



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

**ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON 16.07.2026 THROUGH VIDEO CONFERENCE**

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

IN THE MATTER OF : IDBI Trusteeship Service Ltd
Vs
Ozone Projects Pvt Ltd

MAIN PETITION NUMBER : CP(IB)/49(CHE)/2023
(IA/MA) APPLICATION NUMBERS
IA(IBC)/799(CHE)/2026

ORDER

**CP(IB)/49(CHE)/2023
IA(IBC)/799(CHE)/2026**

Present: Mr. Adith Nair, Ld. Counsel for the Petitioner.
Ms. Vandhana Prabhu, Ld. Counsel for the Respondent/Corporate Debtor.

Vide separate order pronounced in the open Court, petition is admitted.

CIRP is initiated against the Corporate Debtor i.e. Ozone Projects Pvt Ltd.

Mr. Ashok Mittal is appointed as the IRP.

The application IA(IBC)/799(CHE)/2026 filed under Section 65(1) of IBC, 2016, is dismissed.

**-sd-
[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)**

MS

**-sd-
[SANJIV JAIN]
MEMBER (JUDICIAL)**

Date: 16.07.2026



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

CP/IB/49/2023

*(filed 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 **Ozone Projects Private Limited***

IDBI Trusteeship Services Limited,

Having its registered office at
Asian Bldg., Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001

... Petitioner

Vs

Ozone Projects Private Limited

New No. 63, G.N. Chetty Road,
T. Nagar, Chennai – 600 017
Tamil Nadu.

... Respondent

Along with

IA 799 CHE 2026

In

CP/IB/49/2023

(filed under Section 65(1) of the Insolvency and Bankruptcy Code, 2016)

Ozone Projects Private Limited

New No. 63, G.N. Chetty Road,
T. Nagar, Chennai – 600 017



Tamil Nadu.

... Applicant

Vs

IDBI Trusteeship Services Limited,

Having its registered office at

Asian Bldg., Ground Floor,

17, R. Kamani Marg, Ballard Estate,

Mumbai – 400 001

...Respondent

Order pronounced on 16th July, 2026

CORAM :

SANJIV JAIN, MEMBER (JUDICIAL)

VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

*Ld. Sr. Counsel P.V. Balasubramaniam with Ld. Counsels Ankit Rajgarhia /
Adith Nair / Prajjwal Chauhan for IDBI Trusteeship Services Ltd.*

*Ld. Sr. Counsel S R. Rajagopal with Ld. Counsel Chandramouli Prabhakar
for Ozone Projects Ltd.*

COMMON ORDER

(Heard through Hybrid Mode)

1. This petition **CP(IB)/49(CHE)/2023** has been filed by **IDBI Trusteeship Services Limited** as a financial creditor on December 2022 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) read with Rule 4 of



the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “the AAA Rules”) for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) against **Ozone Projects Private Limited**, the Corporate Debtor (CD)

2. **Part 1** of the petition deals about the Petitioner. Petitioner is a public limited company having registered office at Mumbai and was incorporated on 08.03.2001 with CIN No. *U65991MH2001GO1131154*.

3. Part II of the petition deals about the Corporate Debtor. Corporate Debtor **Ozone Projects Private Limited** is a private limited company incorporated on 13.07.2005 with its registered office at New No 63, G N Chetty Road, T. Nagar, Chennai 600017 with CIN No *U70101TN2005PTC056894*.

4. Part III of the petition gives the details of the proposed Interim Resolution Professional. Petitioner has recommended the



name of Mr. Ashok Mittal with Registration No *IBBI/IPA-001/IP-P-02549/2021-2022/13889*. His AFA is valid till 31st December 2026.

5. Part IV of the petition deals with particulars of financial debt.

The present Application/ Petition has been filed by IDBI Trusteeship Services Ltd ("Applicant/Financial Creditor") under Section 7 of the Insolvency & Bankruptcy Code, 2016, in its capacity as the *Debenture Trustee*, on behalf of the *Debenture Holders* i.e. *Indiabulls Real Estate Fund*, a trust settled in accordance with the Indian Trust Act, 1882 and registered under the Securities and Exchange Board of India Act (Alternative Investment Funds) Regulations, 2012 as a category II alternative fund, acting through its Investment Manager, India bulls Asset Management Company Limited and *Patni Healthcare Limited*. In terms of the Debenture Trust Deed dated 29.06.2016 , the Debenture Holders had extended financial assistance of Rs. 126,30,00,000 (Rupees One Hundred twenty Six Crore and Thirty Lakh) to the Corporate Debtor as per the terms and conditions set



forth in the Trust Deed. The Corporate Debtor defaulted and failed in fulfilling its payment obligations under the Debenture Trust Deed and has committed a default in terms of Clause 21 thereof. The redemption date was extended seven times at the request of Corporate Debtor and last extension was given upto 20.09.2021. It is stated that Corporate Debtor as of July 31, 2022 is liable to pay to the Petitioner / Financial Creditor a total outstanding sum of Rs. 212,31,79,848/- (Rupees Two Hundred Twelve Crores Thirty One Lakh Seventy Nine Thousand Eight Hundred Forty Eight Only).

6. In **Part V** details of documents record and evidences of default are enclosed.

7. **IA 799 of 2026** under **Section 65** of IBC has been filed by Ozone Projects Private Limited seeking following reliefs:

- i) *Dismiss CP IB 49 CHE 2023 filed by respondent / financial creditor against the Corporate Debtor on account of having initiated fraudulently with malicious intent under*



section 65 of IBC and consequently impose such penalty as deemed fit in terms of justice and

ii) Pass such further or other orders as deemed fit by the tribunal in the interest of justice.

8. Brief facts of the case

8.1. IDBI Trusteeship Services Limited ("**Financial Creditor**") was appointed as a Debenture Trustee by Ozone Projects Private Limited ("**Respondent/Corporate Debtor**") under the Trustee Agreement dated June 17, 2016 (**Annexure A/4 @ Pg. 41 Vol.1**).

8.2. A Debenture Trust Deed (DTD) dated June 29, 2016 (**Annexure A/6 @ Pg. 52 Vol. 1**) was executed by and between IDBI Trusteeship Services Limited ("**Applicant / Financial Creditor**") and Ozone Projects Private Limited ("**Respondent /Corporate Debtor**"), vide which 1,263 (One Thousand Two Hundred and Sixty Three) fully secured, redeemable, interest bearing and non-convertible debentures ("**Debentures**") each with face value of Rs. 10,00,000 (Rupees Ten Lakhs Only) totalling to Rs. 126,30,00,000/- (Rupees One Hundred Twenty-Six Crore



and Thirty Lakh) were issued by the Corporate Debtor, and subscribed by *India bulls Real Estate Fund* and *Patni Healthcare Limited*(**"Debenture Holders"**) on a private placement basis on the terms and conditions recorded inter alia in the Trust Deed.

8.3. In terms of the Trust Deed, the principal amount along with redemption premium was due to be paid on October 29, 2019 i.e. the Redemption Date. However, owing to repeated requests of the Corporate Debtor and after obtaining the consent of the Debenture Holders, the redemption date was extended on seven occasions, consequent to which seven amendments to the Trust Deed were executed. The last extension of Redemption Date was granted up to September 30, 2021, and the same stood expired. (*Annexure A/13 @ Pg.227 Vol. 2*).

8.4. The Corporate Debtor's obligation to repay the financial assistance extended by the Debenture Holders under the Trust Deed was secured by various securities provided by the Corporate Debtor such as a Memorandum Indenture of Mortgage dated June 29, 2016(*Annexure A/15 @ Pg. 261 Vol 2*), Deed of



Hypothecations dated June 29, 2016(**Annexure A/16 @ Pg. 287 Vol 2**), Irrevocable and unconditional Personal Guarantee by Mr. S. Vasudevan dated June 29, 2016 (**Annexure A/17 @ Pg. 304 Vol 1**), Corporate Guarantee dated 29.06.2016 extended by *Tuscan Consultants & Developers Private Limited (Annexure A/20)*, post-dated cheques etc.

8.5. In terms of the Trust Deed, the principal amount/ debenture subscription amount carried a coupon interest of 14.25% per annum payable on a quarterly basis on each interest repayment date to each of the Debenture Holders until the final settlement date. Further, penal interest at 5% p.a. was agreed to be payable on monthly basis over and above the documented interest rate, computed on the entire outstanding amount from the date of default until the event of default is cured or the debentures are redeemed.

8.6. The Corporate Debtor failed to fulfil its payment obligations due to the Debenture Holders in accordance with the terms and conditions of the Trust Deed. Accordingly, the Corporate Debtor



committed a default in terms of Clause 21 (Events of Default) (@ **Pg. 102, Vol. 1**) r/w Clause 21.3 (Consequences of Events of Default) (@ **Pg. 107, Vol. 1**). In terms of Clause 21.3 of the Trust Deed, if an event of default has occurred, the Applicant/Financial Creditor may inter alia, recall the Subscription Amount and/or levy Default Interest.

8.7. On account of the default committed by the Corporate Debtor due to non-payment on the expiry of the Redemption Date under the Trust Deed and the subsequent amendments, the entire amount became due. Owing to the same, the petitioner on behalf of the Debenture Holders issued a Demand Notice dated January 28, 2020 (**Annexure A/22 @ Pg. 341 Vol2**) under the Trust Deed. Pursuant to the said notice being issued, an extension was granted to the Corporate Debtor on its request, consequent to which the Fourth Amendment to the Trust Deed dated January 31, 2020 was executed and the Redemption Date extended. (**Annexure A/10 @ Pg. 195 Vol 2**). Additional extensions were given and sixth amendment to the trust deed was on July 29 , 2020



extending the redemption deed. Another demand notice was issued on January 6, 2022 and two legal notices dated March 24, 2022 and July 20, 2022 were issued. Despite repeated notices Corporate Debtor failed to repay the due amount.

8.8. It is stated that the petitioner by virtue of the *notification* dated **February 27, 2019** issued by the *Ministry of Corporate Affairs* bearing no. F. No. 30/25/2018-Insolvency Section, as a Debenture Trustee is authorized to file an application for initiating corporate insolvency resolution process against a Corporate Debtor. **(Annexure A/5 (Colly.) @ Pg. 50 Vol. 1)**. Accordingly, the present Application was filed by the Financial Creditor in its capacity as the Debenture Trustee against the Corporate Debtor.

8.9. On **03.03.2023**, IDBI Trusteeship Services Limited filed a petition under Section 7 of IBC against the Corporate Debtor Ozone Projects Private Limited for initiating Corporate Insolvency Resolution Process (CIRP). It was listed for final hearing on 02.05.2023. In the interregnum, a petition **CP/5/CHE/2023** under Section 9 of IBC was filed by an



Operational Creditor Shapoorji Pallonji & Company Private Limited seeking initiation of CIRP against the Corporate Debtor Ozone Projects Private Limited. This Tribunal vide an order dated **01.05.2023** admitted the petition CP/5/2023 and initiated the CIRP against the Corporate Debtor. Consequently, on account of admission of the petition under Section 9 against the Corporate Debtor, **CP/49/2023** filed by the Petitioner became infructuous and was disposed of vide an order dated 02.05.2023 with a direction to the Petitioner to approach the IRP.

8.10. Being aggrieved by the admission of the petition CP/5/2023 vide order dated **01.05.2023** initiating CIRP against the Corporate Debtor, the suspended management of the Corporate Debtor preferred an appeal **CA(AT)(Ins) No. 134 of 2023**. The Hon'ble NCLAT vide an order dated **10.05.2023** **stayed** the further proceedings in the CIRP of the Corporate Debtor.

8.11. The petitioner filed a restoration application **Rst.A(IBC)/7/CHE/2025** before this tribunal and parallelly filed an intervention application in the appeal filed by suspended



management. Hon'ble NCLAT vide its order dated 13.01.2026 held as under:

Apart from it, when at his behest, we have passed the modified order on 21.07.2025, the Intervener was conscious of the fact that, we have modified the order to the effect of staying the effect and operation of the impugned order of initiation of CIRP process under Section 9 of the 1 & B Code, 2016.

The proceedings under Section 7 are altogether an independent proceedings and that has go no bearing so far as the Instant Company Appeal is concerned, which has to be independently decided.

The Applicant/ Intervener has to resort to the resources available to him, and would carve out his own remedies for pursuing his Recall Application preferred under Section 7 of the Code.

8.12. After hearing both the parties, the restoration application **Rst.A(IBC)/7/CHE/2025** was allowed by this tribunal on **16.04.2026**.



9. Submissions of the petitioner in CP

9.1. It is stated that on June 29,2016, a Debenture Trust Deed (DTD) was executed by and between IDBI Trusteeship Services Limited (**"Financial Creditor"**) and Ozone Projects Private Limited (**"Respondent / Corporate Debtor"**), vide which 1,263 (One Thousand Two Hundred and Sixty Three) fully secured, redeemable, interest bearing and non-convertible debentures (**"Debentures"**) each with face value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) totalling to Rs. 126,30,00,000/- (Rupees One Hundred Twenty-Six Crore and Thirty Lakh) were issued by the Corporate Debtor, and subscribed by India bulls Real Estate Fund and Patni Healthcare Limited(**"Debenture Holders"**) on a private placement basis on the terms and conditions recorded in inter alia, the Trust Deed. In terms of the Trust Deed, the principal amount along with redemption premium was due to be paid on October 29, 2019 i.e. the Redemption Date. However, owing to repeated requests of the Corporate Debtor and after obtaining the consent of the Debenture Holders, the redemption date was



extended on seven occasions, consequent to which seven amendments to the Trust Deed were executed. The last extension of Redemption Date was granted up to **September 30, 2021**, and the same stood expired. The Corporate Debtor failed to fulfil its payment obligations due to the Debenture Holders in accordance with the terms and conditions of the Trust Deed. Accordingly, the Corporate Debtor *committed default* in terms of Clause 21 of DTD. Due to the default of Corporate Debtor, demand notices and legal notices were issued and then Section 7 petition has been filed.

9.2. It is stated that the Corporate Debtor vide its reply sought to argue that the Petitioner does not possess the right or authority to initiate the present proceedings, owing to the fact that the petitioner has failed to provide any agreement / authorisation to act on behalf of the Debenture Holders. It is pertinent to mention that Petitioner was appointed as a Debenture Trustee by the Corporate Debtor itself vide a Trustee Agreement dated June 17, 2016 wherein it was categorically agreed that the Petitioner shall act for the benefit of the Debenture Holders. Further, the



Petitioner has placed on record the notification dated February 27, 2019 issued by the Ministry of Corporate Affairs bearing F. No. 30/25/2018, wherein it has been notified that a debenture trustee is authorized to file a petition under section 7 of the Code on behalf of the debenture holders. In view of the above, it is stated that the Petitioner is well within its authority to file and maintain the present Petition and the contention of the Corporate Debtor deserves to be rejected. The Petitioner has also filed on record a written authorization dated August 4, 2022 issued by India bulls (the majority Debenture Holder) to file the instant Petition. **(Annexure A/5 (Colly.) @ Pg. 50 Vol. 1).**

9.3. It is stated that the Corporate Debtor sought to argue that the Petition is *not supported by a Record of Default* as submitted by information utility. With regard to the same, it is submitted that prior to filing of the Petition and before insertion of Regulation 20(1A) of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 (“**Regulations**”), filing of a record of default is not mandatory. In this connection, the



decision of the Hon'ble High Court of Calcutta, in the matter of *Univalue Projects (P) Ltd. v. Union of India*, (2020) 222 Comp Cas 288 [Para 67(b) at Pgs. 24-50 of the Judgement Compilation] is referred, wherein it was observed and held that it is not mandatory to file a record of default maintained with the information utility. The said position has been recently affirmed in *Vinodkumar Nihalchand Parmar vs Anuj Bajpai and Anr.* [Company Appeal (AT) (Insolvency) No. 1395 of 2025 [Paras 23-32 at Pgs. 20-23 of the Judgement Compilation], passed by the Hon'ble NCLAT, whereby the Hon'ble NCLAT rejected multiple objections raised on technical grounds including challenge to authorisation and non-filing of record of Information Utility and reiterated that at the stage of admission of petition under Section 7 of the IBC, the examination by Adjudicating Authority is limited to (i) Existence of a financial debt, (ii) Occurrence of Default and, (iii) whether the petition is complete and within limitation. Further in this respect, **Section 7(4)** of the Code may be seen, which categorically mentions that the Tribunal may ascertain the



existence of a default from the records of an information utility **or on the basis of other evidence furnished along with the petition under section 7 of the Code.** It is submitted that in support of the Petition, the Petitioner has filed the Trust Deed along with the subsequent amendments, various demand notices issued to the Corporate Debtor along with the bank statements of the Debenture Holders (**Annexure A/29 @ Pg. 369 Vol. 2**) evidencing the disbursal of amounts to the Corporate Debtor, which are sufficient to demonstrate existence of a debt and default, and the payment obligations binding on the Corporate Debtor.

9.4. It is submitted that the Corporate Debtor has neither disputed the Trust Deed, nor has disputed the fact that financial assistance to the tune of Rs.126,30,00,000/- (Rupees One Hundred Twenty Six Crores Thirty Lakhs Only) had been extended by the Petitioner to the Corporate Debtor which are a matter of record.

9.5. It is stated that the Respondent / Corporate Debtor further sought to contend that the *present Petition is in the nature of recovery proceedings* and is therefore not maintainable under the Code. The



said contention is misconceived. The present Petition has been filed upon occurrence of default in repayment of a financial debt. The Petitioner / Financial Creditor invoked the statutory remedy available under Section 7 of the Code, upon the admitted failure of the Corporate Debtor to redeem the Debentures and make payment of the amounts due under the Trust Deed. The fact that demand notices were issued by the Petitioner / Financial Creditor prior to initiation of the present Petition does not render the Petition as a recovery proceeding. Such notices only demonstrate that the amounts had become due and payable, that repeated demands were made, and that the Corporate Debtor failed to cure the default despite repeated opportunities.

9.6. It is stated that the Respondent / Corporate Debtor sought to contend that since the Trust Deed provides for certain consequences upon occurrence of an event of default, *including enforcement of security*, the Petitioner / Financial Creditor ought to have pursued such remedies instead of filing the present Petition under Section 7 of the Code. The remedies available under the



Trust Deed are contractual remedies which are enabling and cumulative in nature. The same cannot be read to exclude, restrict or override the statutory remedy available to the Petitioner / Financial Creditor under the Code. There is no provision in the Trust Deed which prohibits the Petitioner / Financial Creditor from initiating proceedings under Section 7 of the Code upon occurrence of default.

9.7. It is stated that the Trust Deed itself recognises the right of the Petitioner / Financial Creditor to take appropriate enforcement action upon occurrence of an event of default. The expression **“Enforcement Action”** under the Trust Deed is wide and includes proceedings before any court, tribunal or governmental authority for enforcement of the secured obligations. The relevant excerpt of the Trust Deed is reproduced hereunder:

“Enforcement Action” shall mean any action taken or proposed to be taken by the Debenture Trustee (after obtaining the appropriate consent required pursuant to the provisions of this Deed), including Acceleration or any other action or proceeding taken or proposed to be taken by the Debenture Trustee against



the Issuer and/or any other Security Provider in respect of all or any part of the Security Interest created pursuant to any or all of the Debenture Documents for the purpose of:

- a. recovery of the Secured Obligations, enforcing or exercising all or any of the rights or remedies available to the Debenture Holders under or in the respect of the Security Interests created under the Debenture Documents **including** the initiation of any non-judicial action or any documents **or any action in any court or tribunal or before any Governmental Authority or to enforce such rights or any other Applicable Law** and any action to appoint a receiver or liquidator;*
- b. adjudicating or seeking a judgment or order on a Claim and/or;*
- c. initiating any action under or pursuant to RBI's directions in relation to corporate debt restructuring."*

Therefore, even the contractual framework relied upon by the Corporate Debtor does not support its contention that the Petitioner / Financial Creditor is confined only to enforcement of security.

9.8. It is stated that the Respondent / Corporate Debtor sought to contend that the Petitioner/Financial Creditor was required to comply with the *SEBI Circular dated October 13, 2020* prior to



initiation of the present Petition. The said contention proceeds on an incorrect understanding of the SEBI Circular. The said Circular pertains to the procedure to be followed by a Debenture Trustee in relation to enforcement of security and/or entering into an Inter-Creditor Agreement. The said Circular does not create any statutory pre-condition for filing a petition under Section 7 of the Code.

9.9. It is stated that the Respondent / Corporate Debtor further sought to contend that the present Petition is defective on account of alleged want of specific authority in favour of the signatory of the Petitioner / Financial Creditor. The said contention is again hyper-technical and does not affect the maintainability of the present Petition. The Petition has been filed by the Petitioner / Financial Creditor through its authorised representative and is supported by the Board Resolution and Power of Attorney placed on record.

9.10. It is stated that the Respondent / Corporate Debtor sought to contend that the present Petition ought to be kept in abeyance



on account of *the pendency of the Company Appeal before the Hon'ble National Company Law Appellate Tribunal, Chennai* ("**Hon'ble NCLAT**") arising out of a separate proceeding. It is submitted that the said contention is untenable. The present Petition has already been restored by this Tribunal. The Corporate Debtor has not placed any order staying the adjudication of the present Petition. The pendency of proceedings arising out of another company petition cannot by itself operate as a bar to the adjudication of the present Petition, particularly when the present Petition is founded on an independent financial debt and default under the Trust Deed. In any event, the Hon'ble NCLAT vide order dated 13.01.2026 [*Company Appeal (AT) (CH) (Ins) No. 134/2023*] passed in the said appeal has clarified that the present petition is independent and has no bearing on the proceedings before the Hon'ble NCLAT. The relevant excerpt of the NCLAT order dated 13.01.2026 is reproduced hereunder:

"The proceedings under Section 7 is altogether an independent proceedings and that has got no bearing so far



as the instant Company Appeal is concerned, which has to be independently decided.

The Petitioner / Intervener has to resort to the recourses available to him, and would carve out his own remedies for pursuing his Recall Petition preferred under Section 7 of the Code.”

10. Response by Corporate Debtor

10.1. The amounts advanced against the NCDs issued by the Corporate Debtor were duly secured in various ways as set out in **Clause 10** of the Debenture Trust Deed (DTD), including through the following specific instruments:

- i. First ranking exclusive charge by way of an Indenture of Mortgage (“**Mortgage Deed**”) dated June 29, 2016, over identified units of the project “Metrozone”, including proportionate undivided share in the larger land, and right, title, and interest over the identified areas of Metro zone [*Schedule A, B, and C to the Mortgage Deed - A/15 @ Pg. 281 to 285 of the Company Petition*]; and
- ii. First ranking exclusive charge by way of a Deed of Hypothecation (“**Hypothecation Deed**”) dated June 29, 2016, on all the right, title, interest benefits, claims, and demands to the receivables and all monies, sale proceeds, etc. accrued from sale / lease / transfer of the units of



Metro zone [*Schedule 1 to the Hypothecation Deed - A/16 @ Pg. 301 to 303 of the Company Petition*].

10.2. In terms of the DTD, the redemption of the NCDs along with payment of the principal amount along with redemption premium was due within 40 months i.e., on October 30 ,2019 (“**Redemption Date**”). The Redemption Date was subsequently extended on seven occasions till September 30, 2021.

10.3. The NCDs were listed with the National Stock Exchange of India Ltd. (“NSE”) on August10, 2019, in terms of SEBI (Debenture Trustees) Regulations, 1993, and SEBI (Issue and Listing of Debt Securities) Regulations, 2008 read with SEBI Circular No. SEBI/IMD/DOF-1/Bond/2009/11/05 dated May 11, 2019, on Simplified Listing Agreement for Debt Securities and other applicable securities laws.

10.4. It is submitted that the Debenture Trust Deed (DTD) executed in the present case not only sets out the various acts which constitutes an event of default but also very wide and substantive array of consequences which may follow upon an



event of default and maybe taken by the Debenture Holders through the Debenture Trustee. **Clause 21.3.1.**of the DTD *inter-alia* broadly provides for the following types of consequences:

- i. Invocation of Security;
- ii. Initiate Enforcement Action;
- iii. Take possession of Secured Assets;
- iv. Appropriate all monies and receivables in various bank accounts;
- v. Sell, transfer, or assign the Secured Assets;

10.5. It is further submitted that the intention of the parties to squarely act in respect of the Security in case of an event of default is also seen from the way ‘Enforcement Action’, one of the consequences of an event of default, defined and contemplated in the DTD. ‘Enforcement Action’ as defined in Clause 1 of Schedule I to the DTD as under:

“Enforcement Action” shall mean any action taken or proposed to be taken by the Debenture Trustee (after obtaining the appropriate consent required pursuant to the provisions of this Deed), including Acceleration or any other action or proceeding taken or proposed to be taken by the Debenture Trustee against



the Issuer and/or any other Security Provider in respect of all or any part of the Security Interest created pursuant to any or all of the Debenture Documents for the purpose of: recovery of the Secured Obligations, enforcing or exercising all or any of the rights or remedies available to the Debenture Holders under or in the respect of the Security Interests

It can be seen from the above definition that any judicial or non-judicial action which is proposed to be taken in furtherance of the DTD is also specifically in respect of the 'Security Interests' i.e., the mortgage, hypothecation, and other encumbrances created on the assets of the Corporate Debtor in favour of the Debenture Holders. It is, therefore, clear that upon happening of any Event of Default, the Secured Assets under the DTD become enforceable. Further, Clause 22.1.2. *inter alia* permits the Debenture Trustee to, without the consent of the Issuer, to "sell or assign" the Secured Assets as deemed appropriate, which power is deemed to be a power to sell or concur to sell without the intervention of the Court within the meaning of Section 69 of the Transfer of Property Act, 1882. Accordingly, Clause 22.1.3 (a)



which has been invoked by the Financial Creditor in its Demand Notices is in pursuance of the requirement in the DTD to issue a notice, prior to any sale / assignment, in cases where the default is of the nature of failure to redeem and pay the amounts due. It is the Corporate Debtor's case that the DTD, when read in its true form, substance, and spirit, does not contemplate any action in the nature of initiation of insolvency proceedings. Therefore, it is submitted that if specific affirmative actions as consequences of an event of default have already been contemplated and agreed in an agreement, then *a proceeding preferred under the Code ought not be initiated.*

10.6. It is submitted that the present proceedings are a blatant misuse of the provisions of the Code insofar as it is entirely motivated with the aim of recovery of dues under the DTD. In *Glas Trust Company LLC. vs. Byju Raveendran [(2025) 3 SCC 625]*, a three-judge bench of the Hon'ble Supreme Court consolidated and summarized the objectives and principles of the Code including reiterating the above position of law as under:



39.3. IBC must not be used as a tool for coercion and debt recovery by individual creditors. Improper use of the IBC mechanism by a creditor includes using insolvency as a substitute for debt enforcement or attempting to obtain preferential payments by coercing the debtor using insolvency proceedings. That the mechanism under the IBC must not be used as a money recovery mechanism has been reiterated in a consistent line of precedent by this Court; [Swiss Ribbons (P) Ltd. v. Union of India, (2019) 4 SCC17: (2019) 213 Comp Cas 198, para 28] and

10.7. It is reiterated that the present proceeding is a deviation from the agreed and established mechanism under the DTD and the Financial Creditor consciously made a decision to seek recovery under the framework of the Code, which is impermissible. On this ground alone the present Company Petition ought to be rejected.

10.8. It is submitted that the issuance and redemption of the listed debentures are governed by specific securities laws along with various related circulars issued by the Securities and Exchange Board of India (“SEBI”), being the securities market regulator.



Accordingly, notwithstanding the rights and obligations set forth in the DTD, the Debenture Trustee i.e., the Financial Creditor herein is obligated to comply with applicable provisions of securities laws as it applies to listed debentures. Accordingly, it is stated that SEBI had issued Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 (“SEBI Circular”), entitled *“Standardisation of procedure to be followed by Debenture Trustee(s) in case of ‘Default’ by Issues of listed debt securities”* which mandates the specific procedure to be followed by a Debenture Trustee in case of an event of default i.e., to seek positive consent for either entering into an Inter Creditor Agreement (“ICA”) for roll-over of debentures or enforcement of security. In the above conspectus of law, it is submitted that in the present case the Financial Creditor had an obligation under the requirements of the SEBI Circular to seek the consent of all investors to either restructure the debt or enforce the security under the DTD which have not been complied with prior to the initiation of the present proceedings. It is submitted



that in its urgency in stepping into the role of a Financial Creditor and initiating the present proceedings, it has completely disregarded its fundamental role as a Debenture Trustee and the various compliances required by it under applicable securities laws. It is, therefore, submitted that the present proceedings stand vitiated for non – compliance of prior regulatory obligations.

10.9. It is submitted that **Section 7 (3)** of the Code stipulates the form and manner in which an application under Section 7(1) ought to be submitted before the NCLT and the same *mandatorily* requires the Financial Creditor to furnish under 7(3)(a) “*record of the default*” recorded with the information utility or such other record or evidence of default as maybe specified. It is submitted that in the present case, the Financial Creditor has not complied with the above mandatory requirement and produce the NeSL Certificate indicating the record of the alleged default with the Information Utility.

10.10. The underlying DTD forming the basis of the present proceedings encompasses two Debenture Holders i.e., India bulls



Real Estate Fund and Patni Healthcare Ltd. Accordingly, the Financial Creditor, originally the appointed Debenture Trustee, is obligated to act for both Debenture Holders. In the present case, it is the admitted position of the Financial Creditor that it has written authorization from only one of the Debenture Holders i.e., Indiabulls Real Estate Fund [A/5@ Pg. 51 of the Company *Petition*] and not from Patni Healthcare Ltd. Notwithstanding the same, it is pertinent to state and highlight that the alleged default amount stipulated in the Company Petition encompasses the totality of the alleged debt due under the DTD and not such amounts alleged to be specifically due to India bulls Real Estate Fund. Accordingly, even on the aspect of ascertaining the debt amount, the present Company Petition is defective.

10.11. It is submitted that the present Company Petition is also defective in view of improper authorization and consent given to the authorized signatory of the Financial Creditor to file the present Company Petition.



10.12. It is submitted that while the Corporate Debtor objected to the *Restoration Application* on the ground of the *pending Company Appeal*, this Tribunal revived the present Company Petition on the ground that revival of the same would not mean that CIRP is initiated against the Corporate Debtor. As on the date of filing written submissions, the final judgement in the Appeal has still not been passed and therefore, without prejudice to the aforesaid submissions on merits, the Corporate Debtor submits that in terms of the order restoring the Company Petition, this Tribunal cannot adjudicate upon the present Company Petition since a higher judicial forum i.e., the Hon'ble NCLAT is still seized of the Company Appeal and therefore, adjudication of the present Company Petition would be subject to the final outcome of the Company Appeal and the same may therefore be kept in abeyance till such time as the Company Appeal is decided.

IA 799 CHE 2026 (Section 65 Application)

11. Submissions of Applicant



11.1. It is stated that the transaction forming basis of the Company Petition, being the Debenture Trust Deed dated June 29, 2016, for Rs. 126.30 Crores was *not extended for and did not serve any legitimate business purpose* and that the entire disbursed amount was directed towards payment of an existing third-party loan to enable 'Indiabulls High Yield Opportunities Fund' (IHYOF) to take over that loan. (*Para. 32 of the Application*). The loan from its inception was a circular lending arrangement designed to serve Indiabulls own book-cleaning objectives.

11.2. It is stated that the key characteristics of the *scheme of evergreening* of loans across multiple Ozone Group entities by various Indiabulls Group entities, as revealed by the forensic audit conducted by MCA Consulting Services Pvt. Ltd., include the following:

a) Nearly 71% of disbursed funds were routed back to Indiabulls Group as repayment of existing loans and not for the stated purposes. (*Para. 113a of the Application*).



b) Loans extended to one Ozone entity were immediately utilised to repay loans of a different Ozone entity owed to a different Indiabulls entity (*Para. 6, 113b of the Application*).

c) Every disbursement was an accounting entry of money passing from one hand of Indiabulls Group to the other, to keep Indiabulls' loan books clean and prevent NPAs, while ballooning the debt of Ozone Group (*Para. 109e, 109g(vii) of the Application*).

d) Ozone Group was therefore prevented from repaying the loans from its own business cash flows, not due to any inability to pay on the part of the Corporate Debtor but on account of a manufactured default by Indiabulls Group (*Para. 10, 53 of the Application*).

11.3. It is stated that the Ozone Group was threatened with classification as NPA, legal proceedings against them and their family members, and withdrawal of credit lines if it refused to execute agreements and neither were they given an opportunity to negotiate terms or approach alternate lenders (*Para. 11, 12, 102 of the Application*). *Agreements and personal guarantees were also executed under coercion and undue influence.* Consequently, the debt relied upon by the Financial Creditor to initiate CIRP is itself



founded on void instruments, making the Section 7 petition a fraudulent exercise of the insolvency process (*Para. 110 of the Application*).

11.4. It is stated that *four loss making Indiabulls Entities* i.e. Lakisha Real Estate Limited, Selene Estate Limited, Airmid Infrastructure Pvt. Ltd., and Positive Housings Pvt. Ltd. *were transferred to Ozone Group at a combined consideration exceeding Rs. 100 Crores*, while their actual fair value was substantially lower and no independent valuation was obtained. Some of these entities had subsisting liabilities, and the transaction for acquiring these entities was also funded by the Indiabulls Group. (*Para. 56 to 58, 62 of the Application, Share Purchase Agreements at Annexures 21 to 24 of the Application, Pg. 555 to 642, Vol 4*). 11.

11.5. It is stated that the purpose of lending under all Agreements was stated to be either development/construction of real estate or general corporate purpose, but disproportionately large portions of every new loan were forced to be utilised to repay existing



loans of another Indiabulls Group company (*Para. 98 of the Application*).

11.6. It is stated that the Loan Recall Notices were issued on November 9, 2023, just days after Mr. S. Vasudevan sent a legal notice to Indiabulls Group (*Ref: Annexure 52 of the Application, Pg. 1469, Vol 8*) exposing the evergreening scheme, establishing the retaliatory and malicious nature of the enforcement actions (*Para. 103 and 104 of the Application*). Settlement discussions were deliberately prolonged by Indiabulls to prevent the Corporate Debtor from filing suits before the Hon'ble Delhi High Court, following which Indiabulls abruptly commenced aggressive enforcement actions, including CIRP filings (*Para. 105 of the Application, Annexures 53 and 54 of the Application, Pg. 1494 to 1497, Vol 9*).

11.7. It is stated that the fraudulent character of Indiabulls Group's conduct is not merely an allegation of the Corporate Debtor but is corroborated by independent regulatory and



judicial findings. *Hon'ble Delhi High Court* in the PIL Order (W.P.(C) 9887/2019) recorded detailed allegations of round-tripping, accommodation entries, routing of loaned funds back to Indiabulls Group promoters, and lack of due diligence in lending all of which mirror the conduct alleged in the present case (*Para. 106 of the Application, IB PIL Order at Annexure 55, Pg. 1498 to 1548, Vol 9*).

11.8. It is stated that the cumulative effect of the above, establishes, well beyond the threshold required under Section 65 of the IBC, that the Company Petition has been filed fraudulently and with malicious intent. The Applicant Corporate Debtor therefore prays to dismiss the petition and impose appropriate penalty upon the Respondent/Financial Creditor.

12. Response by Respondent Petitioner

12.1. It is stated that the present Application filed by the Corporate Debtor under Section 65 of the Code (**'Section 65 Application'**) is misconceived, belated, and liable to be rejected.



The Application is not supported by any cogent material demonstrating that the present proceedings have been initiated fraudulently, maliciously, or for any purpose other than resolution of insolvency.

12. 2. It is stated that the time at which the Section 65 application was filed by the Corporate Debtor is material as the *Section 7 Application was pending since 2023* and, despite having contested the said proceedings for nearly three years, the Corporate Debtor never pursued any serious plea that the initiation of the present proceedings was fraudulent, malicious, or for a purpose other than resolution of insolvency. *The present Section 65 Application came to be filed only when the Section 7 Application was ripe for final arguments.*

12.3. It is stated that Section 65 of the Code, being a penal provision, is attracted only where the party alleging fraud or malice is able to demonstrate, by specific pleadings and cogent documentary material, that the insolvency proceedings were initiated fraudulently or maliciously and for a purpose other than



resolution of insolvency. Mere allegations, inferences, suspicion, or collateral grievances cannot satisfy the statutory threshold under Section 65 of the Code. The burden lies squarely on the applicant Corporate Debtor, and the said burden has not been discharged.

It is stated that the Corporate Debtor failed to place any contemporaneous or cogent documentary evidence demonstrating fraudulent or malicious intent on the part of the Applicant / Financial Creditor in initiating the present Section 7 proceedings. The Section 65 Application proceeds only on bald allegations of evergreening, coercion, utilisation of funds and alleged group-level arrangements. None of these allegations answer the statutory enquiry under Section 7, namely whether financial debt exists and whether default has occurred.

12.4. It is stated that for the limited purposes of the present Section 65 Application, the essential ingredients for admission of the Section 7 Application stand established from the record, including the issuance of debentures, execution of the Debenture Trust Deed and other security documents, execution of the



demand promissory note in favour of the Applicant / Debenture Trustee, disbursement of monies to the Corporate Debtor, and non-payment of the amounts due and payable under the transaction documents.

12.5. It is stated that once the existence of financial debt and default is established, the Corporate Debtor cannot use Section 65 as a device to reopen the limited enquiry under Section 7 by raising collateral allegations relating to the alleged purpose of the transaction, utilisation of funds or alleged proceedings concerning third parties. Such allegations do not displace the duly executed financial documents or the admitted disbursement and non-payment, and in any event, do not satisfy the statutory threshold for invoking Section 65 of the Code.

12.6. The Corporate Debtor further seeks to rely upon *a forensic audit report* and certain observations made in **W.P. (C) No. 9887 of 2019** titled *Citizens Whistle Blower Forum v. Union of India & Ors.* before the Hon'ble High Court of Delhi. Even assuming without admitting that the forensic audit report raises issues regarding the



manner in which funds were utilised, the present Section 7 Petition is founded on independent financial documents, including the Debenture Trust Deed, security documents, demand promissory note, bank statements evidencing disbursement, and continued non-payment of amounts due and payable, and therefore collateral allegations regarding utilisation of funds cannot be relied upon to oppose admission of the Section 7 petition or to invoke Section 65 of the Code. The Corporate Debtor's reliance on certain observations made in *W.P. (C) No. 9887 of 2019* is equally misplaced, as *the said proceedings concern other entities and transactions and cannot be mechanically imported into the present proceedings.*

12.7. It is stated that the allegation that the transaction formed part of an alleged evergreening arrangement, or that the financing documents were executed under coercion or duress, is wholly untenable and is merely an afterthought, particularly when the *Corporate Debtor had not disputed the issuance of debentures, execution of the Debenture Trust Deed and related security documents, receipt of*



financial assistance, or non-payment of the amounts due, and had in fact sought and obtained repeated extensions of the Redemption Date under the Debenture Trust Deed.

12.8. The Corporate Debtor's reliance on the forensic audit report is also misplaced. The said report is a document procured at the instance of the Corporate Debtor and is self-serving. The report itself contains disclaimers regarding the accuracy and completeness of information/data relied upon by the forensic auditor. A report containing such disclaimers cannot be treated as conclusive proof of fraud, malice, coercion, evergreening or absence of debt/default. In any event, even assuming without admitting that the forensic report raises certain issues regarding utilisation of funds, such issues cannot be adjudicated in a Section 7 proceeding. These are matters requiring trial, evidence, examination of underlying transactions and adjudication of disputed facts. Section 7 proceedings are summary in nature. A self-serving forensic report cannot displace duly executed



financial documents, admitted disbursement, security documents, demand promissory note, and admitted non-payment. The Corporate Debtor's reliance on a forensic audit report and observations in proceedings concerning other entities cannot substitute the requirement of specific documentary evidence showing fraudulent or malicious initiation of the present Section 7 Petition by the Applicant/ Financial Creditor. Such collateral material does not displace the admitted financial documents, disbursement of financial debt, or continuing default.

12.9. It is submitted that Section 65 of the Code is not intended to provide a defaulting corporate debtor with a second opportunity to oppose admission by repackaging its existing defence as a plea of fraud or malice. In the present case, the Corporate Debtor has not shown any collusion, fabrication of debt, concealment of material facts by the Financial Creditor, absence of disbursement, absence of financial documents, or any extraneous purpose behind the initiation of proceedings. Here, the transaction is supported by formal debenture documentation, security



documents, admitted disbursement and admitted non-payment.

There is no material to show that the Section 7 Petition has been filed for any purpose other than resolution of insolvency arising from default.

Analysis and findings

13. Heard the Ld. Counsels and perused the pleadings.

14. IA 799 CHE 2026(Section 65)

14.1. For Section 65 of IBC to be attracted, the requirement is that the insolvency proceedings must have been initiated with fraudulent or malicious intent, or for a purpose other than the resolution of insolvency or liquidation.

14.2. Section 65 of IBC, 2016 reads as:

Fraudulent or malicious initiation of proceedings.

(1) If, any person initiates the insolvency resolution process or liquidation proceedings fraudulently or with malicious intent for any purpose other than for the resolution of insolvency, or liquidation, as the case may be, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.



(2) If, any person initiates voluntary liquidation proceedings with the intent to defraud any person, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees but may extend to one crore rupees.

(3) If any person initiates the pre-packaged insolvency resolution process

(a) fraudulently or with malicious intent for any purpose other than for the resolution of insolvency; or

(b) with the intent to defraud any person, the Adjudicating Authority may impose upon such person a penalty which shall not be less than one lakh rupees, but may extend to one crore rupees.

14.3. Section 65(1) of the Code provides that if any person initiates the insolvency resolution process or liquidation proceedings with a fraudulent or malicious intent, the Adjudicating Authority may impose penalty upon such person. The Hon'ble National Company Law Appellate Tribunal (NCLAT) in *Monotrone Leasing Pvt. Ltd. Vs. PM Cold Storage Pvt. Ltd., [2020] ibclaw.in 21 NCLAT*, reaffirmed this principle, holding that a petition under Sections 7, 9, or 10 of the IBC cannot



be rejected solely on the ground of lack of intent for resolution, unless there is explicit documentary proof of fraudulent or malicious intent.

“34. Section 65 of the Code provides for penal action for initiating Insolvency Resolution Process with a fraudulent or malicious intent or for any purpose other than the resolution. However, the same cannot be construed to mean that if a petition is filed under Section 7, 9, or 10 of the Code without any malicious or fraudulent intent, then also such a petition can be rejected by the Adjudicating Authority on the ground that the intent of the Applicant/Petitioner was not resolution for Corporate Insolvency Resolution Process. As the proceedings under IBC are summary in nature, it is difficult to determine the intent of the Applicant filing an application under Section 7, 9, or 10 of the Code unless shown explicitly by way of documentary evidence. This situation may arise in specific instances where a petition is filed under IBC specifically with a fraudulent or malicious intent.”

14.4. The Hon'ble NCLAT in the case of **Getz Cables Pvt. Ltd. v. State Bank of India and Anr. Company Appeal (AT) (Insolvency) No.1953 of 2024** considered the scope of the terms fraudulent and malicious intent. Fraud consists of elements of deceit coupled



with injury, whereas malice is a wrongful act done without lawful justification. The relevant paragraphs of the order are extracted hereunder:

"16. Necessary ingredients, which required to be proved under Section 65, sub-section (1) are that proceedings are initiated fraudulently or with malicious intent for any purpose other than for the resolution of insolvency. Both expression - fraudulent and malicious has definite connotation. The expression 'fraudulently' has been explained in Advanced Law Lexicon by P Ramanatha Aiyar 6th Edition in following words:

"Person does a thing fraudulently if he does it with an intent to defraud, and so to constitute fraud two elements are necessary- deceit, and injury and loss to some person."

17. Another expression which occurs in Section 65 is 'malicious intent' Advanced Law Lexicon by P Ramanatha Aiyar define the word 'malice' in the legal sense in following words:

"1. The intent, without justification or excuse, to commit a wrongful act.

2. Reckless disregard of the law or of a person's legal rights."

There is also a second definition, which is as follows:

"Malice in the legal sense imports (1) the absence of all elements of justifications, excuse or recognized mitigation,



and (2) the presence of either (a) an actual intent to cause to particular harm which is produced or harm of the same general nature, or (b) the wanton and wilful doing of an act with awareness of a plain and strong likelihood that such harm may result....

18. The Hon'ble Supreme Court has defined 'malice' in (2003) 8 SCC 567 Chairman & MD. BPL Ltd. vs. S.P. Gururaja and Ors. In paragraph 21, in following words: "21. Malice in common law or acceptance means ill will against a person, but in the legal sense it means a wrongful act done intentionally without just cause or excuse."

14.5. Hon'ble NCLAT in the case of **Amour Infrastructure LLP Vs. Digital Integrated Technologies Pvt. Ltd.** (Company Appeal (AT) (Ins.) No. 884 of 2022 & I.A. No. 2458 of 2022), held that an Adjudicating Authority cannot make a finding of fraud/malice unless it is specifically pleaded and backed by documentary evidence. The relevant paragraphs are extracted hereunder

"5. Learned Counsel for the respondent has referred to the findings in paragraph 26 of the order which is to the following effect:



"From these facts, we have got reasonable basis to reach to a conclusion that application filed under Section 7 is a mechanism whereby financial creditor is trying to settle personal scores and put undue pressure on the corporate debtor. hence, we have no hesitation in holding that this application has been filed with malicious intent and for purposes other than the Resolution of Insolvency of the Corporate Debtor. We further find that corporate debtor is a solvent company"

8. Observations made in paragraph 26 is that Financial Creditor is trying to settle personal scores and put undue pressure on the Corporate Debtor. We are of the view that for proving the ingredient of Section 65 there has to be adequate pleadings and findings. Observations made in paragraph 26 does not fulfil the requirement of Section 65 so as to reject the Section 7 application."

14.6. This principle was reinforced in the case of **M/s. Flycreative Online Private Limited v. GO Airlines (India) Limited** (*Int. Petition No. 68/2023*), the National Company Law Tribunal (NCLT), New Delhi, wherein the Tribunal examined the



allegations of fraudulent and malicious intent in insolvency proceedings. The tribunal expressed as under:

“10. In terms of Section 65 of the Insolvency and Bankruptcy Code, 2016, there must be substantial and corroborative evidence to explicitly prove ‘fraudulent intent’, ‘malice’ and ‘mensrea’ on part of the CD by way of specific documentary evidence and also that the Applicant approached with malicious intent for any purpose other than for the resolution of insolvency.”

14.7. Corporate Debtor’s contention in Section 65 application is that the debt was given for evergreening of the portfolio of Indiabulls and funds were utilized for repayment of existing loans of different Ozone entity owed to different Indiabulls entity. It is stated that Ozone group was forced to acquire four loss making entities and the transaction for acquiring these entities was also funded by the Indiabulls Group. It is stated that even though the purpose of lending under all agreements was stated to be either development/construction of real estate or general corporate purpose, but disproportionately large portions of every



new loan were forced to be utilised to repay existing loans of another Indiabulls Group company.

14.8 To substantiate its contention, corporate debtor relies on two evidences:

- i) WP filed before Hon'ble High Court of Delhi in the matter of **W.P.(C) 9887 of 2019** between *Citizen Whistle Blower Forum vs Union of India and Ors* order dated 02.02.2024
- ii) Forensic audit conducted by MCA Consulting Services Pvt.Ltd appointed the Corporate Debtor's group in September 2024.

14.9. In **WP C 9887 of 2019**, the petitioner filed the writ petition under Article 226 of the Constitution of India seeking direction for an in-depth, thorough and time bound investigation by a SIT into various serious illegalities, violations and siphoning of funds committed by the promoters of Indiabulls Housing Finance Limited (IBHFL), its subsidiaries and their promoters. The petitioner alleged that IBHFL extended huge loans to various companies and these companies in turn were routing a



substantial part of the money back as investment in equities to companies apparently belonging to the key-shareholders/promoters of IBHFL including Sameer Gehlo, the founder and Chairman of IBHFL and his family members and thereby, the borrowing companies bestowed huge benefits to the key shareholders and Chairman of IBHFL for the favour they got in the form of loans from IBHFL. The intent of all these methods was to create private wealth out of public money. The petitioner alleged that IBHFL extended huge sums of loans to various group of companies including **Americorp Group, Reliance ADAG, Chordia Group, Vatika Group and DLF Group**, apart from Indiabulls' promoter group companies.

14.10. Corporate Debtor placed Copy of the clarification dated December 18, 2025, issued by *Samman Capital Limited* on the Stock Exchanges in relation to the FIR against its Promoter. (Appeared in News) as Annexure 57 which is extracted below:



December 18, 2025

Scrip Code – 535789, 890192

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street,

MUMBAI – 400 001

SAMMAANCAP/EQ, SCLPP

National Stock Exchange of India Limited

"Exchange Plaza",

Bandra-Kurla Complex, Bandra (E).

MUMBAI – 400 051

Sub: Clarification with reference to news appeared in Media

Dear Sirs/Madam,

In response to BSE email reference L/SURV/ONL/RV/SJ/ (2025-2026)/ 107 and NSE communication, both dated 17th December, 2025 regarding the recent news item which appeared in the "www.moneycontrol.com" dated 17th December, 2025 captioned "Sammaan Capital falls 7% from day's high as Delhi Police files fresh FIR in probe against ex-promoters" it is submitted that the news item pertains to the ongoing SLP titled Citizens Whistle Blowers Forum Vs Union of India & Ors. in relation to which a detailed brief was recently disclosed on the stock exchanges on 19th November, 2025. The news item referred in aforesaid communications is pursuant to court hearing on 17th December 2025 during which the CBI and the Economic Offences Wing of Delhi Police tendered their respective affidavits in compliance of the earlier directions passed by the Hon'ble Supreme Court.

The CBI in its affidavit has stated that a meeting of the senior officers of the CBI, ED, SFIO and SEBI was held in compliance with the directions of the Hon'ble Supreme Court to look into the allegations and resolve whether an SIT is required to be constituted in the matter. The CBI in its affidavit has stated that the decision to form an SIT could not be taken. It has further submitted that the enforcement directorate had approached the Delhi Police basis which an FIR has been registered.

The Economic Offences Wing of Delhi Police in its affidavit has stated that the enforcement directorate has informed the EOW of the fraud, criminal conspiracy in the *quid pro quo* transactions by and between **Sameer Gehlaut** (erstwhile promoter of the company) and the corporate entities groups namely **Americorp, Reliance ADAG, DLF Group, Vatika Group and Chordia Group** and after examination of *prima facie* material against them the EOW, New Delhi has registered FIR no 175/25 dated 15.12.2025 which is under investigation. It is apparent from the submissions made in the affidavits filed by CBI and Delhi Police that investigations are now being conducted against the erstwhile promoter Mr. Sameer Gehlaut and the five corporate entities group.

It is submitted that Mr. Sameer Gehlaut who was the executive chairman and promoter of our Company earlier had applied for ceasing to be a promoter of the company in December 2021 and had exited from the board of directors of the company in March 2022. The de-promoterisation of Mr. Gehlaut was duly approved by exchanges in February 2023 and he has also exited as a shareholder of the company since September 2023. The Company has no relation whatsoever with Mr. Gehlaut against whom the allegations have been levelled in the FIR, as stated in the affidavit filed by EOW of Delhi Police.

Sammaan Capital Limited (formerly known as Indiabulls Housing Finance Limited) (CIN: L65922DL2005PLC136029)
Corp. Off. 1st Floor, Tower 3A, DLF Corporate Greens, Sector-74A, Gurgaon, Narsinghpur, Haryana – 122 004, India. T. +91 1246048213 F. +91 1246048214
Reg. Off. A-34, 2nd & 3rd Floor, Lajpat Nagar-II, New Delhi – 110 024, India. T. +91 1148147506 F. +91 1148147501
Email: homeloans@sammaancapital.com Web: www.sammaancapital.com



The Company has made necessary timely disclosures from time to time on the stock exchanges appropriately updating the status of the ongoing court proceedings including a detailed brief that was recently disclosed on the stock exchanges on 19th November 2025, the previous date of hearing.

We trust that the above is found in order. Please do let us know in case there are any further queries / clarifications required in the matter and we shall endeavor to promptly address the same to your satisfaction.

Thanking you,

Yours truly,
For **Sammaan Capital Limited**
(formerly known as Indiabulls Housing Finance Limited)

Amit Jain
Company Secretary

14.11. On perusing the Judgement dated **02.02.2024** and the clarification dated **18.12.2025** issued by Samman Capital Limited , it is clear that the transactions impugned belonged to different groups like *Americorp Group, Reliance ADAG, Chordia Group, Vatika Group and DLF Group*. Transactions of Indiabulls group with Ozone group was not part of the above PIL. Further it is observed that apart from a police complaint lodged against Indiabulls with SHO Ulsoor Police Station, Bengaluru City on 13.10.2023 and a legal notice issued to Indiabulls Real Estate



Fund & 17 others on 03.11.2023 no further legal proceedings were initiated against Indiabulls group by Corporate Debtor.

14.12 Forensic audit conducted at the instance of the Ozone group on **September 2024** by MCA Consulting Services Pvt. Ltd on disbursements and utilization loans taken from India Bulls pointed out that nearly 71% of the of disbursed funds were routed back to Indiabulls Group as repayment of existing loans and not for the stated purposes. It is observed that apart from the debentures subscribed by Indiabulls through debenture trust deed executed on **29th June 2016**, there were several other loan transactions between Indiabulls group and Ozone group on subsequent dates between 2017 to 2020 which were captured in the forensic audit report based on which allegation of evergreening and other allegations are framed in Section 65 application.

14.13. It is observed that Debenture Trust Deed (DTD) was executed on 29th June 2016 for Rs. 126.30 crores. The principal amount with redemption premium was payable on 29th October



2019. However, due to the request of the Corporate Debtor, after obtaining the consent of the Debenture Holders, the redemption date was extended on seven occasions consequent to which seven amendments to the Trust Deed were executed. Redemption date last extended was up to 30th September 2021.

14.14. Apart from a police complaint lodged against Indiabulls with SHO Ulsoor Police Station, Bengaluru City on 13.10.2023 and a legal notice issued to Indiabulls Real Estate Fund & 17 others on 03.11.2023 *no further legal proceedings were initiated against Indiabulls group by Corporate Debtor group.*

14.15. It is observed that Corporate Debtor sought and was granted extension of time seven times for repayment of debentures after which only Section 7 Petition was filed. *Further in 2024, Corporate Debtor group and Indiabulls group negotiated for OTS settlement.* **(Annexure 53 and Annexure 54).**

14.16. It is observed that the credit facility by way of debentures was availed by Corporate Debtor during June 2016. Section 7 petition was filed in September 2022. Section 65 application



stating that CIRP is being initiated fraudulently with malicious interest has been filed in April 2026, when the hearings in Section 7 petition were at the advanced level.

14.17. For Section 65 application, the applicant has to *explicitly prove 'fraudulent intent', 'malice' and 'mensrea' on part of the Section 7 Petitioner*. It is observed from the submissions that no such intention on the part of the petitioner has been proved by the Corporate Debtor.

15. CP 49 CHE 2023

Corporate Debtor has raised various objections to Section 7 petition in the following lines. The issues raised by Corporate Debtor, response from Petitioner and our view on them are as under:

15.1. Regarding remedy available to Petitioner under Debenture Trust Deed (DTD)

a) Corporate Debtor states that **Clause 21.3.1 of the DTD** *inter-alia* broadly provides for the following types of consequences in



case of default :i. Invocation of Security; (ii) Initiate Enforcement Action; (iii) Take possession of Secured Assets; (iv) Appropriate all monies and receivables in various bank accounts and (v) Sell, transfer, or assign the Secured Assets. Further 'Enforcement Action' as defined in Clause 1 of Schedule I to the DTD states that

“Enforcement Action” shall mean any action taken or proposed to be taken by the Debenture Trustee (after obtaining the appropriate consent required pursuant to the provisions of this Deed),

in respect of all or any part of the Security Interest recovery of the Secured Obligations, enforcing or exercising all or any of the rights or remedies available to the Debenture Holders under or in the respect of the Security Interests’.

It is stated that upon happening of any Event of Default, the Secured Assets under the DTD become enforceable. Further, Clause 22.1.2. *inter alia* permits the Debenture Trustee to, without the consent of the Issuer, to “sell or assign” the Secured Assets as deemed appropriate. It is stated that that the DTD, when read in its



true form, substance, and spirit, does not contemplate any action in the nature of initiation of insolvency proceedings.

b) Petitioner states that Petitioner was appointed as a Debenture Trustee by the Corporate Debtor itself vide a Trustee Agreement dated June 17, 2016 wherein it was agreed that the Petitioner *shall act for the benefit of the Debenture Holders*. Further, the Petitioner has placed on record the *notification* dated February 27, 2019 issued by the *Ministry of Corporate Affairs* bearing *F. No. 30/25/2018*, wherein it has been notified that a debenture trustee is authorized to file a petition under section 7 of the Code on behalf of the debenture holders. It is stated that the remedies available under the Trust Deed are contractual remedies which are enabling and cumulative in nature. The same cannot be read to exclude, restrict or override the statutory remedy available to the Petitioner / Financial Creditor under the Code.

Further, the Trust Deed itself recognises the right of the Petitioner / Financial creditor to take appropriate enforcement action upon



occurrence of an event of default. The relevant excerpt of the Trust Deed is reproduced hereunder:

“Enforcement Action” shall mean any action taken or proposed to be taken by the Debenture Trustee (after obtaining the appropriate consent required pursuant to the provisions of this Deed),

*a. recovery of the Secured Obligations, enforcing or exercising all or any of the rights or remedies available to the Debenture Holders under or in the respect of the Security Interests created under the Debenture Documents **including** the initiation of any non-judicial action or any documents **or any action in any court or tribunal** or before any Governmental Authority **or to enforce such rights or any other Applicable Law** and any action to appoint a receiver or liquidator;*

Even the contractual framework relied upon by the Corporate Debtor does not support its contention that the Petitioner / Financial Creditor is confined only to enforcement of security.

c) Our View

On perusal of the clauses of Debenture Trust Deed, we find that there is no express prohibition of petitioner as debenture trustee



from initiating legal action or filing petition under Section 7 of IBC. Hence the objections raised by Corporate Debtor in this aspect are overruled.

15. 2. Petitioner violated SEBI Guidelines and circulars

a) Respondent states that the Financial Creditor as the Debenture Trustee is obligated to comply with applicable provisions of securities laws as it applies to listed debentures. It is stated that SEBI had issued Circular No. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 (“SEBI Circular”), entitled “*Standardisation of procedure to be followed by Debenture Trustee(s) in case of ‘Default’ by Issues of listed debt securities*” which mandates the specific procedure to be followed by a Debenture Trustee in case of an event of default i.e., to seek positive consent for either entering into an Inter Creditor Agreement (“ICA”) for roll-over of debentures or enforcement of security. Financial Creditor in initiating the present proceedings completely disregarded the various



compliances required by it under applicable securities laws. It is, therefore, submitted that the present proceedings stand vitiated for non – compliance of prior regulatory obligations.

b) Petitioner states that the above contention proceeds on an incorrect understanding of the SEBI Circular. The said Circular pertains to the procedure to be followed by a Debenture Trustee in relation to enforcement of security and/or entering into an Inter-Creditor Agreement. The said Circular does not create any statutory pre-condition for filing a petition under Section 7 of the Code.

c) Our view

SEBI regulates a listed entity or a listed security. Even though the debentures were supposed to be listed in BSE and NSE by Corporate Debtor as provided in Debenture Trust Deed, there is no evidence provided as to the listing of the debentures. The original debenture holders are still holding the debentures and there are no general public who have acquired these debentures in the secondary market. Debenture trustee by filing Section 7



petition has only acted in the interest of debenture holders and the SEBI guidelines may not strictly apply to this case. Further, filing of Section 7 petition is a statutory right available to any financial creditor.

15.3. Record of Default from Information Utility not obtained

a) Respondent states that **Section 7 (3)** of the Code stipulates the form and manner in which an application under Section 7(1) ought to be submitted before the tribunal and the same mandatorily requires the Financial Creditor to furnish under 7(3)(a) “*record of the default*” recorded with the information utility or such other record or evidence of default as maybe specified. It is submitted that in the present case, the Financial Creditor has not complied with the above mandatory requirement and did not produce the NeSL Certificate indicating the record of the alleged default with the Information Utility.

b) Petitioner states that in *Vinodkumar Nihalch and Parmaros Anuj Bajpai and Anr.* [Company Appeal (AT) (Insolvency) No. 1395 of



2025 [Paras 23-32 at Pgs. 20-23 of the Judgement Compilation], Hon'ble NCLAT rejected multiple objections raised on technical grounds including challenge to authorisation and non-filing of record of Information Utility and reiterated that at the stage of admission of petition under Section 7 of the IBC, the examination by Adjudicating Authority is limited to (i) Existence of a financial debt, (ii) Occurrence of Default and, (iii) whether the petition is complete and within limitation. Further it is stated that **Section 7(4)** of the Code categorically mentions that the Tribunal may ascertain the existence of a default from the records of an information utility **or on the basis of other evidence furnished along with the petition under section 7 of the Code.** It is submitted that in support of the Petition, the Petitioner has filed the Trust Deed along with the subsequent amendments, various demand notices issued to the Corporate Debtor along with the bank statements of the Debenture Holders (**Annexure A/29 @ Pg. 369 Vol. 2**) evidencing the disbursal of amounts to the Corporate Debtor, which are sufficient to demonstrate existence of a debt



and default, and the payment obligations binding on the Corporate Debtor.

c) Our view

We concur with the view of the petitioner that Record of Default from NeSL is not mandatory while filing Section 7 petition. Alternative evidences like loan agreements, financial contracts, entries in banker's book are sufficient. Petitioner has provided evidences like trust deed, mortgage deed, disbursement proofs and legal notices to substantiate the debt and default.

15. 4. Petition is defective in view of improper authorisation

a) Respondent states that the underlying DTD encompasses two Debenture Holders i.e., Indiabulls Real Estate Fund and Patni Healthcare Ltd. In the present case, written authorization is available from only one of the Debenture Holders i.e., Indiabulls Real Estate and not from Patni Healthcare Ltd. Further it is stated that the Company Petition is defective in view of improper authorization and consent given to the authorized signatory of the Financial Creditor to file the present Company Petition.



b) Petitioner states that the contention is hyper technical and does not affect the maintainability of the present Petition. Petitioner as debenture trustee has acted to protect the interest of the debenture holders by filing the petition. The Petition has been filed by the Petitioner / Financial Creditor through its authorised representative and is supported by the Board Resolution and Power of Attorney placed on record.

c) Our view

We find that petitioner as a debenture trustee has taken steps to protect the interest of the debenture holders by filing the Section 7 Petition which as per Ministry of Corporate Affairs notification dated February 27, 2019 debenture trustee is authorised to do.

15.5. Present petition is in the nature of recovery proceedings

a) Respondent states that the Financial creditor as Debenture Trustee is purely seeking recovery of the alleged dues on behalf of the Debenture Holders and this intent is clear from its own



Demand Notices, particularly its Demand Notice dated January 6, 2022, where it was stated that it is entitled to exercise rights and enforce remedies available to “*recover all amounts payable*”. It is stated that the Hon’ble Supreme Court has consistently held that the Code is not a debt recovery statute. In *Glas Trust Company LLC vs. Byju Raveendran* [(2025) 3 SCC 625], a three-judge bench of the Hon’ble Supreme Court consolidated and summarized the objectives and principles of the Code including reiterating the above position of law as under:

39.3. IBC must not be used as a tool for coercion and debt recovery by individual creditors. Improper use of the IBC mechanism by a creditor includes using insolvency as a substitute for debt enforcement or attempting to obtain preferential payments by coercing the debtor using insolvency proceedings. That the mechanism under the IBC must not be used as a money recovery mechanism has been reiterated in a consistent line of precedent by this Court; [Swiss Ribbons (P) Ltd. v. Union of India, (2019) 4 SCC 17 : (2019) 213 Comp Cas 198, para 28] and...”



b) Petitioner states that the said contention is misconceived. The Petitioner / Financial Creditor invoked the statutory remedy available under Section 7 of the Code, upon the admitted failure of the Corporate Debtor to redeem the Debentures and make payment of the amounts due under the Trust Deed. The fact that demand notices were issued by the Petitioner / Financial Creditor prior to initiation of the present Petition does not render the Petition as a recovery proceeding. Such notices only demonstrate that the amounts had become due and payable, that repeated demands were made, and that the Corporate Debtor failed to cure the default despite repeated opportunities.

c) Our views

The original maturity date for the debentures was 29.10.2019. On the request of Corporate Debtor, redemption date was deferred seven times. Final extended redemption date was on 30.09.2021. Afterwards demand notice and legal notices were issued. Despite all these, as repayment was not forthcoming, Section 7 petition has been filed which is a statutory remedy available to financial



creditor. Hence initiation of CIRP proceedings by petitioner cannot be construed as a recovery measure. Resolution of Corporate Debtor is very much possible in CIRP.

15. 6. Petition cannot be adjudicated pending Company Appeal.

a) Respondent states that while the Corporate Debtor objected to the Restoration Application on the ground of the *pending Company Appeal*, this Tribunal revived the present Company Petition on the ground that revival of the same would not mean that CIRP is initiated against the Corporate Debtor. As on date, the final judgement in the Company Appeal has still not been passed and therefore, without prejudice to the aforesaid submissions on merits, the Corporate Debtor states that in terms of the order restoring the Company Petition, this Tribunal cannot adjudicate upon the present Company Petition since a higher judicial forum i.e., the Hon'ble NCLAT is still seized of the Company Appeal and therefore, adjudication of the present Company Petition would be subject to the final outcome of the Company Appeal



and the same may therefore be kept in abeyance till such time as the Company Appeal is decided.

b) Petitioner states that the Corporate Debtor has not placed any order staying the adjudication of the present Petition. The pendency of proceedings arising out of another company petition cannot by itself operate as a bar to the adjudication of the present Petition, particularly when the present Petition is founded on an independent financial debt and default under the Trust Deed. Hon'ble NCLAT vide order dated 13.01.2026 [**Company Appeal (AT) (CH) (Ins) No. 134/2023**] passed in the said appeal clarified that the present Section 7 petition is independent and has no bearing on the proceedings before the Hon'ble NCLAT. The relevant excerpt of the NCLAT order dated 13.01.2026 is reproduced hereunder:

"The proceedings under Section 7 is altogether an independent proceedings and that has got no bearing so far as the instant Company Appeal is concerned, which has to be independently decided."



The Petitioner / Intervener has to resort to the recourses available to him, and would carve out his own remedies for pursuing his Recall Petition preferred under Section 7 of the Code.”

c) Our view

i) We find that petitioner had filed an intervention application in the appeal filed by promoter director of Corporate Group in **Company Appeal (AT) (CH) (Ins) No. 134/2023** and approached Hon’ble NCLAT for directions. Hon’ble NCLAT on 21.07.2025 ordered that the interim order as granted on 10.05.2023 would stand modified, to the extent that the effect and operation of the impugned order dated 01.05.2023, would be kept in abeyance, for a period of two weeks’.

ii) In our view, *the effect and operation* of impugned order dated 01.05.2023 would be kept in abeyance means this tribunal’s order of initiation of CIRP is kept in abeyance and as a corollary the moratorium under Section 14 of IBC which prohibits institution of suit or continuation of suit against Corporate Debtor is not available / not applicable.



iii) Hon'ble NCLAT on 13.01.2026 in IA No 197/2023 held as under:

Apart from it, when at his behest, we have passed the modified order on

21.07.2025, the Intervenor was conscious of the fact that, we have modified the order to the effect of staying the effect and operation of the impugned order of initiation of CIRP process under Section 9 of the 1 & B Code, 2016.

The proceedings under Section 7 is altogether an independent proceedings and that has no bearing so far as the Instant Company Appeal is concerned, which has to be independently decided.

The Applicant / Intervener has to resort to the recourses available to him, and would carve out his own remedies for pursuing his Recall Application preferred under Section 7 of the Code.

*Put up these Company Appeals on **05.02.2026**.*

Interim Order, if any, would remain extended till next date of listing.

iv) Hon'ble NCLAT by order 13.01.2026 stated:



- a) 'that by order dated 27.10.2025 we have modified the order to stay the effect and operation of the impugned order of initiation of CIRP process under Section 9 of the 1 & B Code, 2016 '.
 - b) 'that Section 7 is altogether an independent process which has to be independently decided.'
 - c) 'That has no bearing so far as instant Company appeal is concerned'.
- v) From the above two orders dated 25.07.2025 and 13.01.2026 , Hon'ble NCLAT has clearly stated that this Section 7 Petition can be pursued/ determined independently and has no bearing on the pending appeal before Hon'ble NCLAT.
- vi)_Hon'ble Supreme Court in *Mars Remedies Pvt. Ltd. Vs. BDH Industries Ltd. 2023 SCC Online SC 2551* held that the Corporate Debtor cannot be allowed to have benefit of best of both worlds of seeking a stay of a CIRP admission order while using the stay of that CIRP to shield it from all other insolvency proceedings.



vii) Based on the above, Section 7 Petition can be independently decided and it will have no bearing on the appeal pending before Hon'ble NCLAT.

16. Conclusion

16.1. From the above analysis and findings, we draw the following conclusions:

16.2. It is observed that financial creditor had filed a Section 7 petition **CP IB 81 CHE 2023** against '*Tuscan Consultants and Developers Private Limited*' which was admitted to CIRP by this tribunal on **09.10.2023**. The above company was the Corporate Guarantor to the same facility sanctioned to Ozone Projects Private Limited (Corporate Debtor) for which the present Section 7 petition has been filed.

16.3. **IA 799 CHE 2026** was filed by the Corporate Debtor under Section 65 , on the basis of a forensic audit instituted by Ozone Group and PIL filed in Hon'ble Delhi High Court against Indiabulls group, alleging that debt was given for evergreening of the portfolio of Indiabulls, funds were utilized for repayment



of existing loans of different Ozone entity owed to different Indiabulls entity and Ozone group was forced to acquire four loss making entities and the transaction for acquiring these entities was also funded by the Indiabulls Group. Further the PIL relied upon dealt with certain illegalities, violations and siphoning of funds committed by the promoters of Indiabulls Housing Finance Limited (IBHFL) with some other groups like Reliance ADAG. For Section 65 application, the applicant has to *explicitly prove 'fraudulent intent', 'malice' and 'mensrea' on part of the Section 7 Petitioner.* In the present case Debentures were issued in 2016, Corporate Debtor availed the money and utilised it and on the redemption due dates sought and was granted extension of redemption period seven times. After availing the benefits of the loan, at the final stage of argument, after almost 10 years of availing the credit facility, Corporate Debtor questions the loan based on alleged utilisation. Further the submissions made by the Corporate Debtor failed to prove fraudulent intent on the part of



the petitioner in filing Section 7 petition or that petition has been filed for purposes other than for the resolution of insolvency.

Hence the IA 799 CHE 2026 is dismissed.

16.4. **Section 7** Petition has been filed by the petitioner. Financial creditor has enclosed Debenture TrustDeed dated 29.06.2016, Indenture of Mortgage, Deed of Hypothecation, Personal guarantee of Mr. S. Vasudevan, Corporate guarantee of Tuscan Consultants and Developers Private Ltd, Demand notices dated 13.12.2021, 06.01.2022 and Legal notices dated 24.03.2022 and 20.07.2022 to establish debt and default. Corporate Debtor has raised issues like non enforcement of Security interest as per Debenture Trust Deed, alleged violation of SEBI guidelines, Record of Default not obtained from Information Utility, petition is in nature of recovery proceedings, etc. The issues raised though not relevant in determining Section 7 Petition, have been addressed in *the Analysis section*. Corporate Debtor in its averments did not deny availing the debt and also the default committed by it. Corporate Debtor's contention is that Petitioner



should have proceeded by enforcing the Security interest created in its favour and not by filing Section 7 Petition. The above argument does not hold any water, as Petitioner pursued the statutory remedy available to it based on MCA notification dated 27.12.2019 and provisions available in DTD. In view of the above, debt and default essential ingredients for Section 7 Petition have been established.

16.5. With regards to **Company Appeal (AT) (CH) (Ins) No. 134/2023**, petitioner had filed the intervention application and got specific directions from Hon'ble NCLAT vide its orders dated 21.07.2025 and 13.01.2026 stating that *'The proceedings under Section 7 is altogether an independent proceedings and that has go no bearing so far as the Instant Company Appeal is concerned, which has to be independently decided.'* From the above directions it is clear that Corporate Debtor is not in the" rigours of the moratorium" under Section 14 where the institution of suits or continuing the pending suits are prohibited. Hence, this tribunal can independently decide on Section 7 petition.



16.6 We have also examined Hon'ble NCLAT's order dated 30.06.2026 in **Abhishek Singh vs Rajaram Foods Products India Limited & Manpas and Beverages Ltd. Company Appeal (AT) (Insolvency) No. 1833 of 2025 with Company Appeal (AT) (Insolvency) No. 105 of 2026** in the matter of Abhishek Singh vs Tetra Pak India Private Ltd & MR. Darshan Bharatbhai Patel and found that the facts of the present case are distinguishable based on the express directions of Hon'ble NCLAT in the present case in its orders dated 21.07.2025 and 13.01.2026 extensively dealt with supra.

16.7. To summarise we find that Section 65 application filed by Corporate Debtor is not maintainable, debt and default are established and the Company Appeal pending before does not come in the way in deciding the Section 7 petition.

16.8. Hon'ble Supreme Court in **M/s. Innoventive Industries Ltd. v. ICICI Bank & Anr. (vide Judgment dated August 31, 2017 in Civil Appeal Nos. 8337-8338 of 2017)** has inter-alia, held that if



adjudicating authority is satisfied about debt and default, it should admit petition filed under Section 7 of IBC as follows:

"28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be.

30. On the other hand, as we have seen, 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. (Emphasis Supplied)

16.9. Based on the above analysis and conclusions, we order that Section 7 petition is admitted and CIRP proceedings is initiated against Corporate Debtor **Ozone Projects Private Limited**.

ORDER

i. The Corporate Debtor, namely, **Ozone Projects Private Limited** [CIN: U70101TN2005PTC056894], is hereby admitted into the Corporate Insolvency Resolution Process under Section 7(5)(a) of the Code.

ii. As a consequence thereof, moratorium under Section 14 of Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the Code:



- a. 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;
- 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;
- d. the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor;
- e. The provisions of sub-section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial



sector regulator and to a surety in a contract of guarantee to the Corporate Debtor.

iii. The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub- section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33 of the IBC, 2016, as the case may be.

iv. It is further directed that the supply of essential goods/services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period as per provisions of sub- sections (2) and (2A) of Section 14 of IBC, 2016.

v. We hereby appoint **Mr. Ashok Mittal** with e-mail (ashokmittal2000@gmail.com), Registration No *IBBI/IPA-001/IP-P-02549/2021-2022/13889*. His AFA is valid till 31st December 2026 , with e-mail **IBBI /IPA-03 /IP-N000144 / 2017 - 2018 / 11598** , residing at S-138, B Wing, Express Zone Mall ,Western Express



Highway Goregaon East, Mumbai Suburban, Maharashtra, 400063, nominated by the petitioner as the Interim Resolution Professional ('IRP') of the Corporate Debtor as his AFA is available to 31.12.2026.

vi. Petitioner is directed to pay an advance of Rs. 5,00,000/- (Rupees Five Lakhs Only) to the above-named IRP within a period of 7 days from the date of this order to meet the cost of CIRP arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.

vii) The IRP shall perform all his functions as contemplated, inter-alia, under Sections 17, 18, 20 & 21 of the IBC, 2016, in addition to regulations 4D, 4E and 30C of IBBI Insolvency Resolution Process for Corporate Person, 2016 relating to real estate project. It is further made clear that all personnel connected with the Corporate Debtor, its Promoters or any other person associated with the management of the Corporate Debtor are under legal obligation under section 19 of the IBC, 2016 for extending



assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter or any other person required assisting or co-operating with IRP, do not assisting or co-operating, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

viii. This Adjudicating Authority directs the IRP to make a public announcement for the initiation of CIRP and call for the submission of claims under Section 15, as required by section 13(1)(b) of the IBC, 2016. Public announcement may be made in English (All India Publication) and vernacular languages (wherever the projects of Corporate Debtor are situated).

ix. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever.

x. The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority periodic reports with regard to the progress of the CIRP in respect of the Corporate Debtor.



xi. The IRP shall be under duty to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern, to the extent possible, as a part of obligation imposed by Section 20 of the IBC, 2016.

xii. The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the IRP and the concerned Registrar of Companies, after completion of necessary formalities, on the same day and upload the same on the NCLT portal immediately after the pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specifically mentioning regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

xiii. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.



16.10. Accordingly, **CP(IB)/49(CHE)/2023** stands admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)