IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No.02
I.A. (IBC) Nos.1094/2025, 13 & 178/2026
C.P. (IB) No.90/BB/2025

IN THE MATTER OF:

M/s. India Housing Fund … Petitioner

Vs.

M/s. Mustafa Enterprises Pvt. Ltd. … Respondent

Petition under Section 7 of IBC, 2016

Order delivered on: 31.07.2026

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Petitioner : Ms. Pinaz Mehta with Ms. Deepthi C.R.
For the Respondent : Appeared

ORDER

Heard Ld. Counsels for the parties.

1. **I.A.No.178/2026:** Through this Application the Respondent/Corporate Debtor has urged for disposal of I.A.No.1094/2025 prior to and separate from the question of admission of Section 7 of IBC Petition.
2. The Applicant has relied on Order dated 23.02.2026 passed by Hon'ble High Court of Karnataka in W.P.No.6071 of 2026.
3. A perusal of para 5 of the aforesaid Order makes it clear that the Applicant was called upon to make submissions on the present Application and on admission. Accordingly, the arguments were heard in the matter, on behalf of the parties on 17.03.2026.

4. To maintain propriety, we have actually considered and dictated Orders in I.A.No.1094/2025 prior to moving further.
5. The **Application** accordingly stands **satisfied and is disposed of.**

I.A.No.1094/2025: Vide separate Order, the **Application has been dismissed.**

I.A.No.13/2026: In view of the clarificatory order passed by Hon'ble High Court of Karnataka in W.P.No.10289/2026 on 18.06.2026, the **Application is rendered infructuous and is accordingly disposed of.**

C.P.(IB) No.90/BB/2025: Vide separate Order, the **Corporate Debtor has been admitted to CIRP.** IRP has been appointed and moratorium imposed.

List on **28.09.2026 for IRP report.**

-Sd-	**-Sd-**
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

SS

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)

CP (IB) No.90/BB/2025
(Application u/s. 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:

India Housing Fund
Represented by Investment Manager,
360 One Alternates Asset Management Ltd
60 One Centre, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai — 400013 …. Petitioner/Financial Creditor No. 1

India Housing Fund Series 2
Represented by Investment Manager,
360 One Alternates Asset Management Ltd.
Address at: 360 One Centre,
Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai — 400013 …. Petitioner/Financial Creditor No. 2

VERSUS

Gulam Mustafa Enterprises Private Limited
Reg Office at. No. 06,
G.M. Pearl 1st Stage, 1st Phase,
BTM Layout, Bangalore,
Karnataka, 560068 … Respondent/Corporate
Debtor

Order delivered on: 31.07.2026

Coram: Shri. Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
Shri. Radhakrishna Sreepada, Hon'ble Member (Technical)

O R D E R

1. The present Petition has been filed on 18.03.2025 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "IBC/Code") by **India Housing Fund** and **India Housing Fund Series 2** (hereinafter collectively referred to as the "Petitioners/Financial Creditors") through their Debenture Trustee, seeking initiation of the Corporate Insolvency Resolution Process ("CIRP") against **Gulam Mustafa Enterprises Private Limited** (hereinafter referred to as the "Respondent/Corporate Debtor") in respect of a financial debt arising out of the subscription to Secured, Redeemable, Non-Convertible Debentures issued by the Corporate Debtor. It is submitted that India Housing Fund is the holder of the Senior Debentures, whereas India Housing Fund Series 2 is the holder of the Series VI Debentures issued by the Corporate Debtor. It is stated that an aggregate amount of **Rs. 627,61,98,448/-** (Rupees Six Hundred Twenty-Seven Crores Sixty-One Lakhs Ninety-Eight Thousand Four Hundred Forty-Eight Only) was due and payable by the Corporate Debtor as on 28.02.2025.
2. It is the case of the Petitioners that the Corporate Debtor had issued Secured, Redeemable, Non-Convertible Debentures pursuant to the Debenture Subscription Agreement, Debenture Trust Deed dated 20.11.2019 and the Supplemental Deed, Amended and Restated Debenture Trust Deed dated 28.05.2020, under which the Petitioners subscribed to the debentures by disbursing an aggregate sum of **Rs. 385,00,00,000/-**, comprising **Rs. 225,00,00,000/-** towards Senior Debentures and **Rs. 160,00,00,000/-** towards Series VI Debentures. According to the Petitioners, the Corporate Debtor committed various Events of Default under the transaction documents, whereupon Default Notices dated **04.12.2024** and **18.12.2024**, followed by Recall Notices dated **07.01.2025** and **10.01.2025**, were issued recalling the entire outstanding debt. Despite the issuance of the said notices, the Corporate Debtor failed to discharge its liability, giving rise to the present Petition.

3. Brief facts of the Petition are given hereunder:
    a. The present Petition has been filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 on 25.04.2026 seeking initiation of the Corporate Insolvency Resolution Process against the Respondent/Corporate Debtor on account of its failure to repay the financial debt owed to the Petitioners. It is submitted that the Petitioners, namely India Housing Fund and India Housing Fund Series 2, are the holders of the Senior Debentures and Series VI Debentures, respectively, issued by the Corporate Debtor.
    b. It is submitted that the Petitioners and the Corporate Debtor entered into a Debenture Subscription Agreement dated 20.11.2019, whereby the Petitioners agreed to subscribe to the Secured, Redeemable, Non-Convertible Debentures proposed to be issued by the Corporate Debtor. Under the said Agreement, India Housing Fund subscribed to the Senior Debentures aggregating to ₹225,00,00,000/-, while India Housing Fund Series 2 subscribed to the Series VI Debentures aggregating to ₹160,00,00,000/-, resulting in an aggregate subscription amount of ₹385,00,00,000/-. It is submitted that the subscription amounts were duly disbursed to the Corporate Debtor for financing the development of its real estate project.
    c. It is further submitted that, contemporaneously with the Debenture Subscription Agreement, the Corporate Debtor executed a Debenture Trust Deed dated 20.11.2019 appointing IDBI Trusteeship Services Limited as the Debenture Trustee to act for and on behalf of the Debenture Holders and to secure their interests. The Debenture Trust Deed, inter alia, sets out the redemption schedule, payment obligations of the Corporate Debtor, creation of security, representations and warranties, affirmative and negative covenants, Events of Default and the rights and powers of the Debenture Trustee. Subsequently, the parties executed a Supplemental Debenture Trust Deed dated 28.05.2020, whereby certain terms and

conditions governing the transaction were amended, while the remaining terms of the original Debenture Trust Deed continued to remain in force.

d. It is submitted that the Corporate Debtor committed various Events of Default under the Debenture Trust Deed by failing to comply with its repayment obligations and other contractual covenants. Consequently, the Debenture Trustee, acting on behalf of the Petitioners, issued Default Notices dated 04.12.2024 and 18.12.2024, calling upon the Corporate Debtor to remedy the defaults. Since the defaults remained uncured, Recall Notices dated 07.01.2025 and 10.01.2025 were thereafter issued recalling the entire outstanding debt and demanding immediate payment of all amounts due under the transaction documents. Despite receipt of the said notices, the Corporate Debtor failed to remedy the defaults or discharge its outstanding liability.

e. It is further submitted that, as on 28.02.2025, a sum of ₹627,61,98,448/- remained due and payable by the Corporate Debtor towards the outstanding principal, accrued interest and other contractual dues. According to the Petitioners, the financial debt and the occurrence of default are evidenced by the Debenture Subscription Agreement, the Debenture Trust Deed, the Supplemental Debenture Trust Deed, the security documents, the Default Notices, the Recall Notices, the statement of outstanding dues and the other documents placed on record.

f. It is therefore submitted that the Respondent has failed to discharge its liability under the transaction documents despite repeated demands. Accordingly, It is therefore prayed to admit the present Petition and initiate the Corporate Insolvency Resolution Process against the Corporate Debtor and pass such other order(s) as it may deem fit in the facts and circumstances of the case.

4. The Respondent has filed the reply, dated 22.09.2025 and contended as under:

a. The Respondent has submitted that the present Petition is not maintainable either in law or on facts and is liable to be dismissed. It is contended that there is no privity of contract between the Petitioners and the Respondent, inasmuch as the Debenture Trust Deed dated 20.11.2019 and the Amended and Restated Debenture Trust Deed dated 28.05.2020 were executed between the Respondent, the Promoters and **IDBI Trusteeship Services Limited**, the Debenture Trustee. According to the Respondent, the Petitioners are merely Debenture Holders/beneficiaries under the said Deeds and are not parties thereto. Consequently, it is contended that the Petitioners lack the necessary locus standi to maintain the present Petition under Section 7 of the Code.

b. It is further submitted that under the Debenture Trust Deed and the Amended and Restated Debenture Trust Deed, the Debenture Trustee has been vested with the exclusive authority to act for and on behalf of all the Debenture Holders. According to the Respondent, the Trustee is the sole legal representative entrusted with safeguarding the interests of the Debenture Holders and enforcing their contractual rights in the event of default. The Petitioners, having accepted the terms of the transaction documents, cannot bypass the Debenture Trustee and independently institute the present proceedings.

c. It is further submitted that the Debenture Trust Deed contains a comprehensive contractual framework, including a grievance redressal mechanism under Clause 64, which the Petitioners were bound to invoke before initiating legal proceedings. According to the Respondent, the Petitioners have neither invoked the said mechanism nor demonstrated that the Debenture Trustee failed or refused to act upon any requisition made by the Debenture Holders. It is contended that the Petitioners have failed to establish compliance with the contractual preconditions governing enforcement and, therefore, the present Petition is premature and not maintainable.

d. The Respondent further submits that the Petitioners have failed to establish the occurrence of default in the manner contemplated under the transaction documents and that the amount claimed is disputed. It is contended that the computation of the outstanding dues is contrary to the contractual terms governing interest and repayment, and that the statement of default relied upon by the Petitioners is a self-serving document unsupported by any independent certification. According to the Respondent, the Petition seeks enforcement of disputed contractual rights and raises several questions relating to the interpretation of the Debenture Subscription Agreement, the Debenture Trust Deed, the Amended and Restated Debenture Trust Deed and the ancillary security documents, which cannot be adjudicated in summary proceedings under Section 7 of the Code.

e. It is also submitted that the Petitioners have selectively relied upon the transaction documents while disregarding the obligations cast upon them thereunder. According to the Respondent, the Petition constitutes an attempt to circumvent the contractual framework governing the rights and obligations of the parties and amounts to an abuse of the insolvency process for enforcement of contractual claims. The Respondent therefore prayed that the present Company Petition be dismissed with costs.

5. The Petitioner has filed Rejoinder, dated 23.10.2025 to rebut Statement of Objections contending:

   a. The averments made in the Statement of Objections and the allegations levelled by the Respondent are denied. It is submitted that the objections are misconceived, contrary to the terms of the transaction documents and unsupported by the material placed on record. The Petitioners reiterate that the financial debt arose from the subscription to the Secured, Redeemable, Non-Convertible Debentures under the Debenture Subscription Agreement, the Debenture Trust Deed and the Supplemental Debenture Trust Deed, and that the disbursement of the subscription amounts to the Corporate Debtor is undisputed.

b. It is further submitted that the Petitioners, being the Debenture Holders and Financial Creditors, are fully entitled to invoke the provisions of Section 7 of the Code. The Debenture Trustee has instituted the present proceedings in accordance with the terms of the Debenture Trust Deed and for the benefit of the Debenture Holders. According to the Petitioners, the objection regarding maintainability is wholly misconceived and the contractual grievance redressal mechanism contained in the transaction documents cannot curtail or override the statutory remedy available under the Insolvency and Bankruptcy Code, 2016.

c. It is further submitted that the occurrence of the Events of Default, the issuance of the Default Notices and Recall Notices and the outstanding financial debt are duly evidenced by the transaction documents and the contemporaneous records placed before this Adjudicating Authority. According to the Petitioners, the Respondent has failed to dispute either the execution of the transaction documents or the disbursement of the subscription amounts. The objections raised by the Respondent merely relate to the interpretation of contractual terms and enforcement of contractual rights and do not detract from the existence of the financial debt or the occurrence of default so as to defeat a petition under Section 7 of the Code.

d. It is accordingly submitted that the objections raised by the Respondent are devoid of merit and are liable to be rejected. The Petitioners therefore pray that the present Petition be admitted and the Corporate Insolvency Resolution Process be initiated against the Corporate Debtor.

6. We have heard the Learned Senior Counsels appearing for the Parties and perused the material on record as well as written submissions filed.

7. Under Section 7 of the Insolvency and Bankruptcy Code, 2016, this Adjudicating Authority is required to satisfy itself as to the existence of a financial debt and

the occurrence of default**.** The Hon'ble Supreme Court in ***Innoventive Industries Ltd. v. ICICI Bank & Ors.*****, (2018) 1 SCC 407**, has held that, at the stage of admission, the Adjudicating Authority is only required to ascertain the existence of a financial debt and default from the records placed before it.

8. In the present case, the material placed on record discloses that the Petitioners entered into the Debenture Subscription Agreement dated 20.11.2019 with the Corporate Debtor, pursuant to which the Petitioners subscribed to the Secured, Redeemable, Non-Convertible Debentures issued by the Corporate Debtor. Under the said Agreement, India Housing Fund subscribed to the Senior Debentures aggregating to ₹225,00,00,000/- and India Housing Fund Series 2 subscribed to the Series VI Debentures aggregating to ₹160,00,00,000/-, thereby disbursing an aggregate amount of ₹385,00,00,000/- to the Corporate Debtor for financing its real estate project. The transaction was thereafter secured by the Debenture Trust Deed dated 20.11.2019 and the Amended and Restated Debenture Trust Deed dated 28.05.2020. The execution of the transaction documents and the receipt of the subscription amounts by the Corporate Debtor have not been disputed. The monies so advanced clearly constitute a financial debt within the meaning of Section 5(8) of the Code.

9. The material on record further establishes that, under the terms of the Amended and Restated Debenture Trust Deed dated 28.05.2020, the Series VI Debentures were redeemable in accordance with the redemption schedule stipulated therein and the Corporate Debtor was also liable to service interest on the Senior Debentures and the Series VI Debentures in the manner agreed under the transaction documents. It is the specific case of the Petitioners that the Corporate Debtor committed Events of Default by failing to redeem the debentures and honour its repayment obligations. In support thereof, the Petitioners have produced the statements of account, bank statements evidencing non-receipt of the amounts due, the Default Notices dated 04.12.2024 and 18.12.2024 issued by the Debenture Trustee and the Recall Notices dated 07.01.2025 and 10.01.2025 recalling the entire outstanding debt. Despite the issuance of the said notices, the

Corporate Debtor failed to discharge its liability. The Respondent has also not disputed the issuance of the aforesaid Default Notices and Recall Notices. The statement of outstanding dues further discloses that a sum of ₹ 627,61,98,448/- remained due and payable as on 28.02.2025. The Respondent has not disputed the execution of the transaction documents or the receipt of the subscription amounts. Thus, the existence of the financial debt and the occurrence of default stand established from the material placed on record.

10. The Respondent has disputed the computation of the outstanding liability. However, at the stage of considering an application under Section 7 of the Code, this Adjudicating Authority is not required to undertake a detailed adjudication of the exact quantification of the claim where the existence of the financial debt and the occurrence of default are otherwise established. Even assuming that the Respondent's objections regarding the computation of the outstanding dues are accepted for the sake of argument, the principal amount admittedly subscribed and disbursed by the Petitioners aggregates to ₹385,00,00,000/-, which by itself constitutes a financial debt far exceeding the threshold prescribed under Section 4 of the Code. Therefore, the dispute, if any, pertains only to the quantification of the outstanding liability and does not affect the maintainability of the present Petition.

11. The principal objection raised by the Respondent is that the present Petition is not maintainable as the Debenture Trust Deed appoints IDBI Trusteeship Services Limited as the Debenture Trustee and, therefore, only the Debenture Trustee is competent to initiate proceedings against the Corporate Debtor. According to the Respondent, the Petitioners, being Debenture Holders, lack the locus standi to maintain the present Petition independently. The appointment of a Debenture Trustee under the Debenture Trust Deed merely authorises the Trustee to act in a representative capacity for the benefit of the Debenture Holders and to enforce the rights arising under the transaction documents. Such appointment merely enables the Debenture Trustee to act on behalf of the Debenture Holders. It cannot be construed as divesting, extinguishing or

excluding the independent statutory right of the actual Financial Creditors to invoke Section 7 of the Insolvency and Bankruptcy Code, 2016

12. It is not in dispute that the Petitioners are the subscribers to the debentures and the persons who disbursed the monies to the Corporate Debtor under the Debenture Subscription Agreement. They are, therefore, the actual Financial Creditors in respect of the debt owed by the Corporate Debtor. The Debenture Trustee does not become the creditor in substitution of the Debenture Holders; it merely acts as their representative for the purposes contemplated under the Debenture Trust Deed. While the Debenture Trust Deed authorises the Debenture Trustee to institute proceedings and enforce the rights of the Debenture Holders, such contractual stipulation cannot be interpreted as excluding or curtailing the statutory right conferred upon the Financial Creditors under Section 7 of the Code. In the absence of any express provision either under the transaction documents or the Code prohibiting the Petitioners from maintaining the present application, the objection regarding maintainability deserves to be rejected.
13. It is well settled that the right conferred under Section 7 of the Insolvency and Bankruptcy Code is a statutory remedy available to a Financial Creditor. The Debenture Trust Deed, being a contractual arrangement between the parties, may regulate the manner in which the Debenture Trustee acts for the benefit of the Debenture Holders, but it cannot curtail or exclude the statutory remedy available under the Code. A contractual stipulation cannot override the provisions of a statute unless the statute itself so provides.
14. The remaining objections raised by the Respondent primarily relate to the interpretation of the Debenture Subscription Agreement, the Debenture Trust Deed, the Amended and Restated Debenture Trust Deed and the contractual mechanism contemplated thereunder. Such objections concern the manner of enforcement of contractual rights and do not displace the existence of the financial debt or the occurrence of default established from the material placed before this Adjudicating Authority. They do not constitute valid grounds to reject an application under Section 7 of the Code.

15. In view of the foregoing discussion, it is culled that a financial debt exists in favour of the Petitioners, the Corporate Debtor has committed default in repayment thereof, the Petition is complete in all respects. The amount of default is well above the threshold prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016. Accordingly, the present Company Petition deserves to be admitted under Section 7 of the Insolvency and Bankruptcy Code, 2016.
16. Accordingly, Company Petition bearing **CP (IB) No. 90/BB/2025 is hereby allowed thereby directing the Corporate Debtor**, **Gulam Mustafa Enterprises Private Limited to undergo the Corporate Insolvency Resolution Process** and consequently declaring moratorium in terms of Section 14 of the Code imposing following prohibitions to be complied with by all concerned:

    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;
17. It is further directed that the supply of essential goods or services to the Corporate Debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period in accordance with sub-section (2) of Section 14 of the Code;

18. The provisions of Section 14(3) shall however, not apply to such transactions 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 a Corporate Debtor.
19. The order of moratorium shall be effective from the date of this order till completion of the Corporate Insolvency Resolution Process or until this Bench 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 as the case may be;
20. **Sh. Dhanshyam Kantilal Patel**, IBBI/IPA-001/IP-P01373/2018-2019/12155 has been proposed as Interim Resolution Professional (IRP) by the financial Creditor. Form No.2 Written Communication by the IRP has been filed along with the petition as Annexure 4. In view thereof we, hereby appoint **Mr. Dhanshyam Kantilal Patel**, email id: ***dpatel@ckpatel.com***, Mobile No: 9137442977, registered address: 322, Zest Business Spaces, M G Road, Ghatkopar East, Mumbai City, Maharashtra-400077 as the Interim Resolution Professional. The IRP is directed to take steps as mandated under the IBC, especially under Sections 15, 17, 18, 20 and 21 of IBC, 2016 and strive to complete the process within prescribed timeline.
21. The Financial Creditor shall deposit a sum of **Rs.3,00,000/-** (Rupees Three Lakhs Only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors. The Fee and other expenses of IRP/RP shall be finalised by the CoC in the light of relevant IBBI Regulations. **The RP shall issue individual notices to Principal Chief Commissioner of Income Tax, Queens Road, Bengaluru; Regional Provident Fund Commissioner; GST Commissioner; Commercial Tax Authority; recognized Labour Unions, ESI, etc** and submit proof of service with his first progress report**.**
22. The Interim Resolution Professional shall after collation of all the claims received against Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors and shall file a report,

certifying constitution of the committee to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days for filing the report of Constitution of the Committee. The Interim Resolution Professional is further directed to send **monthly progress** reports to this Authority along with inside & outside photographs of office, warehouse, installations, project and equipment etc. of the Corporate Debtor. On taking control of assets and management of Corporate Debtor, the IRP/RP shall affix a Board of suitable size as to be easily visible to the public, outside the premises of CD specifying that the CD is undergoing CIRP with number and title of this case; complete name and particulars including contact details of IRP/RP to enable them to make enquiry and/or to lodge their claims, if any, within specified timelines. A photograph of the displayed board along with those of office, land, plant, machinery, equipment's, gadgets, from various angles inside and outside be also filed.

23. It is made clear that this order of admission shall not prejudice the rights of any Homebuyer/Allottee in the CD projects. All such Homebuyers/Allottees shall be at liberty to lodge their respective claims before the Interim Resolution Professional in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the applicable Regulations, and the same shall be dealt with in accordance with law.
24. A copy of the order shall be communicated to both the parties. Learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith. **The Registry is also directed to forward a softcopy hereof to the Interim Resolution Professional as well as RoC at their e-mail id.**

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)