

**IN THE NATIONAL COMPANY LAW TRIBUNAL
BENGALURU BENCH**

*(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)*

**C.P. (IB) No.99/BB/2022&
IA NO 24 OF 2023**

U/s 7 of I&B Code, 2016
R/w Rule 4 of I&B (AAA) Rules, 2016

In the matter of:

M/s. Indiabulls Housing Finance Limited

Regd. Office at M-62 & 63, First Floor,
Connaught Place,
New Delhi – 110 001.

Also at:

116, Krishna Arcade,
Between 12th& 11th Cross,
Margosa Road, Malleshwaram,
Bengaluru – 560 003.

... Petitioner/Financial Creditor

Versus

M/s. Mantri Infrastructure Private Limited

41, Vittal Mallya Road,
Bengaluru – 560 001.

... Respondent/Corporate Debtor

Order delivered on: 23rd June, 2023

Coram: 1. Hon'ble Justice (Retd.) T. Krishnavalli, Member (Judicial)
2. Hon'ble Shri Manoj Kumar Dubey, Member (Technical)

Present:

For the Petitioner : Shri Prateek Joshi

For the Respondent/
Applicant in : Shri Shyam Sundar M.S., Sr. Counsel. with
IA No. 24 of 2023 Ms. Krutika Raghavan,

ORDER

Per: Manoj Kumar Dubey, Member (Technical)

1. The present Petition has been filed on 16.02.2022 u/s 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'IBC/Code') r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by **M/s. Indiabulls Housing Finance Limited** (hereinafter referred to as 'Petitioner / Financial Creditor') with a prayer to initiate the Corporate Insolvency Resolution Process (CIRP) in respect of **M/s. Mantri Infrastructure Private Limited** (hereinafter referred to as 'Respondent / Corporate Debtor') for defaulting an amount of Rs.480,65,49,787/-.
2. The Corporate Debtor was incorporated on 24.07.2007 with CIN:U45201KA2007PTC043458 with its registered office situated at #41, Vittal Mallya Road, Bengaluru, Karnataka-560001.Hence, the jurisdiction lies with this Adjudicating Authority. Its Authorised Share Capital is Rs.1,00,000/- and Paid-up Share Capital is Rs.1,00,000 /-.
3. Brief facts of the Petition are given hereunder:
 - (a) The Financial Creditor is one of India's largest housing finance Company and provides housing finance, including home loans regulated by the Reserve Bank of India. The Corporate Debtor is a part of the Mantri Group of Companies engaged in the real-estate business in Bangalore.
 - (b) It is stated that the Petitioner sanctioned an aggregate loan to the tune of Rs.600,00,00,000 /- under two loan agreements. The aggregate disbursed loan amount under these agreements is Rs.590,00,00,000/- (Rupees Three Hundred Crores Only) mentioned in Form-1 along with the date of default as per Form-1 is stated as 01.01.2022.
 - (c) The details of each loan agreements are as follows:
 - i. **Loan Account No.S000239536:**

The Applicant **sanctioned** a loan of Rs.300,00,00,000/- (Rupees One Three Hundred Crores Only) to the Corporate Debtor for construction and development of residential projects. The Applicant sanctioned the loan on the terms and conditions of the sanction letter dated 29.08.2016, and on the basis of the securities extended by the Corporate Debtor (and other obligors) stipulated thereunder. The Applicant & Corporate Debtor, accordingly, executed the Loan Agreement dated 26.09.2016 thereby accepting and acknowledging their respective obligations thereunder. The Applicant **disbursed** a sum of Rs.290,00,00,000/- to the Corporate Debtor.

ii. Loan Account No.S000241142:

The Applicant **sanctioned** a loan of Rs.300,00,00,000 /- to the Corporate Debtor for construction and development of residential projects on the terms and conditions of the sanction letter dated 16.12.2019 and on the basis of the securities extended by the Corporate Debtor (and other obligors) stipulated thereunder. Accordingly, the Applicant and Corporate Debtor executed the Loan Agreement dated 31.12.2019 thereby accepting and acknowledging their respective obligations thereunder. The Applicant **disbursed** a sum of Rs.300,00,00,000 /- to the Corporate Debtor.

The aforementioned loans are hereinafter together referred as 'Loan Accounts' under their respective Loan Agreements.

- (d) Under Clause 3 of the Loan Agreements, the Corporate Debtor shall, *inter alia*, pay/repay the entire Loan and interest thereon to the Lender in such manner as agreed/specified by the Lender from time to time and/or as per the Repayment Schedule.
- (e) However, the Corporate Debtor (and all its Obligors) has failed to comply with the provisions of the Loan Agreements. The Corporate Debtor's failure to make payments / timely payments of the Borrower's Dues (or any part thereof, including interest) to the Applicant on the specified due

dates under the Loan Agreements constitutes, *inter alia*, an Event of Default under Clause 12 of the Loan Agreement.

- (f) Accordingly, Applicant issued two separate notices dated 29.12.2021 with respect to each loan account under respective Loan Agreement(s) recalling the loan amounts thereunder, demanding outstanding amounts and giving notice of / for sale, disposing of, transfer, grant, conveyance, and / or assignment of any / all of the securities provided in favour of the Applicant by the Borrower-Corporate Debtor.
 - (g) Further, the Applicant also separately issued two separate notices dated 03.01.2022 u/s 13(2) of the SARFAESI Act, 2002 for each loan account through which the Applicant intimated the Corporate Debtor that the respective loan accounts have been declared as NPA 03.10.2021 and called upon the Corporate Debtor to pay the outstanding dues under each loan account.
 - (h) However, neither the Corporate Debtor, nor its co-borrowers and / or guarantors, have made any payment of the outstanding amounts to the Applicant, till date. Accordingly, the total default amount of Rs.480,65,49,787/- including interest, TDS, Non-SCC charges, penal charged, etc. is due and payable by the Corporate Debtor to the Applicant i.e. there is a debt and default. Hence, the present Application.
- 4.** In support of its submissions, the Petitioner *inter alia* filed the following documents:

- (a) *Copies of the Loan Agreements, including its amendments, waivers.*
- (b) *Copies of loan recall notices dated 29.12.2021 issued by the Applicant to the Corporate Debtor recalling the loan amount and demanding payment of outstanding dues forthwith;*
- (c) *Copies of two notices u/s 13(2) of SARFAESI Act, 2002;*
- (d) *Copy of Statement of Account;*
- (e) *Copy of Foreclosure Statement;*

- (f) *Copies of Memorandum of Entry;*
- (g) *Copies of Deed of Hypothecation;*
- (h) *Copies of certificates of registration of the abovementioned subsisting charges of the Corporate Debtor, as well as the CERSAI certificates.*

5. Respondent through its statement of objections and additional objections filed on 19.10.2022 & 17.01.2023 has *inter alia* contended as under:

- (a) In the year 2016, the Corporate Debtor-M/s. Mantri Infrastructure Private Limited (MIPL) approached the Financial Creditor for availing a loan facility for development and execution of Projects promoted by it. MIPL applied for two loans of Rs.300,00,00,000/- each. Pursuant to the same, the Petitioner issued sanction letters dated 29.08.2016 and 31.12.2019, approving disbursal of a sum as sought by the respondent. MIPL furnished the requisite documents as sought by the Petitioner and requested to immediately execute the Loan Agreement. The Financial Creditor came forward to execute the Loan Agreements on 26.09.2016 and 31.12.2019. In terms of the Agreement, Loan Accounts were also created by the Financial Creditor in the name of the Corporate Debtor.
- (b) It is contended that due to the inordinate delay on the Petitioner's part in disbursement of the loan amount, MIPL's projects' timelines were severely affected and also faced cash flow issues. Also, relying upon the assurances of Petitioner, MIPL introduced a marketing scheme which facilitated the customers to buyback with pre-EMI interest payments for their Project. The said scheme was introduced for the purpose of increasing the sales and revenue for the commercial benefit of MIPL. However, MIPL incurred losses running to crores of rupees because of delay in disbursal of loan by the Petitioner.
- (c) On 03.01.2022, the Petitioner issued a notice to MIPL u/s 13(2) of the SARFAESI Act, 2002 seeking for repayment of entire outstanding amount. Thereafter, MIPL issued a reply to those notices refuting and

disputing the claims of the Petitioner in unequivocal terms and bringing to light the true state of affairs.

- (d) It is contended that the Petitioner is providing further financial facilities after filing of the above proceedings, therefore, by their own conduct admitting that the Mantri conglomerate is not in any financial distress.
- (e) It is contended that though the Financial Creditor has been discussing the possibility of a settlement and various settlement agreements were agreed between parties, none of them materialised and that it has instituted the present proceedings only with a view to gain leverage in the settlement talks, with the Corporate Debtor.
- (f) It is also contended that there is no valid Board Resolution of the Financial Creditor produced with the Petition. The Board Resolution produced with the Petition besides being seemingly fabricated, does not speak of anything wherein they have resolved to initiate IBC proceedings amid the settlement which was almost finalised and it is a mere authorization letter.
- (g) Furthermore, the interest charged by the Petitioner is unwarranted and in contravention to the terms of the Agreement. The claims of the Petitioner to the tune of Rs.22,64,76,360/- (wrongly mentioned as Rs. 8,19,03,626/- by the respondent) is arbitrary and without any lawful basis.
- (h) Although the Corporate Debtor is willing to make payments towards the debt by realising the values of the additional securities, the Financial Creditor is not willing to release the additional securities and allow the Corporate Debtor to make necessary payments. Since, there is no default, or debt or much less a financial debt as defined under the Code, mere recovery attempts made by the Financial Creditor ought not to be entertained. Hence, the foremost ingredient of 'Financial Debt' is absent

since the disbursal is not against the consideration for time value of money.

- (i) The relationship between the Parties is governed by loan agreements which provide for resolution of disputes by arbitration, after attempts by discussion fail. The Agreements contain arbitration clause which bind the Parties. The Financial Creditor has not invoked the Arbitration Clause but filed the proceedings before this Tribunal prematurely.
- (j) Further, a memo was filed by the corporate debtor vide Dy.No.325 dated 17.01.2023, stating that the corporate debtor has made payments of INR 580 Crores, towards its liability on the corporate debtor stands discharged and the current proceedings are infructuous.

6. In response to the order dated 16.03.2023 , the Petitioner has filed written submissions *vide* Diary No.1825 dated 30.03.2023 by *inter alia* further stating as under:

- (a) The Financial Creditor had sanctioned and disbursed the following Two Loan facilities to the Corporate Debtor (CD). The details of all such Loan Agreements along with date of defaults are given hereunder:

<i>Loan Account Number</i>	<i>LAN S000239536</i>	<i>LAN S000241142</i>
Date of Sanction Letter	29.08.2016	16.12.2019
Date of Loan Agreement	26.09.2016	31.12.2019
Disbursement Date	28.09.2016,29.09.2016,04.11.2016, 07.12.2016, 26.12.2016, 24.01.2017, 17.02.2017, 23.02.2017, 29.03.2017, 09.06.2017, 29.06.2017	31.12.2019
Amount Sanctioned (Rs)	300 Crores	300 Crores
Amount Disbursed (Rs.)	290 Crores	300 Crores
Declaration of NPA	03.10.2021	03.10.2021
Loan Recall	29.12.2021	29.12.2021

Notice		
Date of Default	01.01.2022	01.01.2022

(b) A breakup of the outstanding financial debt is as below:

<i>Principal Amount</i>	INR 408,18,21,196/-
<i>Interest</i>	INR 22,64,76,360/-
<i>Default Interest</i>	INR 7,20,57,204/-
<i>Other Charges</i>	INR 16,60,16,741/-
<i>TDS</i>	INR 26,0,78,296/-
<i>Total outstanding debt as on 21.01.2022</i>	INR 480,65,49,787/-

- (c) CD availed loan facilities from the Financial Creditor against payment of interest. The loan facilities were availed for purposes of construction, development or acquisition of immovable property for residential projects etc., and hence these loans were availed as consideration for the time value of money. The CD was required to repay the entire loan amount and interest thereon as per the re-payment Schedule contained in the Loan Agreements.
- (d) Under the Loan Agreements, non-payment of dues constitutes an 'Event of Default'. The consequence of it is that the Financial Creditor had the right to cancel / recall the entire loan amount. In view of the CD's non-payment of dues under the Agreements, Loan Recall Notices were issued to the CD to repay the entire outstanding dues, within three days. However, the CD defaulted in repayment thereof. Accordingly, this Petition contains the key ingredients for admitting the CD into CIRP.
- (e) As regards the Arbitration Clause, it is stated that there is no 'dispute' about the CD's default in payment of outstanding dues to the Financial Creditor. The default is (i) established by the loan accounts being declared NPAs and (ii) admitted by the Corporate Debtor in its reply to the Petition stating that the CD proposed an OTS / Settlement to the Financial Creditor for the outstanding financial dues. The very fact that

a settlement was offered by the Corporate Debtor to the Financial Creditor constitutes an admission of liability to pay. Thus, there is no 'dispute' to be referred to arbitration. Moreover, the Hon'ble Supreme Court has settled the position in the case of *Indus Biotech Pvt. Ltd. v. Kotak India Venture (Offshore) Fund & Ors. (2021) 6 SCC 436*, in which it was held that the Adjudicating Authority was duty bound to first decide the application u/s 7 of the Code if there was a debt and a default; even when an application u/s 8 of the Arbitration Act was pending.

- (f) As regards the settlement discussions, the fact that the CD has offered an OTS itself constitutes an admission of the debt and the default by the CD. Moreover, the Corporate Debtor had sought adjournments before this Tribunal on 02.08.2022, 30.09.2022, 15.11.2022, 09.02.2023 and 16.03.2023 on account of settlement discussion. However, there has been no reasonable settlement offered by the Corporate Debtor to the Financial Creditor, till date.
- (g) As regards the objection raised by the Respondent that the Financial Creditor delayed the disbursement of loan amount to the Corporate Debtor, it is stated that the CD has never raised this objection during the term of the loan or objected at the time of purportedly delayed disbursement. The aforementioned Table [at para 6(a) above] establishes that there isn't any delay in the disbursement of the loan amounts. The amounts were disbursed in time starting within one month from the date of sanction, hence, there was no dilution of the time value of money. This was reiterated in the table reproduced by the Applicant.
- (h) As regards the contention raised by the Respondent that it was forced to enter into Loan Agreements with unilateral terms, it is stated that it was the CD who approached the Financial Creditor for availing loan facilities and accordingly, the Financial Creditor sanctioned several loan facilities as per the terms of sanction letter, which were accepted by the CD with its own free will, without any force or coercion. Hence, once the Parties

have voluntarily signed on agreed terms of an Agreement, without any coercion or threat, they cannot deny their obligations under the Agreement.

- (i) As regards the interest issue raised by the Respondent, it is stated that the interest being charged by the Financial Creditor is within the contours of the Loan Agreements. As per the re-payment schedule and Schedule-I of the Loan Agreements, the CD had an obligation to pay interest to the Financial Creditor from time to time. With regard to Loan Recall Notices issued under the SARFAESI Act, it is stated that the issuance of the notice cannot be contended to be premature as the Notice was issued in terms of the provisions of the Loan Agreement, and the right to recall arose as soon as the default occurred.
- (j) As regards the contention that the Financial Creditor is still offering to extend loan facilities to the Mantri Group of Companies, it is stated that the Financial Creditor has not been extending further loan facilities to the Mantri Group after it has defaulted on the Financial Creditor's loan repayment obligations. Further, the supply of additional securities by the Corporate Debtor to the Financial Creditor was in compliance of its obligations under the Loan Agreement.
- (k) As regards the contention that the Petitioner not filed the information of the default with the information utility, it is submitted that as per Section 7(3) of the Code, a Financial Creditor is required to furnish the record of default with the information utility "*or such other record or evidence of default as may be specified*". With regard to the allegation that the Applicant is in the practice of evergreening its loans, it is stated that the CD apart from making a vague allegation, has failed to substantiate the same with cogent reasons or relevant documents. Moreover, the CD has failed to make reference to any law / rule that has been violated.

- (l) The Corporate Debtor raised an objection with respect to admission of insolvency proceedings against Sushil Mantri in Indiabulls Housing Finance Ltd. v. Sushil Mantri, CP (IB) No.92 of 2022. However, this objection does not warrant any consideration in view of the fact that CP (IB) No.92 of 2022 is filed by a different financial creditor, namely, Indiabulls Commercial Credit Limited and therefore, the CP arises out of separate loan agreements. Therefore, the CD herein is in default for an amount of Rs.480 Crores, which is more than the threshold limit.
- (m) The corporate debtor has contended that the Applicant has entered into (i) Debenture Trust Deed with IDBI Trusteeship Services Limited and (ii) during the pendency of these proceedings, an Option Agreement with M/s. Wisdomworld Projects Private Limited (“WWPL”) whereunder WWPL was entitled to call upon and require the Respondent to purchase from WWPL the option Debentures subject to the conditions contained therein. Thus, it is the case of the corporate debtor that if the applicant did not trust the liquidity of the corporate debtor it would not have entered into the latter Option Agreement. In response thereto, it is submitted that,
- (i) the transaction with WWPL and IDBI Trusteeship Limited arise out of a different set of loan transactions;
 - (ii) therefore, this submission neither has any bearing in the present proceedings, nor is it a testament to the corporate debtor’s liquidity-the lack of which has been established by its inability to repay the loans of the Applicant.
- (n) In support of its submissions, the Petitioner has relied upon the following decisions:
- i. Kotak Mahindra Bank Limited v. Kew Precision Parts Private Limited & Ors., (2022) 9 SCC 364;*
 - ii. Tata Consultancy Services Limited v. SK Wheels Private Limited, (2022) 2 SCC 853;*

- iii. *Indus Biotech Private Limited v. Kotak India Venture (Offshore) Fund & Ors.*, (2021) 6 SCC 436;
- iv. *Booz Allen and Hamilton Inc. v. SBI Home Finance Limited & Ors.*, (2011) 5 SCC 532;
- v. *E.S. Krishnamurthy v. Bharat Hi-Tecch Builders Private Limited*, (2022) 3 SCC 161;
- vi. *Swiss Ribbons (P) Ltd. v. Union of India*, (2019) 4 SCC 17;
- vii. *Bharti Defence and Infrastructure Limited v. Edelweiss Asset Reconstruction Company Limited*, CA (AT) (Ins) 71 of 2017;
- viii. *Univalue Projects Pvt. Ltd. v. Union of India & Ors.*, (2020) SCC OnLine Cal 1452;
- ix. *Indiabulls Housing Finance Limited v. Hanumesh Realtors Private Limited*, CP (IB) 3164/IB&BP/MB/2018;
- x. *Indiabulls Housing Finance Limited v. Mithiya Developers Private Limited*, CP (IB) 3243/IB&BP/MB/2018;
- xi. *Sandeep Garg & Anr. V. DMI Finance Pvt. Ltd.*, CA (CA) (Ins.) 321 of 2021.

7. Heard Shri Pratik Joshi, learned Counsel for the Petitioner and Shri M.S.Shyam Sundar, learned Senior Counsel for the Respondent and perused the pleadings on record.
8. It is seen from the Petition that the present case is filed by M/s. Indiabulls Housing Finance Limited seeking to initiate CIRP against the Corporate Debtor-M/s. Mantri Infrastructure Private Limited. As per Form-1 of the Petition it is seen that the Financial Creditor had sanctioned Two Loan facilities to the Respondent-Corporate Debtor aggregating to an amount of Rs.600,00,00,000/- .The aggregate disbursed loan amount under the Two Loan Agreements is Rs.590,00,00,000 /- (Rupees Five Hundred and Ninety Crores Only). Copies of all the Loan Agreements have been annexed to the Petition as Annexure B and C. Vide Clause 3 of the said Loan Agreements, the Corporate Debtor shall, *inter alia*, pay / repay the entire Loan and interest thereon to the Lender in such manner as agreed / specified by the Lender from time to time and/or as per the Repayment Schedule.

9. In this context, it is pertinent to refer **Clause 3 of the Loan Agreement(s)** which provides for **Repayment/Payment**, and the relevant portion of which is reproduced as under:

“3.1.1 The Borrower(s) shall repay/pay the entire Loan and interest thereon to the Lender in such manner as agreed/specified by the Lender from time to time and/or as per the Payment/Repayment Schedule. Subject to Clause 3.1.2, the Borrower(s) agree to pay to the Lender interest on the Loan or such part thereof as may be outstanding from time to time at such Interest Rate(s) as mentioned in Schedule I of this Agreement. Unless otherwise specified by the Lender from time to time, (a) interest shall be payable every month by the Borrower(s) on the Due Date(s) mentioned in the Payment/Repayment Schedule; (b) interest shall accrue from the Date of Disbursement; (c) interest shall be computed on the basis of a year of 360 days and the actual number of days elapsed; (d) interest shall be computed on monthly rests or on such periodic rests as may be decided by the Lender from time to time; and (e) in case of any payment default on the Due Date(s) by the Obligor(s) under the Loan Documents, interest shall be compounded (at the prevailing Interest Rate(s)) every month on the overdue amount and the Obligor(s) shall be liable to pay such compounded interest to the Lender.”

10. Further, it is seen that **Clause 4 of the Loan Agreement(s)** provides for **Default Interest** & **Clause 12** deals with **Events of Default**. More specifically, Clause 12.1.1 of the Agreement states that *“The Borrower(s) does/do not pay by the Due Date(s) the Borrower’s Dues (or part thereof) and/or any amount payable pursuant to a Loan Document.”* The consequence of an Event of Default is that the Financial Creditor had the right to cancel/recall the entire loan amount. In this regard, **Clause 12.2** which provides for **Consequence of an Event of Default** is given hereunder:

“12.2. On and at any time after the occurrence of an Event of Default, Lender may, with or without any notice to any of the Obligor(s) and with or without the intervention of the court/arbitrator, (i) cancel/recall the Loan whereupon the Borrower’s Dues shall become immediately repayable / payable by the Obligor(s);”

- 11.** Since the Corporate Debtor defaulted in payments of its dues, the Financial Creditor issued Loan Recall Notices and called upon the Corporate Debtor to repay the entire outstanding dues under the Loan Agreement(s). It is appropriate to refer Section 5(8) of the Code which defines a '*financial debt*' as a debt along with interest which is disbursed (i) against the consideration for the time value of money, and (ii) includes money borrowed against the payment of interest... etc.
- 12.** In view of the foregoing, the Corporate Debtor has availed loan facilities from the Financial Creditor against payment of interest and it defaulted in repayment of such '*financial debt*' which has become due and payable. Thus, the first ingredient of '*debt*' has been satisfied as required under the Code.
- 13.** The date of default as mentioned in Form-1 is 01.01.2022 and the instant Company Petition has been filed on 15.02.2022, which is within the period of limitation.
- 14.** The Respondent in its reply has contended that despite Respondent's continuous efforts to complete their projects on time, they were unable to do so, due to the Petitioner's failure in disbursing the loan amount on time. It further contended that the Company is having sufficient assets and means to meet its debts, and thus it cannot be liquidated summarily merely at the instance of a frivolous creditor and the Corporate Debtor cannot be held liable for such debts and since there is a clear indication of settlement. However, we are of the considered view that the said contentions are not tenable in law and in this regard it is apt to refer the decision of the Hon'ble NCLAT Chennai in *Drip Capital Inc. v. Concord Creations (India) Pvt. Ltd. (2021) ibclaw.in 505 NCLAT* wherein it was held that an initiation of CIRP does not amount to recovery proceedings and that the Adjudicating Authority at the time of determination as to whether to admit or reject an application u/s 7 of the Code is not to take into account the reasons for the

Corporate Debtor's default. Further, the Hon'ble Supreme Court in *E.S. Krishnamurthy & Ors. v. M/s. Bharath Hi-Tecch Builders Pvt. Ltd. (2021) ibclaw.in 173 SC* has opined that the Adjudicating Authority must either admit or reject the application filed u/s 7 of IBC, it cannot compel a party to the proceedings before it to settle the dispute.

- 15.** As regards the contention of the Respondent that any dispute between the Parties can only be resolved by way of Arbitration as per the Arbitration Clauses in the Agreement and this Tribunal ought to refer the above matter for arbitration as per Section 8 of the Arbitration and Conciliation Act, 1996, we are of the view that Section 238 of the Code is having overriding effect over the Arbitration and Conciliation Act, 1996.
- 16.** It is pertinent to refer here to the memo filed by the corporate debtor on 17.01.2023 stating that they have already made a payment of Rs. 580 Crores to the applicant. It is noticed from the accompanying document that it was for repayment of NCD's by Wisdomworld Projects Private Limited (WWPL). In the written submission filed on 30.03.2023 vide Dy.No.1825 by the petitioner, it has been explained that this transaction between WWPL and IDBI Trusteeship Limited arose out of a different set of loan transactions. No counter comments or denial to this explanation has been given by the Corporate debtor subsequently during the proceedings before this Tribunal; on 12.04.2023 and upto 01.06.2023. Accordingly, the claim made by the respondents vide memo filed on 17.01.2023 is liable to be rejected.
- 17.** The aggregate amount claimed to be in default as per Part-IV of Form-1 is Rs. 480,65,49,787/- (Rupees Four Hundred Twenty Eighty Crore Sixty Five Lakh Forty Nine Thousand Seven Hundred and Eight Seven Only) i.e., more than the threshold limit of Rs.1 Crore. In response to the notices received under the Code and SARFAESI Act, 2002, the Corporate Debtor *vide* letter dated 16.01.2022 (which is placed on record as Annexure-2 to the Reply

dated 19.10.2022) addressed to the Indiabulls Commercial Credit Limited (ICCL) and Indiabulls Housing Finance Limited, wherein it *inter alia* stated that as negotiations in respect of the OTS are underway, and the terms of the OTS is being captured under definitive agreements. Therefore, it was requested that all parties concerned undertake not to engage in any precipitative actions against the others, pending execution of the said definitive agreements. It is noticed from the above reply that the CD has neither disputed the claim nor denied the Agreements entered into between the Parties. However, it is stated that the non-payment of financial debt till date which is due and payable proves that the default is established.

18. Further, we have also gone through the Board Resolution dated 11.02.2022 filed by the Petitioner authorising Ms.Usha M., as an Authorised Representative of the Petitioner Company, on behalf of the Company, to appear for and/or represent the Company before the NCLT, Bengaluru/DRT, Chennai for the cases pertaining to IBC, 2016 filed by/ against the Company from time to time. We find that the said Board Resolution is in accordance with Law. It is seen that the main Petition is also filed by Ms.Usha M., Legal Manager, Indiabulls Housing Finance Limited. Copy of the said Board Resolution is at Page 252 of the Petition. In light of the above discussion, the C.P. is liable to be admitted.
19. We have carefully considered the arguments of the respective Counsels. In view of the facts and circumstances discussed above, the present Petition being complete and having established the default in payment of the financial debt and for the default amount being above Rs.1,00,00,000/- (Rupees One Crore Only), the **Petition** is **admitted** in respect of **Respondent-Mantri Infrsatructure Private Limited** under Section 7 of the I&B Code, 2016. Accordingly, moratorium is declared in terms of Section 14 of the Code. As a necessary consequence of the moratorium in terms of Section 14, the following prohibitions are imposed, which must be followed by all and sundry:

- (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) *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;*
- (f) *The provisions of sub-section (1) shall however, not apply to such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority, and to a surety in a contract of guarantee to a Corporate Debtor;*
- (g) *The order of moratorium shall have effect 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 as the case may be.*

20. The Financial Creditor has proposed the name of Mr.Rajesh Kumar Parakh, a qualified insolvency professional having Registration No. IBBI/IPA-001/IP-P00272/2017-18/10516 as the Interim Resolution Professional (IRP) in respect of the Corporate Debtor. Written Consent given by the IRP in Form 2 dated 12.02.2022 has been filed along with the C.P at Page Nos.253, wherein, it was declared he is eligible to be appointed as IRP in the case of the Corporate Debtor and that no disciplinary proceedings are pending against him with the Board or the ICSI Institute of Insolvency Professionals.

On 02.06.2023, the Petitioner Counsel filed the renewed Authorisation for Assignment (AFA), which is valid from 17.02.2023 to 16.02.2024.

- 21.** The Law Research Associate of this Adjudicating Authority has checked the credentials of Mr.Rajesh Kumar Parakh, and there is nothing adverse against him. In view of the above, the Bench appoints Mr.Rajesh Kumar Parakh, bearing Regn. No.IBBI/IPA-001/IP-P00272/2017-18/10515 with registered address at 5/51,Ind Floor, WEA Karol Bagh, New Delhi-110005 Email:parakh.rajesh@gmail.com as the Interim Resolution Professional of the Corporate Debtor. The IRP is directed to take the steps as mandated under Sections 15, 17, 18, 20 and 21 of IBC, 2016.
- 22.** The Financial Creditor shall deposit a sum of **Rs.2,00,000/-** (Rupees Two 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.
- 23.** The Interim Resolution Professional shall after collation of all the claims received against the 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 Adjudicating Authority 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 regular progress reports to this Adjudicating Authority every fortnight.
- 24.** A copy of the order shall be communicated to both the Parties. The learned Counsel for the Petitioners shall deliver a copy of this Order to the Interim Resolution Professional forthwith. The Registry is also directed to send a copy of this Order to the Interim Resolution Professional at his e-mail address forthwith.

25. Further, IA No.24 of 2022 filed by M/s. Mantri Infrastructure Private Limited against the Financial Creditor-M/s. Indiabulls Housing Finance Ltd. under Section 8 of the Arbitration and Conciliation Act, 1996 read with Rule 11 of the NCLT Rules, 2016 seeking to refer the parties to arbitration is dismissed in view of the aforesaid admission order passed in the main CP. Accordingly, **IA No.24 of 2023 is deemed to be dismissed.**

-Sd/-

**MANOJ KUMAR DUBEY
MEMBER (TECHNICAL)**

-Sd/-

**T. KRISHNAVALLI
MEMBER (JUDICIAL)**