such debt. Once a corporate debtor demonstrates a dispute regarding the existence of the debt, the insolvency process stands aborted vis-à-vis the operational creditor. 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.

The Code restricts the scope of enquiry for admission of an insolvency process by a financial creditor merely to the existence of default of a debt due and payable and nothing more. The legislative intent behind such prompt and summary intervention is “to ensure revival and continuation of the corporate debtor by protecting the corporate debtor from its own management and from a corporate death by liquidation.”

35. The Appellant has heavily relied on Vidarbha (supra) to argue that the Adjudicating Authority has ample discretion to apply its mind to relevant factors including the feasibility of initiation of insolvency process notwithstanding the existence of default on a debt due and payable by the Corporate Debtor. In Vidarbha (supra), this Court observed:-

“61. In our view, the Appellate Authority (NCLAT) erred in holding that the adjudicating authority (NCLT) was only required to see whether there had been a debt and the corporate debtor had defaulted in making repayment of the debt, and that these two aspects, if satisfied, would trigger the CIRP. The existence of a financial debt and default in payment thereof only gave the financial creditor the right to apply for initiation of CIRP. The adjudicating authority (NCLT) was required to apply its mind to relevant factors including the feasibility of initiation of CIRP, against an electricity generating company operated under statutory control, the impact of MERC’s appeal, pending in this Court, order of Aptel referred to above and the overall financial health and viability of the corporate debtor under its existing management.

.....
.....

90. We are clearly of the view that the adjudicating authority (NCLT) as also the Appellate Tribunal (NCLAT) fell in error in holding that once it was found that a debt existed and a corporate debtor was in default in payment of the debt there would be no option to the adjudicating authority (NCLT) but to admit the petition under Section 7 IBC.”

36. However, in review, this Court clarified that observations made in Paragraph 90 are restricted to the facts of Vidarbha (supra):-

“6. The elucidation in para 90 and other paragraphs [of the judgment under review] were made in the context of the case at hand. It is well settled that judgments and observations in judgments are not to be read as provisions of statute. Judicial utterances and/or pronouncements are in the setting of the facts of a particular case.”

37. Finally, the apparent dichotomy between Innoventive (supra) and Vidarbha (supra) was set at rest in M. Suresh Kumar Reddy (supra), wherein this Court observed: “14. Thus, it was clarified by the order in review that the decision in Vidarbha Industries was in the setting of facts of the case before this Court. Hence, the decision in Vidarbha Industries cannot be read and understood as taking a view which is

contrary to the view taken in Innoventive Industries and E.S. Krishnamurthy. The view taken in Innoventive Industries still holds good.”

38. In light of the ratio in M. Suresh Kumar Reddy (supra) there is no cavil that the ratio in Innoventive (supra) lays down the correct proposition of law and the observations in Vidarbha (supra) were made in the facts of the case and do not operate as binding precedent.

39. Even otherwise on facts, Vidarbha (supra) does not come to the aid of the Appellant. In Vidarbha (supra), this Court had taken note of an award passed by APTEL in favour of the corporate debtor which far exceeded the claim of the financial creditor, and held in the setting of such facts, initiation of CIRP was unwarranted. In the present case, Appellant's contention regarding Corporate Debtor's viability is highly dubious. Though the Corporate Debtor strenuously demonstrates its commercial viability, the NCLAT has noted that the extent of outstanding liability as on 02.01.2024 was Rs. 3103.31 crore, which far exceeds the bills raised on WBSUEDCL 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)

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

- a. The Code prescribes whenever a corporate debtor defaults on a debt that is due and payable, an insolvency process may be initiated. Section 3(12) defines “default” as non payment of a debt which has become due and payable, and includes default in respect of a part or instalment thereof.
- b. When the financial creditor initiates the insolvency process for the purposes of admission, the Adjudicating Authority is only to ascertain the existence of a default from the records of the information utility or the

evidence furnished by the financial creditor within fourteen days from the receipt of such application. At this stage, neither is a corporate debtor entitled nor is the Adjudicating Authority required to examine any dispute regarding the existence of such debt. This significantly reduces the scope of enquiry at the stage of a time-bound admission of an insolvency process by a financial creditor.

- c. The adjudicating authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the adjudicating authority must then either admit or reject an application, respectively. These are the only two courses of action which are open to the adjudicating authority in accordance with Section 7(5).
- d. The Adjudicating Authority is not required to go into the inability of a corporate debtor to pay its debt
- e. The Code restricts the scope of enquiry for admission of an insolvency process by a financial creditor merely to the existence of default of a debt due and payable and nothing more.

9.24 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 the necessary proof being record of default issued by the information utility, which clearly indicates that the debt is in default. Disbursement is established based on the Bank Statement of the CD in the Books of the Applicant as attached at page 50 of the Applicant's Rejoinder, supported by Certificate u/s 2 A (c) of the Bankers' Books of Evidence Act, 1891 at page 309 of the Petition.



102002 Account wise FCC Loan Pass Sheet From: Jan 1, 2010 To: Jun 5, 2024

Branch : 15550 STRESSED ASSET MANAGEMENT MUMBAI

Customer ID 241494852
 Customer Name SUPREME HOUSING AND
 HOSPITALITY PVT LTD

Account No	TRN_DT	VALUE_DT	Event	CCY	LCY Amt Debit	LCY Amt Credit	LCY Closing Balance
TXCOSLB192840478	May 16, 2014	May 16, 2014	Principal Disbursement	INR	3,900,000,000.00	0.00	3,900,000,000.00
	May 31, 2014	May 31, 2014	Interest Debit	INR	19,223,393.70	0.00	3,919,223,393.70
	Jun 2, 2014	Jun 1, 2014	Interest Debit	INR	11,168.89	0.00	3,919,234,562.59
	Jun 2, 2014	Jun 2, 2014	Interest Debit	INR	6,978.36	0.00	3,919,241,540.95
	Jun 2, 2014	Jun 3, 2014	Interest Realised	INR	0.00	2,294,610.29	3,916,946,930.66
	Jun 3, 2014	Jun 3, 2014	Interest Debit	INR	6,978.36	0.00	3,916,953,909.01
	Jun 3, 2014	Jun 3, 2014	Interest Realised	INR	0.00	13,956.71	3,916,939,952.30
	Jun 4, 2014	Jun 4, 2014	Interest Realised	INR	0.00	16,928,783.41	3,900,011,168.89
	Jun 4, 2014	Jun 4, 2014	Interest Debit	INR	6,145.38	0.00	3,900,017,314.27
	Jun 4, 2014	Jun 4, 2014	Interest Realised	INR	0.00	6,145.38	3,900,011,168.89
	Jun 5, 2014	Jun 4, 2014	Interest Debit	INR	33,506.66	0.00	3,900,044,675.55
	Jun 5, 2014	Jun 4, 2014	Principal Realisation	INR	0.00	30,767,123.29	3,669,277,552.26

9.25 Accordingly, in our view, there exists a debt which is in default and the said debt is within limitation and exceeds the threshold prescribed under Section 4 of IBC, 2016. The present Application is complete, and as per the consent of the proposed IRP as placed on record, no disciplinary proceedings are pending against the said proposed IRP.

9.26 In view of the above, we are left with no choice but to order the commencement of the Corporate Insolvency Resolution Process on the Respondent/CD.

9.27 We make it clear that at this stage we have not crystallised the amount as claimed in this Application; the same is left to be collated by the IRP.

ORDER

In view of the aforesaid findings, this Application bearing C.P. (IB) No. 1257/MB/2025 filed under Section 7 of IBC, 2016, by Canara Bank, the Applicant (FC) for initiating CIRP in respect of Supreme Housing and Hospitality Private Limited, the CD, is **admitted**.

We further declare a moratorium under Section 14 of IBC, 2016 with consequential directions as mentioned below:

- I. We prohibit:
 - a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor, including the execution of any judgment, decree, or order in any court of law, tribunal, arbitration panel, or other authority;
 - b) transferring, encumbering, alienating, or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
 - c) any action to foreclose, recover, or enforce any security interest created by the Corporate Debtor in respect of its property, including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and;
 - d) the recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
- II. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
- III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under

Section 31(1) of the IBC or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.

- IV. That the public announcement of the CIRP shall be made immediately as specified under Section 13 of the IBC read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.
- V. That this Bench hereby appoints **M/s. KDRA Insolvency Professionals Private Limited**, having **Registration No. as IBBI/IPE-0059/IPA-1/2022-23/50037**, and **e-mail address irp@kdraip.com**, having AFA valid till 31.12.2026, as the IRP to carry out the functions under the IBC.
- VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.
- VII. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of the IBC. The officers and managers of the Corporate Debtor are directed to provide all assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. Coercive steps will follow against them under the provisions of the IBC read with Rule 11 of the NCLT Rules for any violation of law.
- VIII. That the IRP/IP shall submit to this Tribunal monthly reports with regard to the progress of the CIRP in respect of the Corporate Debtor.
- IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Financial Creditor is directed to deposit a sum of Rs.3,00,000/- (Three Lakh Rupees) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid

back to the Financial Creditor on priority upon the funds becoming available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.

- X. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai for updating the Master Data of the Corporate Debtor.
- XI. The IRP is directed to issue notice of admission upon all the statutory authorities of the Corporate Debtor without fail.
- XII. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.
- XIII. The Registry is directed to immediately communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.
- XIV. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)

//AS//

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)