



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

ITEM No.03
CP (IB) No.99/BB/2025

IN THE MATTER OF:

Omkara Assets Reconstruction Pvt Lt ... Petitioner
Vs
Kristal Projects (India)Ltd ... Respondent

Petition under Section 7 of the I & B Code 2016

Order delivered on: 07.04.2026

CORAM:

SHRI. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Petitioner : Ms. Rose Joy

ORDER

1. Heard the Ld. Counsel for the Petitioner.
2. **The Corporate Debtor is admitted to CIRP vide separate order.**
3. List the case on **22.06.2026** for IRP report.

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

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IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

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

CP (IB) No.99/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:

Omkara Asset Reconstruction Private Limited

No. 9, M.P. Nagar, First Street,
Kongu Nagar Extension, Tirupur,
Coimbatore, Tamil Nadu- 641607.

... Petitioner/Financial Creditor

VERSUS

Kristal Projects (India) Limited

34/35/36, Ambalipura Road,
Bellandur, Bangalore – 560037.

... Respondent/Corporate Debtor

Order delivered on: 07/04/2026

Coram:

Shri. Sunil Kumar Aggarwal, Hon'ble Member (Judicial)

Shri. Radhakrishna Sreepada, Hon'ble Member (Technical)

ORDER

1. The present Petition has been filed on 29.04.25 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as 'IBC/Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by **Omkara Asset Reconstruction Private Limited** (hereinafter referred to as 'Petitioner/Financial Creditor') with a prayer to initiate the Corporate Insolvency Resolution Process ('CIRP') against **M/s. Kristal Projects (India) Limited** (hereinafter referred to as 'Respondent / Corporate Debtor') for a total outstanding of Rs.135,59,84,933/- (Rupees One Hundred Thirty-Five Crores Fifty-Nine Lakhs Eighty-Four Thousand Nine Hundred Thirty-Three Only) comprising principal



amount of Rs. 28,65,49,756, interest of Rs. 28,86,82,247/-, penal interest at 24% p.a. of Rs. 78,06,25,315/- and other charges Rs. 1,27,615/-. The Date of Default is 18.02.2019 as mentioned in memo dated 20.03.2026.

2. The Petitioner/Financial Creditor was incorporated on 19.03.2014 having its registered office at No. 9, M.P. Nagar, First Street, Kongu Nagar Extension, Tirupur, Coimbatore- Tamil Nadu, 641607 and had been assigned this loan amount vide Deed of Assignment dated 10.01.2023 by ***Piramal Capital and Housing Finance Limited*** ('PCHFL'). The Corporate Debtor was incorporated on 31.10.2002 under the Companies Act, 1956 having registered office at 34/35/36, Ambalipura Road, Bellandur, Bangalore - 560037 and is engaged in business of developing real estate.
3. Brief facts of the Petition are given hereunder:
 - i. ***Dewan Housing Finance Limited*** ('DHFL') had sanctioned a sum of Rs. 35,00,00,000/- ('Thirty-Five Crores Only') pursuant to Loan Agreement dated 26.09.2011 and Sanction Letter dated 14.09.2011 to ***Kristal Infrastructure Limited*** ('Principal Borrower').
 - ii. A Deed of Corporate Guarantee dated 26.09.2011 was executed by the respondent to secure the said Loan availed by the Principal Borrower from the Financial Creditor. The Corporate Debtor herein is the Corporate Guarantor of the Principal Borrower in terms of the Deed of Corporate Guarantee. The liability of the Corporate Debtor is joint, several, irrevocable and co-extensive with the Principal Borrower.
 - iii. As per the Loan Agreement, the tenure of the Loan was 60 months and the interest and principal was to be paid in 24 monthly EMIs commencing 3 years from the date of the first disbursement. The interest during the said period of 3 years was required to be paid on a monthly basis, on the 1st of every month in advance for the month, at the stipulated rate till commencement of EMIs. The loan amount carried a floating rate of interest of 20.25 % p.a. payable monthly. Further, in case of occurrence of an Event of Default, an additional interest at 24% p.a. was agreed to be paid at



- monthly rests for the period of delay in payment of any instalment of interest/principal beyond the 10th day of each month.
- iv. In view of the default of the Principal Borrower, DHFL recalled the Loan vide a Demand cum Recall Notice dated 20.06.2016 and called upon the Principal Borrower and its guarantors including the Corporate Debtor to pay the outstanding amount of Rs. 42,67,24,981/- as on 16.06.2016, along with other charges, within 7 (seven) days from the receipt of the Demand cum Recall Notice. However, after multiple negotiations and the request on behalf of the Principal Borrower for closure of the Loan, DHFL addressed a one-time settlement letter 17.05.2018 ('OTS-1') to the Principal Borrower.
- v. Pursuant thereto, DHFL issued another recall notice dated 18.02.2019, addressed inter alia to the Principal Borrower, Personal Guarantors, and the Corporate Debtor, reiterating therein that there had been a default in payment of the amounts due under the Loan Agreement, and again calling upon the addressees to pay the outstanding amount of Rs. 67,66,07,315/- as on 21.01.2019, along with interest. Subsequently, the Principal Borrower issued another one-time settlement letter dated 30.09.2020 (OTS-2) to DHFL forwarding its request for loan closure and acknowledging the liability in respect of the subject debt.
- vi. On 10.02.2021, DHFL through its advocates, issued a letter inter-alia invoking the guarantee provided under the Deed of Corporate Guarantee and Deed of Personal Guarantee. By the said letter, DHFL called upon the Corporate Debtor and the personal guarantors to make the payment of Rs. 85,99,61,777/- outstanding as on 10.02.2021. Despite receipt of this notice, the Corporate Debtor failed to comply with the requisitions made by the Financial Creditor.
- vii. Meanwhile, the Reserve Bank of India filed a petition to initiate CIRP against DHFL and the same was admitted by Hon'ble NCLT, Mumbai Bench on 03.12.2019. Further, on 07.06.2021, a Resolution Plan dated 22.10.2020, submitted by PCHFL, was approved and DHFL remained as a continuing legal entity after the approval of the Resolution Plan submitted



PCHFL. Thereafter, on 03.11.2021, the reverse-merger between DHFL and PCHFL was completed and name of DHFL was changed to PCHFL.

- viii. Later on, vide a Deed of Assignment dated 10.01.2023, Piramal Capital & Housing Finance Limited assigned all its right, title, interest, benefit and underlying security under the finance and security documents executed by and between DHFL, Principal Borrower and the Corporate Guarantor, to Omkara Assets Reconstruction Private Limited.
 - ix. The Principal Borrower, Corporate Debtor and the Personal Guarantors addressed a joint letter dated 28.11.2024 (OTS-3) to the Financial Creditor acknowledging the debt under the Loan Agreement due and payable by them. Vide the said letter, a request was made to the Financial Creditor to explore a settlement of the outstanding dues payable by them.
 - x. In view of the above, as the guarantor of the Principal Borrower, the liability of the Corporate Debtor is co-extensive and co-terminus with the Principal Borrower in terms of the Loan Agreement and the Deed of Corporate Guarantee, therefore the Corporate Debtor is liable to pay the entire outstanding debt, aggregating to Rs. 135,59,84,933/- is due and payable to the Financial Creditor. Hence, this Petition.
4. On notice of the petition being issued by this Adjudicating Authority on 10.07.2024, the Respondent could not be served through Regd. /Speed post which returned undelivered with report "**Left**". Notice through email (as per Email ID available on MCA portal) forwarded to the respondent however did not re-bound. Consequently, the Petitioner vide order dated 02.09.25 was instructed to serve the notice through substituted means of paper publication in two daily newspapers i.e. one in English and other in Kannada having wide circulation in the area where respondent is existing. The Petitioner in compliance thereof has filed an affidavit dated 09.10.25 with clippings of the publications in **New Indian Express** (English edition) and **Kannada Prabha** (Kannada edition) both dated 23.09.2025. The respondent thus was deemed to have been duly served. None however appeared on its behalf.



5. Heard Ld. Counsel for the Petitioner and perused the pleadings and material available on record. Despite service, there has been no representation on behalf of the Respondent, nor has any reply/objections been filed. Accordingly, vide order dated 15.10.2025, the Respondent was set **ex-parte**.
6. The present Application under Section 7 of the Insolvency and Bankruptcy Code, 2016 is founded upon the assertion that the Corporate Debtor has committed default in discharging its liability arising out of an unconditional and irrevocable corporate guarantee executed in respect of the financial facilities extended to the Principal Borrower.
7. The position of law in this regard stands settled by the Hon'ble Supreme Court. In *Lalit Kumar Jain v. Union of India*, (2021) 9 SCC 321, it was held that the moratorium under Section 14 of the Code does not extend to guarantors, and that the liability of the guarantor remains independent and enforceable notwithstanding the initiation or conclusion of CIRP against the Principal Borrower. Further, in *BRS Ventures Investments Ltd. v. SREI Infrastructure Finance Ltd.*, (2025) 1 SCC 456, the Hon'ble Supreme Court reaffirmed that insolvency proceedings may be initiated against a corporate guarantor irrespective of the stage of proceedings concerning the Principal Borrower, and that approval of a resolution plan does not ipso facto discharge the guarantor's liability unless specifically provided therein. Thus, the liability of the Corporate Debtor, being co-extensive with that of the Principal Borrower, remains enforceable.
8. It is pertinent to note that vide order dated 23.02.2026, the following clarification was sought:

“While going through the Petition, it has transpired that the Date of Default has not been mentioned in Part-IV of the Petition. The Record of Default nevertheless specifies the date as 01.11.2014. Let the Petitioner file an affidavit in this behalf and also explain the aspect of limitation.”

In response thereto, a memo dated 20.03.2026 has been filed, stating that the Notice of Recall-cum-Invocation of the Corporate Guarantee dated 18.02.2019, issued to



the Principal Borrower and the Corporate Debtor, has been considered as the date of default. As the same remains uncontroverted, the same is taken on record.

9. Insofar as limitation is concerned, 18.02.2019, the date of default and the OTS proposal issued by the Corporate Debtor on 30.09.2020 constitutes an acknowledgment of liability under Section 18 of the Limitation Act, 1963, thereby extending the limitation period by a further period of three years, i.e., until 30.09.2023.
10. Further, in terms of the orders passed by the Hon'ble Supreme Court suo motu extending limitation during Covid period, the period from 15.03.2020 to 28.02.2022 stands excluded for the purpose of computation of limitation. Since 30.09.2020 falls within the said excluded period, the entire period of three years remained available to the Petitioner as on 28.02.2022, thereby extending the limitation period up to 28.02.2025.
11. Additionally, the subsequent OTS proposal dated 28.11.2024 constitutes a fresh acknowledgment of liability, thereby further extending the limitation period up to 28.11.2027. In view of the above, and in light of the judgments in ***Dena Bank v. C. Shivakumar Reddy***, (2021) 10 SCC 330 and ***Tejas Khandhar v. Bank of Baroda*** [Company Appeal (AT) (Insolvency) No. 371 of 2020], wherein it has been held that fresh Limitation rises from the date of OTS, as it amounts to acknowledgements of debt. Hence, limitation part is satisfied.
12. Under Section 7 of the Code, the Adjudicating Authority is required to be satisfied that a financial debt exists and that a default has occurred. In the present case, the material on record, including the loan documents and the OTS-1 & 2 by the Corporate Debtor, clearly establish the existence of a financial debt and the occurrence of default.
13. Further, 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 default from the records placed before it. In the absence of any rebuttal by the Corporate Debtor, the evidence produced by the Petitioner remains uncontroverted.

14. In view of the foregoing, this Adjudicating Authority is satisfied that a financial debt exists, that default has occurred, and that the present Application is complete and filed within limitation. The amount of default being above the threshold prescribed under Section 4 of the Code, the present Petition deserves to be admitted under Section 7 of the Insolvency and Bankruptcy Code, 2016.
15. Accordingly, Company Petition bearing **CP (IB) No. 99/BB/2025** is hereby allowed **thereby directing the Corporate Debtor, Kristal Projects (India) 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;
16. 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;



17. 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.
18. 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 passed an order for liquidation of Corporate Debtor under Section 33 of the IBC as the case may be;
19. **Mr. Nilesh Rajendra Kothari**, having Registration No. IBBI/IPA-002/IP-N01225/2022-2023/14132 has been proposed as Interim Resolution Professional (IRP). Form No.2 Written Communication by the IRP has been filed along with the memo dated 06.02.26, as *Annexure B*. In view of the above, we, therefore appoint Mr. Nilesh R. Kothari, contact no.: **9850032207**, email id: ***ip.nkothari@gmail.com*** having registered address: A-703, Iskon Riverside, Near Shelaleikh Society, Shahibaug, Ahmedabad, Gujarat-380004 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.
20. 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. 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 Jurisdictional Income Tax Authority; Principal Commissioner of Income Tax (Judicial), 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.
21. 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 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 that displayed board be also filed.

22. 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 at his e-mail ID, *ip.nkothari@gmail.com*.**

-Sd-

**RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)**

-Sd-

**SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)**