



**NATIONAL COMPANY LAW TRIBUNAL
GUWAHATI BENCH
GUWAHATI**

ORDER SHEET OF THE HEARING ON 12th OCTOBER 2026

**IA (IBC)/112/GB/2026, IA (IBC)/154/GB/2026
In CP (IB)/40/GB/2026**

**Present: 1. Hon'ble Member (Judicial), Shri RammurtiKushawaha
2. Hon'ble Member (Technical), Shri Yogendra Kumar Singh**

In the Matter of	Catalyst Trusteeship Limited Vs JUD Cements Limited
Under Section	U/s 7 of IBC, 2016

Appearances (via video conferencing/physically)

CP(IB)/40/GB/2026 &IA(IBC)/112/GB/2026

For Petitioner (s) : Mr. Rishav Banerjee, Adv.(Catalyst Trusteeship Limited)
: Ms. Ritika Sharma, Adv.
: Ms. Soummo Biswas, Adv.
: Mr. Yugal Jain, Adv.
: Ms. Arushi Handa, Adv.

For Respondent (s) : Mr. Joy Saha, Sr. Adv. (JUD Cements Limited)
: Mr. ParagChaturvedi, Adv.
: Mr. Kartikey Bhatt, Adv
: Mr. Akshay Luthra, Adv.

ORDER

CP (IB)/40/GB/2026

1. Both learned counsel/authorised representatives are present on behalf of the respective parties.
2. Learned counsel for the Respondent submitted by filing mentioning memo that the Respondent is ready and willing to make the entire payment and requested that, as the matter is listed for pronouncement of the order today, the pronouncement may be deferred.
2. Learned counsel for the Applicant strongly opposed the submissions made by learned counsel for the Respondent and submitted that no settlement proposal has been made to the Applicant.



3. Learned counsel for the Applicant further submitted that the letter annexed to the mentioning memo, which was issued by the Cerberus Global Investments B.V., clearly states that the proposal is subject to the approval of the competent authority. Accordingly, a request was made that the order may be pronounced.
4. Having considered the submissions made by the parties, it is noted that, as per the Applicant, no settlement proposal is pending consideration and no settlement has taken place till date. The matter is listed for pronouncement of judgment today.
5. On perusal of the order dated 17.09.2026 passed by the Hon'ble NCLAT, it is observed, **“We request the learned Adjudicating Authority to take the proceedings pending before it to their logical end strictly in accordance with law.”**
6. In view of the foregoing, the **request made on behalf of the Respondent to defer the pronouncement of the order is not acceptable and is hereby rejected.**

“Order pronounced in open court *vide* separate sheets”.

IA (IBC)/112/GB/2026 & IA (IBC)/154/GB/2026

In view of the order passed in the main Company Petition, being CP (IB)/40/GB/2026, both the aforesaid Interlocutory Applications, namely, **IA (IBC)/112/GB/2026** and **IA (IBC)/154/GB/2026**, are hereby **disposed of**.

Sd/-
Yogendra Kumar Singh
Member (Technical)

Sd/-
Rammurti Kushawaha
Member (Judicial)



**NATIONAL COMPANY LAW TRIBUNAL
GUWAHATI BENCH
GUWAHATI
CP (IB)/40/GB/2026**

A Petition 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:

Catalyst Trusteeship Limited (CIN: U74999PN1997PLC110262), having registered address at: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Kothrud, Pune – 411038.

...Petitioner/ Financial Creditor

-Versus-

J.U.D. Cements Limited (CIN: U26942ML2005PLC007806), having registered address at: Wahaijer, Narpuh, East Jaintia Hills, Khliehriat, Meghalaya – 793200, Email ID: cmd@bestcement.co.in, and corporate office at: 6th Floor, Monal Towers, GS Road, Sarumotaria, Guwahati, Assam – 781006.

...Respondent/ Corporate Debtor

Coram:

Shri Rammurti Kushawaha : Member (Judicial)

Shri Yogendra Kumar Singh : Member (Technical)

Appearances (through video conferencing/physical):

For Petitioner : Mr. Ratnanko Banerjee (Sr. Adv.)

For Respondent : Mr. Joy Saha (Sr. Adv)

Order pronounced on: 12.10.2026

As Per Bench

1. The present Petition has been filed by **Catalyst Trusteeship Limited** ('Financial Creditor'), under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('the Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, to initiate Corporate Insolvency Resolution Process ('CIRP') of **J.U.D. Cements Limited** ('Corporate Debtor') for an unresolved Financial Debt of Rs. 1,96,69,05,415/- as on 30.04.2026.
2. As per the Petitioner/Financial Creditor, the brief facts of the case are as follows: -
 - 2.1. It was submitted that the shareholders and Board of Directors of the Corporate Debtor authorized the issuance of 1,550 secured, unrated, unlisted, redeemable, non-convertible debentures ("NCDs") of Rs. 10 lakhs each, aggregating to Rs. 155 crores. Accordingly, a Debenture Trustee Agreement dated 05.11.2024 was executed appointing the Petitioner as Debenture Trustee, followed by execution of the Debenture Trust Deed dated 30.12.2024.
 - 2.2. Learned Counsel submitted that the NCDs were subscribed to by the Debenture Holders on 02.01.2025 and the entire principal amount of Rs. 155 crores was disbursed to the Corporate Debtor on the same date. It was therefore contended that the debt constituted a financial debt within the meaning of Section 5(8) of the Code.
 - 2.3. It was further submitted that, under the Debenture Trust Deed, the Corporate Debtor was required to make payment of the Scheduled Coupon from 31.01.2025 and the Upfront Coupon from 31.03.2025. The Corporate Debtor failed to make the Scheduled Coupon payment when it first fell due and thereafter continued to default. The Upfront Coupon, payable in six monthly instalments of Rs. 60 lakhs each, also remained unpaid.
 - 2.4. Learned Counsel submitted that, in terms of the Debenture Trust Deed, the Scheduled Coupon carried interest at the stipulated rates, while Default Interest at 6% per annum, compounded monthly, became payable upon default. The Corporate Debtor was also liable for the Redemption Premium contemplated under the Debenture Trust Deed.
 - 2.5. It was submitted that the Corporate Debtor, by its letter dated 21.08.2025, acknowledged the subsistence of the payment defaults and agreed to cure the same. Thereafter, by a Deed of Undertaking dated 28.10.2025, the Corporate Debtor and other obligors again acknowledged the occurrence and continuation of an Event of



Default and acknowledged the rights of the Secured Parties to initiate proceedings under the Code.

- 2.6. Learned Counsel submitted that, despite the aforesaid acknowledgments, the defaults remained uncured. Consequently, the Petitioner issued an Event of Default-cum-Recall Notice dated 05.03.2026, declaring an Event of Default under Clause 13 of the Debenture Trust Deed and calling upon the Corporate Debtor to pay the outstanding principal of Rs. 155 crores along with the Scheduled Coupon, Upfront Coupon, Redemption Premium and Default Interest within seven days.
- 2.7. It was submitted that the stipulated seven-day period expired on 12.03.2026 without payment or cure of the default. As on 30.04.2026, the amount in default was stated to be Rs. 1,96,69,05,415/-, comprising the outstanding principal, Scheduled Coupon, Upfront Coupon, Redemption Premium and Default Interest.
- 2.8. Learned Counsel further submitted that the Petitioner, being the Debenture Trustee acting for and on behalf of the Debenture Holders, is a “Financial Creditor” within the meaning of Section 5(7) of the Code and that the debt arising from the NCDs constitutes “financial debt” under Section 5(8). It was contended that the existence of the debt and default is supported by the contractual documents, the Corporate Debtor’s acknowledgments and the record of default issued by National E-Governance Services Limited (“NeSL”).
- 2.9. It was further submitted that the Petitioner had placed on record the relevant security documents, including corporate and personal guarantees, pledge and hypothecation documents and mortgage documents, as well as the Annual Report of the Corporate Debtor for FY 2024-25 recording its liability under the NCDs.
- 2.10. Learned Counsel submitted that the Debenture Holders, by letters dated 14.05.2026, authorized the Petitioner to institute the present proceedings. Accordingly, the present application was filed on 15.05.2026. It was therefore prayed that the application be admitted under Section 7 of the Code and CIRP be initiated against the Corporate Debtor.
3. The Corporate Debtor/ Respondent, despite ample opportunity, had failed to place any reply on record and the Respondents were directed to complete their pleadings within a week and it was made clear that no further opportunity shall be granted vide order dated 27.07.2026. Subsequently, an application for recalling the said order was filed in I.A. (IBC)/ 145/GB/2026 which was dismissed vide order dated 10.08.2026 which also forfeited the Respondent’s right to file reply. Pursuant thereto, another



application for recalling the said order dated 10.08.2026 was filed in I.A.(IBC)/160/GB/2026 which was again dismissed vide order dated 10.09.2026.

4. Subsequently, the matter was appealed before Hon'ble NCLAT wherein vide order dated 17.09.2026, the Hon'ble NCLAT allowed the respondents to file their reply on or before 18.09.2026 subject to a cost of Rs. 50,000. In compliance of which, the respondents had filed their reply on 22.09.2026 and such was taken on record. The submissions of the Corporate Debtor are stated as follows-
 - 4.1. Learned Counsel for the Corporate Debtor submitted that the Petition is not maintainable and that no relief, final or interim, should be granted. All averments in the Petition are denied except those that are matters of record or expressly admitted, and nothing is to be deemed admitted by non-traverse. Liberty was sought to rely on the Transaction Documents in their entirety.
 - 4.2. It was submitted that the Petition is liable to be dismissed for non-joinder of the Debenture Holders, IE India Special Asset Fund III IFSC LLP and EAAA India Alternatives Ltd. The Petitioner is admittedly only the Debenture Trustee. Under Section 5(7) of the Code, a financial creditor is the person to whom a financial debt is owed. Any debt here is owed to the Debenture Holders, and the Petitioner's locus is purely representative.
 - 4.3. Learned Counsel submitted that the Debenture Holders are also necessary parties because their own conduct is the foundation of the defence. The approval or refusal of each payment, the direction to place the subscription monies in fixed deposit, and the delay in release of funds over about sixteen months all proceeded from EAAA, acting for the Financer. The Petitioner cannot rely on its representative status while excluding the parties whose conduct is in issue.
 - 4.4. It was submitted that, under a Resolution dated 09.10.2024, the Corporate Debtor issued 1,550 NCDs of Rs. 10 lakhs each, aggregating Rs. 155 crores. The documents executed were the Debenture Trustee Agreement (05.11.2024), the Debenture Trust Deed ("DTD") and Common Security Trustee Agreement (both 30.12.2024), and the Escrow Agreement with IndusInd Bank dated 01.01.2025 (Annexure R-1).
 - 4.5. Learned Counsel submitted that the Escrow Account (A/c No. 259862065562) stood in the Corporate Debtor's name, but the Escrow Agreement vested control wholly in the Petitioner as Common Security Trustee. Clause 3 provides that "all operating powers" are solely with the Common Security Trustee. Clauses 4.1, 4.2(b), 4.3 and 4.4 provide that the account is operated, and monies released, only



on the Petitioner's Written Instructions, with the Corporate Debtor having viewing rights only. The sole exception is a transfer of up to Rs. 5 lakhs in aggregate for petty cash, which itself needs Written Instructions.

- 4.6. It was submitted that, under Clauses 11.1.18 and 11.5 of the DTD, all NCD proceeds and every Receivable of the Corporate Debtor had to be deposited only into this account. Clause 11.5.3 refers to a "waterfall mechanism" in the Escrow Agreement, but the Escrow Agreement contains none. The Corporate Debtor therefore submits that its entire cash flow was channeled into an account it could not operate and over which the Petitioner had exclusive dominion.
- 4.7. Learned Counsel further submitted that Clause 11.4 of the DTD added an approval layer through a Monitoring Agency. M/s Ernst & Young ("EY") was engaged at about Rs. 15 lakhs per month, and a Mr. Rajan was placed in the Corporate Debtor at about Rs. 6 lakhs per month, both at the Corporate Debtor's cost. Pre-approval was required for costs beyond the "Proposed Monthly Budget", an expression nowhere defined in the DTD. In practice, EY vetted each payment, the Financer's representatives approved or declined it, the Petitioner issued the RTGS instruction, and the Escrow Bank executed it (Annexures R-6 and R-7).
- 4.8. It was submitted that the DTD also restricted use of the proceeds to defined "Purposes". These were repayment of pressing liabilities up to Rs. 43 crores, working capital up to Rs. 60 crores, capital expenditure up to Rs. 16 crores, and an inter-corporate deposit to JSB Cement LLP. Each required the concurrence of the Debenture Trustee and the Debenture Holders.
- 4.9. Learned Counsel submitted that the sum of Rs. 155 crores was credited to the Escrow Account on 02.01.2025 (Annexure R-2) but was never placed at the Corporate Debtor's disposal. On 03.01.2025, Rs. 9,16,17,464/- was debited by RTGS on instructions not issued by the Corporate Debtor. On 17.01.2025, EAAA's representative wrote "Let us place the FD today itself" and "Two FDs of 50Cr can be placed and 4-5 FDs of 10 Cr can be placed" (Annexure R-3).
- 4.10. It was submitted that, on 21.01.2025, Rs. 140 crores was placed in fourteen fixed deposits of Rs. 10 crores each, leaving Rs. 5,80,82,536/- in the account. Further deposits of Rs. 5 crores each followed on 25.02.2025 and 21.04.2025 (Annexure R-4). The deposits stood in the Corporate Debtor's name but could be neither created nor liquidated without the Petitioner's instructions. On 06.04.2026, the Corporate Debtor had to seek approval to liquidate a deposit to pay salaries, and was told it must first pay Rs. 1.6 crores of electricity dues (Annexure R-5).



- 4.11. Learned Counsel submitted that Section 5(8) requires a disbursement against the consideration for the time value of money, and that substance prevails over form. Allotment of NCDs, or a credit into an account the Corporate Debtor could not operate, does not establish disbursement. Where the existence of a lender-borrower relationship is disputed, the contemporaneous contractual record is decisive. A creditor cannot assert exclusive control over monies and also say they were freely disbursed to the debtor. The Petitioner has therefore not established a financial debt.
- 4.12. It was submitted that, apart from petty cash, no payment could be made by the Corporate Debtor of its own volition, and even petty cash was withheld. On 27.04.2026, only Rs. 68,000/- of the ad hoc sums sought had been released. On 11.05.2026, five days before the Petition, the Corporate Debtor recorded that payments of Rs. 1,000/- and Rs. 500/- were not being made (Annexures R-5 and R-8). Payments were also declined on budget grounds on 12.11.2025 and 27.11.2025 (Annexure R-6).
- 4.13. Relying on Annexure R-9, Learned Counsel submitted that this withholding of funds caused the following:
- i. on 09.04.2025, civil and labour payments were put on hold, when over 1,600 man-days had already been lost for want of spares;
 - ii. on 17.05.2025, 45 payments had been held for 30 days;
 - iii. a bill of 19.08.2025 remained unpaid on 27.08.2025, stopping work at the Plant for nine days, and about 45 workmen, including the ABB commissioning engineer, left;
 - iv. the formal communication of 17.10.2025 recorded the loss of crores of rupees;
 - v. sales of 8,000 to 10,000 MT per month were lost (11.11.2025); and
 - vi. loading stopped for four days, and plant operations were shut on 19.02.2026.
- 4.14. It was submitted that, as a result, the clinker plant could be commissioned only in March 2026. The revenue shortfall is attributable to the delay in release of funds and not to any want of diligence on the part of the Corporate Debtor.
- 4.15. It was submitted that the alleged date of default is 31.01.2025. On that date the Escrow Account held Rs. 5,45,82,617/-, against a coupon instalment of about Rs. 1,29,00,000/-. A further Rs. 140 crores stood in fixed deposits created ten days earlier from the same account. The monies were available, but the Corporate Debtor, being disabled from operating the account, could not apply them. The Petitioner could have applied them and did not.



- 4.16. Learned Counsel submitted that Clause 14.1 of the DTD gave the Petitioner a self-executing route to payment, requiring no act of the Corporate Debtor. Clause 14.1(i) permits utilising Escrow Account monies towards the Outstanding Amounts. Clause 14.1(b) permits prohibiting outflows, and Clause 14.1(h) permits directing payers to pay the Trustee directly.
- 4.17. It was submitted that the Petitioner in fact appropriated monies from the Escrow Account on four occasions (Annexure R-10):
- a. Rs. 3,01,86,885/- on 17.10.2025;
 - b. Rs. 1,28,99,653/- on 01.12.2025;
 - c. Rs. 1,31,01,617/- on 31.12.2025; and
 - d. Rs. 2,28,024/- on 03.01.2026.
- 4.18. These total Rs. 5,64,16,179/-. The payment of 17.10.2025 was made towards October interest while the earlier alleged arrears were left outstanding.
- 4.19. Learned Counsel submitted that this shows the Petitioner always had the power to pay and chose not to. The Petitioner cannot rely on non-payment resulting from a mechanism it structured and controlled, and must explain why monies in its exclusive control were not applied. A creditor cannot take advantage of its own wrong. Where repayment is subject to a contractual mechanism and approval that was not granted, no default arises merely because dues remain unpaid.
- 4.20. As to the letter dated 21.08.2025 and the Deed of Undertaking dated 28.10.2025, Learned Counsel submitted that they were executed when operations were paralysed and in order to procure release of the Corporate Debtor's own monies. They are not free and unqualified admissions of liability divorced from those circumstances, and any such characterisation is disputed.
- 4.21. It was submitted that, even if the first coupon was in default on 31.01.2025 (which is denied), the principal of Rs. 155 crores did not thereby fall due. Clause 13.1.1 treats an Event of Default as arising only on failure to pay amounts that have fallen due on the Due Date, and Clause 4.1 requires payment of the Outstanding Amounts due on each Due Date. Under Clause 14, the principal falls due only on valid acceleration or maturity.
- 4.22. Learned Counsel submitted that, on the Petitioner's own case, acceleration was by the Event of Default-cum-Recall Notice of 05.03.2026, with no earlier notice of default. The Petitioner allowed the transaction to continue for over a year without accelerating, and cannot retrospectively treat 31.01.2025 as the date on which the entire principal fell due. The notice was issued in the very month the clinker plant



started production. The Corporate Debtor denies that redemption was validly accelerated and puts the Petitioner to strict proof of the Debenture Holders' instructions on which the notice was issued.

- 4.23. As to the record of default, Learned Counsel submitted that the Corporate Debtor disputes that Form D dated 27.04.2026 is deemed authenticated under Regulation 21 of the IU Regulations. The Petitioner is put to strict proof that Form C was served on the Corporate Debtor. The Petition claims Rs. 1,96,69,05,415/-, whereas Form D, relied on by the Petitioner itself, records Rs. 1,90,86,49,811/-.
- 4.24. As to the computation at Annexure-7, it was submitted that the debt is pleaded as on 30.04.2026 and includes Redemption Premium, which under the DTD commenced only on 30.06.2026. No credit is shown for the Rs. 5,64,16,179/- appropriated by the Petitioner, for Rs. 2,76,27,995.01 of interest earned on the fixed deposits over two financial years, or for the Rs. 5,93,60,458/- repaid by the Corporate Debtor towards coupon, which the Recall Notice admits. Default Interest at 6% per annum is denied, as no default is attributable to the Corporate Debtor. The computation is disputed in its entirety, and the Petitioner should be directed to file a reconciled statement of account.
- 4.25. It was submitted that the Petition is a coercive recovery device and not a genuine insolvency proceeding. The Petitioner held the Corporate Debtor's monies throughout and had the express power to appropriate them. The Debenture Holders directed Rs. 140 crores into fixed deposits ten days before the first instalment fell due. Operational funds were withheld for sixteen months without any deficiency being identified, and acceleration came when production started. The IBC is not a substitute for recovery proceedings, and liberty was sought to move under Section 65 by separate application.
- 4.26. Learned Counsel submitted that the Corporate Debtor is a solvent and asset-rich going concern, and that the principal is backed by corporate guarantees, personal guarantees, hypothecation and a share pledge (Annexures 8A, 8C, 8F and 8D). A valuation report dated 08.08.2026 by M/s Hi-Tech Engineer values the land, factory, plant and machinery at Rs. 801,39,46,375/- (minimum market value), Rs. 721,25,51,400/- (realisable value) and Rs. 641,11,56,800/- (distress value) (Annexures R-12 and R-13).
- 4.27. It was submitted that the Corporate Debtor continues to manufacture and supply cement, pays salaries regularly and serves its dealer network. Electricity supply was disconnected on 16.06.2026 for dues of about Rs. 7.2 crores. The Meghalaya



High Court, by order dated 15.07.2026, permitted payment in instalments, supply was restored on 16.07.2026 on payment of Rs. 50 lakhs, and the balance is being paid per the Court's schedule (Annexure R-11).

- 4.28. Learned Counsel further submitted that UltraTech Cement Limited has indicated a requirement of about 40,000 MT per month from September 2026 (Annexure R-14), which will increase production and cash flows. Initiating CIRP now would prematurely subject a functioning and expanding business to insolvency.
- 4.29. It was submitted that the jurisdiction under Section 7 is summary and does not extend to computing disputed liabilities or construing contractual obligations in the manner of a civil court or arbitral tribunal. As to Part III of the Petition, the Petitioner is put to strict proof of the proposed IRP's Form 2, his authorisation for assignment on the date of filing, and the absence of pending disciplinary proceedings.
- 4.30. As to Part IV of the Petition, Learned Counsel submitted that disbursement of Rs. 155 crores, the sum in default and the default date of 31.01.2025 (paras 1 and 2(i)-(ii)) are denied. For paras 2(iii) and (iv), the rates are matters of record, but non-payment is denied, as the instalments were payable only from the Escrow Account. The terminal date pleaded is also inconsistent with the commencement date in the same sub-paragraph. Default Interest and Redemption Premium (paras 2(v)-(vi)) are denied. Valid acceleration, and any sum being due and payable (paras 2(vii)-(viii)), are denied. Part V is denied.
- 4.31. It was therefore prayed that the Petition be dismissed with exemplary costs. Liberty was also sought to file further affidavits, documents and submissions as the occasion may require or as this Tribunal may direct.
5. Heard the learned counsels for the Petitioners and perused the records. The present petition under Section 7 of IBC has been filed by the Financial Creditor seeking initiation of the CIRP against the Corporate Debtor on the ground of default in repayment of a purported financial debt by the Borrower.
6. Part-I of the Form-1 reveals that the Applicant is a Corporate Entity bearing CIN-U74999PN1997PLC110262 having its address at: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Kothrud, Pune – 411038.
7. Part-II of the Form-1 states that the Corporate Debtor - J.U.D. Cements Limited was incorporated on 04.07.2005 under CIN: U26942ML2005PLC007806, having its registered office at: Wahaijer, Narpuh, East Jaintia Hills, Khliehriat, Meghalaya –



793200, Email ID: cmd@bestcement.co.in, and corporate office at: 6th Floor, Monal Towers, GS Road, Sarumotaria, Guwahati, Assam – 781006.

8. Part-III of the Form-1 reveals that the Applicant has named the IRP – Mr. Avishek Gupta having Registration No. IBBI/ IPA-003/ IP-NP00135/2017- 2018/11499.
9. Part-IV of the Form-1 indicates that as on 30.04.2026, the amount in default is Rs. 1,96,69,05,415/-(inclusive of the outstanding Principal Amount, Scheduled Coupon, Upfront Coupon, the Redemption Premium and the Default Interest). Working for computation of amount and the days of default is annexed in the petition as *Annexure 7*.
10. The Financial Creditor has placed on record a series of documents which includes Debenture Trustee Agreement dated 05.11.2024, Debenture Trust Deed dated 30.12.2024, Common Security Trustee Agreement dated 30.12.2024, Deeds of Corporate Guarantee dated 30.12.2024, Deed of Pledge dated 30.12.2024, Deed of Hypothecation dated 30.12.2024 and various other documents.
11. Upon perusal of the submissions made by Ld. Counsels, pleadings and documents filed on behalf of both the parties the following Issues have been framed for consideration:

Issue No. 1: Whether the Petitioner has locus to maintain the present application and whether the Debenture Holders are necessary parties?

Issue No. 2: Whether the amount of Rs. 155 Crores constitutes a "financial debt" under Section 5(8) of the Code?

Issue No. 3: Whether the Corporate Debtor committed a default and whether the Escrow arrangement absolves it of such default?

Issue No. 4: What is the effect of the letter dated 21.08.2025 and the Deed of Undertaking dated 28.10.2025?

Issue No. 5: Whether the date of default affects maintainability of the application?

Issue No. 6: Whether the record of default relied upon by the Petitioner is sufficient?

Issue No. 7: Whether the discrepancies in computation of the claim affect admission?

Issue No. 8: Whether the application has been filed as a recovery mechanism or attracts Section 65 of the Code?



Issue No. 9: Whether the solvency, security cover and going-concern status of the Corporate Debtor constitute grounds for rejecting the application?

FINDINGS AND ANALYSIS

Issue No. 1: Whether the Petitioner has locus to maintain the present application and whether the Debenture Holders are necessary parties?

12. The present application has been filed by the Petitioner in its capacity as the Debenture Trustee for and on behalf of the Debenture Holders. The Petitioner has placed on record the written authorisations dated 14.05.2026 issued by the Debenture Holders authorising it to take appropriate proceedings against the Corporate Debtor. The Petitioner also relies upon the Debenture Trustee Agreement and the Debenture Trust Deed (“DTD”), under which it is entrusted with the rights and obligations of the Debenture Trustee, including taking necessary steps for protection and enforcement of the interests of the Debenture Holders.
13. The Corporate Debtor does not dispute that the Petitioner is the Debenture Trustee representing the Debenture Holders. In fact, the Corporate Debtor itself refers to the Petitioner acting on behalf of the Debenture Holders under the DTD. The objection is essentially that the individual Debenture Holders have not been impleaded as parties to the present proceedings.
14. The objection, in our considered view, is without merit. A necessary party is one whose presence is indispensable for the Court or Tribunal to effectively and completely adjudicate the matter. In the present case, the Petitioner is acting in its representative capacity as Debenture Trustee. The relief sought is initiation of the Corporate Insolvency Resolution Process against the Corporate Debtor on account of the alleged default in payment of the financial debt. No separate or personal relief is sought against any of the Debenture Holders.
15. The fact that the Corporate Debtor has raised allegations concerning the instructions or actions of the Debenture Holders in relation to the Escrow Account does not make them necessary parties. Those allegations form part of the defence of the Corporate Debtor and can be considered while examining the existence of debt and default. Their individual presence is not necessary for determination of the present application.
16. The objection based on the Petitioner's control over the Escrow Account also does not affect its locus. Such arrangement arises from the contractual documents



executed by the parties themselves. The fact that the Petitioner, in its capacity as Common Security Trustee, had certain rights and responsibilities in relation to the Escrow Account does not take away its separate authority to represent and protect the interests of the Debenture Holders in accordance with the DTD.

17. Accordingly, we find that the Petitioner, acting in its capacity as Debenture Trustee and pursuant to the authority vested in it under the relevant transaction documents and the authorisations placed on record, has locus to maintain the present application. The objection regarding non-joinder of the individual Debenture Holders is therefore rejected.

Issue No. 2: Whether the amount of Rs. 155 Crores constitutes a "financial debt" under Section 5(8) of the Code?

18. Section 5(8)(c) expressly includes amounts raised through the issue of debentures. The Rs 155 Crores was raised through Non-Convertible Debentures carrying Scheduled Coupon, Upfront Coupon and Redemption Premium. The transaction is therefore against consideration for the time value of money.
19. The Corporate Debtor contends that there was no disbursement to it, since the amount was credited to an Escrow Account controlled by the Petitioner.
20. The amount was credited on 02.01.2025 to an account in the Corporate Debtor's own name, "J.U.D. Cements Limited Escrow Account". Clause 3 of the Escrow Agreement, as quoted in the affidavit, records that "the Company has duly opened" the account. The DTD earmarked the proceeds for the Corporate Debtor's own Purposes including repayment of its pressing liabilities, working capital, capital expenditure, and an inter-corporate deposit to its associate JSB.
21. The Corporate Debtor itself states that the fixed deposits created from the account "stood in the name of JUD Cements", and it claims credit for the interest earned on them and for sums appropriated by the Petitioner towards the debenture liability. It also admits payment of Rs. 5,93,60,458/- towards coupon, which presupposes an advance on which the coupon runs. The Petitioner further relies on the Corporate Debtor's Annual Report for FY 2024-25 recording the NCD liability. The Balance Sheets acknowledged by the CD (Page 634 to the petition) constitutes *ipso facto* acknowledgement of debt.
22. A restriction on when and how borrowed funds may be used is a common feature of structured lending. It regulates utilization and does not by itself negate the borrowing. Clause 11.5.4 of the DTD, quoted in the affidavit, provides that the



Initial Subscription Amount is to be utilized on fulfilment of the Conditions Precedent in Part A of Schedule IV.

23. Treated as a whole, the subscription against the instrument, the credit to an account in the borrower's own name under an arrangement the borrower signed, the utilization of such proceeds and the earmarking for its own purposes have the commercial effect of borrowing.

24. Reliance is also placed upon the judgment of the Hon'ble NCLAT in *Vistra ITCL (India) Ltd. v. Vithal Madhukar Dahake (RP) and Ors.*¹, wherein it was held that -:

"...53. Thus, we need to deliberate the issue whether the direct disbursement to the Corporate Debtor is sine qua non under section 5 (8) of the Code. We find that Disbursement refers to the actual release or payment of money pursuant to a financial arrangement. Disbursement indicate the outflow of funds by a financial creditor as part of financial arrangements. It implies that money has been advanced or made available with an expectation of repayment. Disbursement therefore is a foundational element in determining whether a transaction qualifies as "financial debt." However, the pivotal issue is whether such disbursement need to be directly made only to Corporate debtor or it can be otherwise also. Section 5(8) of the Code defines "financial debt" as: "A debt along with interest, if any, which is disbursed against the consideration for the time value of money" We carefully observe that the Section does not use the word "to the Corporate Debtor" after word "disbursed". From the statutory language, the essential ingredients of financial debt are Existence of a debt, Disbursement of money, Consideration for time value of money and Commercial effect of borrowing.....

57. Thus, we hold that direct disbursement of the Corporate Debtor is not sine qua non. We therefore do not agree to the arguments of the Respondent No.1 and Respondent No.3 on this point and also find that Adjudicating Authority erred on this issue in the Impugned Order."

25. Therefore, we are of the considered opinion that the Rs. 155 Crores constitute a financial debt within the meaning of Section 5(8)(c) of the Code.

Issue No. 3: Whether the Corporate Debtor committed a default and whether the Escrow arrangement absolves it of such default?

26. The Corporate Debtor's principal contention is that sufficient funds were available in the Escrow Account to meet the coupon, but the Petitioner, having control of the account, did not release them. It is not disputed that the Scheduled Coupon falling due on 31.01.2025 was not paid on that date. The Corporate Debtor's

¹ (2026) ibclaw.in 221 NCLAT"



defence is not that the amount was paid, but that sufficient funds were available in the Escrow Account and that the Petitioner, having exclusive control over the account, did not apply those funds towards the coupon.

27. The issue, therefore, is whether such contractual control over the Escrow Account shifted or suspended the Corporate Debtor's primary obligation to pay the amount on the Due Date. The Corporate Debtor itself states that the monies needed to discharge the instalment were present in the Escrow Account and "were not applied" (para 31 of the reply).
28. Clause 4.1 of the DTD places the contractual obligation to discharge the Outstanding Amounts upon the Corporate Debtor on the respective Due Dates. The Escrow provisions regulate the custody, operation and application of the monies forming part of the Escrow Account; they do not, on the material placed before us, substitute the Trustee as the primary obligor for payment of the amounts contractually payable by the Corporate Debtor.
29. The Corporate Debtor relies upon Clause 14.1(i), under which the Trustee may utilise monies lying in the Escrow Account towards the Outstanding Amounts. However, the said provision is contained in the enforcement mechanism following the occurrence and continuance of an Event of Default. It cannot, therefore, be construed as a condition precedent to the Corporate Debtor's obligation to make payment on the Due Date. The existence of a contractual power in the Trustee to appropriate monies after an Event of Default does not, by itself, transfer the primary payment obligation from the Corporate Debtor to the Trustee.
30. Even assuming that the Escrow Agreement does not prescribe a detailed waterfall or order of application, the Corporate Debtor has not identified any provision which expressly suspends the obligation to pay the Scheduled Coupon merely because the funds required for such payment were lying in the Escrow Account. The contractual mechanism for operation of the account cannot, without more, be construed as extinguishing or postponing the payment obligation under Clause 4.1.
31. Further, the Corporate Debtor had pleaded that the Escrow Agreement prescribes no waterfall and no order of application (para 14), yet also pleads that the instalment was payable in accordance with the waterfall and the Petitioner's Written Instructions (para 111). Read together, the grievance is that the Petitioner alone controlled application of the funds. Even so, no provision has been identified that suspends the coupon obligation.



32. On the material cited in the affidavit (Annexures R-5 to R-9), the correspondence concerns salaries, labour, civil and equipment payments, electricity and bags. It does not show that the Corporate Debtor asked for release of escrow funds for the coupon and was refused. The Corporate Debtor's own message of 17.10.2025 states that it had "to start all payments from sbi" (para 32(d) of the reply).
33. The subsequent appropriations from the Escrow Account on 17.10.2025, 01.12.2025, 31.12.2025 and 03.01.2026, totalling Rs. 5,64,16,179/-, constitute payments towards the outstanding liability. They do not retrospectively extinguish the factum of the default which had already occurred on 31.01.2025, although such payments must necessarily be given due credit while determining the amount outstanding.
34. The Scheduled Coupon fell due on 31.01.2025 and was not paid. On the Corporate Debtor's own computation, that instalment was of the order of Rs. 1,29,00,000/- (para 30), which exceeds the threshold under Section 4. The Upfront Coupon was due from 31.03.2025 in six monthly instalments of Rs. 60 lakhs each, according to the Petitioner.
35. The allegations of delayed release of operational funds, stoppage of work and business losses may found separate contractual claims. However, they do not, on this record, extinguish the obligation to pay amounts that had fallen due.
36. Accordingly, default in payment of the Scheduled Coupon is established. The Corporate Debtor's inability to operate the Escrow Account does not, on the contractual terms and material placed before us, absolve it of the payment obligation.

Issue No. 4: What is the effect of the letter dated 21.08.2025 and the Deed of Undertaking dated 28.10.2025?

37. The Corporate Debtor does not dispute execution of the letter and the Deed. It says they were executed when operations were paralysed, to obtain release of its own funds (para 34 of the reply). On the Petitioner's description, the Deed records the occurrence and continuance of an Event of Default and acknowledges the rights of the Secured Parties.
38. The Corporate Debtor has pleaded no coercion, undue influence or duress, and has taken no step to avoid the documents. Commercial pressure arising from a financing arrangement the Corporate Debtor itself agreed to is not, without more,



a ground to invalidate an acknowledgment. Its explanation goes to motive of such contracts at most and does not negate the acknowledgment.

39. The documents therefore corroborate the subsisting liability and default.

Issue No. 5: Whether the date of default affects maintainability of the application?

40. The Corporate Debtor contends that 31.01.2025 cannot be the date of default for the entire principal. To this extent the contention is correct.

41. Under Clause 13.1.1 of the DTD, an Event of Default arises upon non-payment of amounts falling due on the relevant Due Date. The principal became payable on maturity or valid acceleration under Clause 14. The Petitioner relies on the Recall Notice of 05.03.2026, the seven-day period expiring on 12.03.2026. The date of default for the Scheduled Coupon is 31.01.2025, and for the principal it is 12.03.2026.

42. The distinction does not affect maintainability of the present application, since the default in payment of the Scheduled Coupon itself exceeds the statutory threshold. The fact that the entire principal became payable only upon valid acceleration does not erase the earlier default in respect of the coupon.

43. Section 7 also does not require a demand notice or default notice as a precondition to filing. The Corporate Debtor accepts that the Recall Notice itself invoked Clause 14. Its contention that the notice was timed to coincide with the start of production goes to motive, which is not relevant once default is shown.

Issue No. 6: Whether the record of default relied upon by the Petitioner is sufficient?

44. The Petitioner relies on the NeSL record of 27.04.2026 (Form D). The Corporate Debtor disputes its authentication under Regulation 21 and service of Form C.

45. Upon perusal, the status of the record of default highlights “ *Deemed to be authenticated*” against the total outstanding amount of Rs. 190,86,49,811.00 with the date of default being 31.01.2025 against the Corporate Debtor by the Financial Creditor.

46. The record of default is not the sole means of establishing default, and Section 7(3)(a) permits other evidence. On the Petitioner's description, The Deed of Undertaking, Recall Notice, payment history and the Corporate Debtor's own pleadings provide independent material regarding the subsistence of the liability and occurrence of default. The Annual Report additionally corroborates the



existence of the NCD liability and the Corporate Debtor's own statements at paras 31 and 38 are consistent with default.

47. Moreover, the Hon'ble NCLAT in the matter of **Vijay Kumar Singhania v. Bank of Baroda**² [vide Judgment dated 13th December, 2023] has held that furnishing the record of default is not mandatory even after amendment of Regulation 20 by insertion of Regulation 20(1A) of the IBBI (Information Utilities) Regulations, 2017 w.e.f. 14.06.2022.
48. The relevant paragraph from the *Vijay Kumar Singhania (supra)* is reproduced herein below:

*“29. From the above examination of statutory scheme, Rules and Regulations, it is clear that Regulation 20(1A) cannot be read to mean that after the said amendment brought in regulation w.e.f 14.06.2022 an application filed under Section 7 which is not supported by information of default from an information utility is to be rejected and if the Financial Creditor has filed other evidence to prove default which is contemplated by the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the said application has not to be considered. We, thus, are of the considered view that even after amendment of Regulation 20 by insertion of Regulation 20(1A) w.e.f 14.06.2022, Financial Creditor is entitled to file evidence of record of default as contemplated by Regulation 2A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. **We, thus, do not find any substance in the submission of the Appellant that since Financial Creditor has not filed the record of default from an information utility, Section 7 deserves to be rejected.**”*

49. Therefore, in view of the aforesaid judgment, we cannot dismiss the instant application u/s 7(5) of the Code on the ground that the record of default from the Information Utility i.e. NeSL, as disputed by the CD as incorrect, especially when the existence of debt and the factum of default committed by the Corporate Debtor in repayment of financial debt to the Financial Creditor have been satisfactorily established from other evidences.

² 2023 Company Appeal (AT)(Insolvency) No. 1058 of 2023



50. Accordingly, the objection to the correctness or completeness of the Information Utility record, by itself, does not warrant rejection of the application.

Issue No. 7: Whether the discrepancies in computation of the claim affect admission?

51. The Corporate Debtor points to the following:

1. The Petition claims Rs. 1,96,69,05,415/-, while Form D records Rs. 1,90,86,49,811/-, a difference of Rs. 5,82,55,604/-.
2. Redemption Premium is included in a claim stated as on 30.04.2026, though under the DTD it commenced only on 30.06.2026.
3. No credit appears for Rs. 5,64,16,179/- appropriated from the Escrow Account.
4. No credit appears for Rs. 2,76,27,995.01 earned as interest on the fixed deposits.

52. These discrepancies require reconciliation and verification in accordance with the contractual documents and the applicable provisions of the Code and Regulations. However, they do not warrant rejection of the application where the existence of the financial debt and a default exceeding the statutory threshold are independently established, notwithstanding the disputed components of the computation.

Issue No. 8: Whether the application has been filed as a recovery mechanism or attracts Section 65 of the Code?

53. The Corporate Debtor alleges that the proceedings are coercive, having regard to the Petitioner's control of the Escrow Account, the alleged withholding of operational funds, and acceleration in the month production began.
54. Section 65 requires material showing that the proceedings were initiated fraudulently or maliciously, or for a purpose other than resolution of insolvency. The Code is not a mere recovery mechanism, but a financial creditor that establishes a debt and default is entitled to invoke it .
55. The allegations concerning release of funds, approvals, monitoring arrangements and business losses are contractual disputes. The Corporate Debtor has not placed sufficient material to establish that the present application was initiated fraudulently or maliciously, or for a purpose other than resolution of insolvency or liquidation.



56. Therefore, no case under Section 65 is made out. The Corporate Debtor's liberty to apply separately is noted, without any expression of view.

Issue No. 9: Whether the solvency, security cover and going-concern status of the Corporate Debtor constitute grounds for rejecting the application?

57. The Corporate Debtor has further relied upon its valuation report dated 08.08.2026 to contend that its assets have substantial value and that the security available to the Financial Creditors is more than enough. It has also submitted that the Corporate Debtor continues to operate and has referred to the communication from UltraTech Cement Limited dated 28.07.2026 as indicative marker of its possible revival.

58. These circumstances, even if taken at their highest, do not displace the statutory requirements for admission of an application under Section 7 of the Code. The question at the admission stage is whether a financial debt is due and whether a default in respect thereof has occurred. The existence of valuable assets, security, or a going concern status does not, by itself, extinguish an admitted financial liability or a default in payment.

59. In the present case, as already held above, the Petitioner has established the existence of the financial debt and the occurrence of default in payment of the Scheduled Coupon. The subsequent payments or appropriations made from the escrow account do not retrospectively cure the default which had already occurred on the due date.

60. The valuation report and the alleged future business prospects of the Corporate Debtor are matters which may be relevant in the course of the insolvency resolution process. They cannot, in the absence of any statutory ground for rejection, constitute a defence to an otherwise maintainable application under Section 7. Likewise, the communication from UltraTech Cements as relied upon by the Corporate Debtor does not at all establish a binding arrangement or a certainty of revival which is sufficient to negate the established default.

61. It is also relevant to state that the present application was filed online on 29.05.2026, after the Insolvency and Bankruptcy Code (Amendment) Act, 2026³ had come into force with effect from 26.05.2026. The amended statutory framework therefore governs the present application. Therefore, the admission of

³ Act No 6 of 2026



the application has to be determined in accordance with the amended Section 7(5) and the satisfaction of its mandated requirements, and not by undertaking a venture assessment of the commercial solvency or viability of the Corporate Debtor.

62. Therefore, in the absence of any finding that the present proceedings have been initiated fraudulently, maliciously or for a purpose other than the resolution of insolvency or liquidation, the existence of the Corporate Debtor's valuable assets, security cover or continuing business operations cannot warrant rejection of this present application.
63. Accordingly, the objections founded upon the valuation of the assets, security cover, continuing operations and proposed business revival coupled with the solvency, security cover and going-concern status do not constitute a ground to reject the present application.
64. Furthermore, as for the objections regarding the proposed IRP, the consent of the proposed Interim Resolution Professional in the prescribed form, together with the requisite declarations as to eligibility and pending disciplinary proceedings, is annexed with the application. The application is accordingly complete in this regard and any objections in this regard is accordingly held to be devoid of merits.
65. Before proceeding to the final conclusion, we deem it appropriate to consider the judicial authorities relied upon by the Corporate Debtor in support of its objections. Upon careful consideration of the said authorities in the factual and contractual context of the present case, we find that none of them warrants rejection of the present application.
66. The Corporate Debtor has placed reliance upon the judgement of *Pioneer Urban Land and Infrastructure Ltd. v. Union of India*⁴, particularly paragraphs 70 and 71, to advance its contention that there can be no financial debt unless there has been a disbursement against the time value of money. There is no question in regard to the proposition laid down therein. However, the facts in the present case are materially different. The sum of Rs. 155 Crores was provided by the Debenture Holders pursuant to the transaction documents and was credited on 02.01.2025 to the Escrow Account duly maintained in the name of the Corporate Debtor. The subsequent placement of substantial amounts in fixed deposits pursuant to the agreed escrow mechanism does not, by itself, efface the underlying disbursement. The Corporate Debtor itself relies upon the interest earned on such deposits and has acknowledged payments towards coupon. The requirement of disbursement

⁴ (2019) 8 SCC 416



against consideration for the time value of money, therefore, stands satisfied in the facts of the present case. The reliance on Pioneer Urban is accordingly misplaced.

67. The Corporate Debtor has also relied upon *Park Energy Pvt. Ltd. v. Syndicate Bank*⁵, particularly paragraph 29, to contend that no default can be attributed to the Corporate Debtor where funds were available in a Trust Retention Account but their release was regulated by the contractual arrangement. The said decision turned upon the particular facts of that case, where the Corporate Debtor had performed its part of the contract and the failure to release the funds by the Lenders. However, the facts presented before us are materially distinct. In the present case, Clause 4.1 of the Debenture Trust Deed places the obligation to make payment of the amounts due upon the Corporate Debtor on the respective Due Dates. And no material establishes that the Corporate Debtor had itself tendered the Scheduled Coupon due on 31.01.2025 and that such payment was prevented solely on account of any act or omission of the Financial Creditor. The mere existence of funds in the Escrow Account, does not absolve the Corporate Debtor of its primary contractual obligation to discharge the amount falling due on the agreed date. The ratio laid down in *Park Energy*⁶ is consequently not attracted to the facts of this present case.
68. Reliance has also been placed upon *Dheeraj Wadhawan v. Yes Bank Ltd.*⁷, where the finding of absence of default was founded upon the fact that a specific amount was liable to be reversed or adjusted by the bank and that the alleged default was attributable to the bank's own conduct. No such factual circumstance has been established in the present case. The subsequent appropriations made from the Escrow Account towards the outstanding liability do not establish that the Scheduled Coupon due on 31.01.2025 had been paid on that date. At the same time, the observation in *Dheeraj Wadhawan*⁸ that the record maintained by an Information Utility is not conclusive proof of default is a settled proposition (para 31 of the Judgement). However, the present finding of default is not founded solely upon the NeSL record, but upon the contractual documents, the Scheduled Coupon falling due on 31.01.2025, the subsequent correspondence and the other material placed on record. The disputed entries in the Information Utility record, therefore, do not by themselves displace the finding of default independently established from the record.

⁵ 2020 SCC Online NCLAT 637

⁶ supra

⁷ 2022 SCC Online NCLAT 2395

⁸ supra



69. The Corporate Debtor has further relied upon *Siddharth Satish Katariya v. Central Bank of India*⁹, particularly paragraphs 136, 138 and 141 to 145. The said decision concerns a situation where a creditor sought to sustain admission by relying, at a later stage, upon a materially different and previously unpleaded basis or date of default. The principle is not attracted in the present case. The present application itself pleads the default commencing from 31.01.2025, when the Scheduled Coupon fell due and remained unpaid coupled with the fact that the said coupon by itself crosses the threshold amount. The subsequent Recall Notice dated 05.03.2026 and the acceleration of the outstanding amounts constitute contractual consequences of the continuing default and do not substitute the original basis of default. The distinction between the Scheduled Coupon default and the subsequent acceleration of the principal liability has already been considered by us while determining the relevant issues. Accordingly, the judgment in *Siddharth Satish Katariya*¹⁰ does not render the present application unsustainable.
70. The placed reliance by the CD upon *Vidarbha Industries Power Ltd. v. Axis Bank Ltd*¹¹, contending that this Tribunal has discretion to decline admission even on the face of an existing financial debt and default, since the assets of the Corporate Debtor are stated to be substantially higher than the amount claimed by the Petitioner. The said contention cannot be accepted in the facts of the present case. The decision in *Vidarbha judgement*¹² was rendered in the context of the statutory language contained in pre-amendment Section 7(5)(a) and the peculiar circumstances before the Hon'ble Supreme Court, that included an existence of a substantial realisable award in favour of the Corporate Debtor. The mere fact that a Corporate Debtor possesses assets or that the value of its assets may exceed the amount of the financial debt does not absolve the debt or negate an established default. The reliance on *Vidarbha*¹³ is, therefore, distinguishable on facts and does not constitute a ground for rejection of the present application.
71. The Corporate Debtor has further relied upon the order of the Hon'ble NCLT, Kolkata Bench in *Central Bank of India v. Simplex Infrastructure Limited*¹⁴, in support of the proposition that admission under Section 7 is not to be treated as an automatic consequence in every case where financial debt and default are alleged.

⁹ 2026 SCC OnLine NCLAT 1075

¹⁰ *supra*

¹¹ (2022) 8 SCC 352

¹² *supra*

¹³ *supra*

¹⁴ C.P. (IB) No. 186/KB/2021



The said decision was rendered in its own factual context and does not lay down a general proposition that the existence of substantial assets or continuing business operations constitutes a valid ground to reject a Section 7 application where financial debt and default are otherwise established. In the present case, having independently considered the existence of the financial debt, the contractual obligations and the occurrence of default, we find no sufficient reason to decline admission on that basis.

72. Thus, the authorities relied upon by the Corporate Debtor, while laying down the respective principles contained therein, are distinguishable on the facts and contractual framework of the present case. None of the said authorities displaces our findings regarding the existence of financial debt and the occurrence of default. The objections founded upon the aforesaid judgments, therefore, do not warrant rejection of the present application.

73. The Petitioner, therefore, has locus in this present petition. The Rs. 155 Crores is a financial debt disbursed against the time-value of money with an arrangement agreed upon by both the Corporate Debtor and the Financial Creditor. The Default in the Scheduled Coupon is established, and the Escrow arrangement does not absolve the Corporate Debtor. Accordingly, this Tribunal is satisfied that the Application is liable to be admitted under Section 7 of the Code.

ORDER

74. Having regard to the conspectus of the present case (as discussed above) we are inclined to **ADMIT** the present petition bearing No. **CP (IB)/40/GB/2026** filed under Section 7 of IBC, 2016 and pass the following order:

- i. Accordingly, the petition bearing no. **CP (IB)/40/GB/2026** filed by Petitioner under Section 7 of the IBC, 2016 for initiating CIRP against the Corporate Debtor i.e **J.U.D. Cements Limited**, is hereby **ADMITTED** and this Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process. The commencement of the CIRP shall be effective from the date of this order.
- ii. As a consequence thereof, the petition being admitted in terms of Section 7 of the IBC, 2016, the moratorium as envisaged under the provisions of Section 14(1) of the IBC, 2016 shall follow in relation to the Corporate Debtor as per clauses (a) to (d). The order of moratorium shall 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 Code, as the case may be.

- iii. The FC has proposed the name of Mr. Avishek Gupta having Registration No. IBBI/ IPA-003/ IP-NP00135/2017- 2018/11499 as the IRP at Part III of Form I (Application By Financial Creditor to Initiate Corporate Insolvency Resolution Process under Chapter II of Part II of the Code), the written consent in Form 2 as required under Rule 9 (1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 is annexed as Annexure to the main petition. The authorisation for assignment (AFA) is valid till 31.12.2026

Accordingly, this Adjudicating Authority appoints Mr. Avishek Gupta as proposed. The details of this IRP are provided below:

Name- Mr. Avishek Gupta

Registration No. - IBBI/ IPA-003/ IP-NP00135/2017- 2018/11499

Email- avishek@optimusresolution.net

Address- CK-104, Sector 2, Salt Lake City, Kolkata-700091, West Bengal

- iv. In pursuance of Section 13 (2) of the IBC, 2016, we direct the IRP to make public announcement immediately with regard to the admission of this application under Section 7 of the Code. The expression immediately means within three days as clarified by the Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- v. During the CIRP period, the management of the Corporate Debtor shall vest in the IRP/RP and shall perform all his functions as contemplated, inter-alia, under sections 17, 18, 20 and 25 of the Code. 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 as per section 19 of the Code to extend every assistance and cooperation to the IRP/RP. Where any personnel of the corporate debtor, its promoters, or any other person required to assist or cooperate with IRP/RP, do not assist or cooperate, the IRP/RP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.
- vi. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance and this Tribunal hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.



- vii. The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor and the action taken in compliance of Section 17, 18, 20, 25 of the Code and Regulation 3A & 4 of the IBBI (CIRP) Regulations, 2016.
- viii. The FC 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 the approval of the Committee of Creditor (CoC). This amount shall be adjusted towards the fees and expenses payable to the IRP/RP.
- ix. The Registry is directed to send e-mail copies of the order forthwith to all the parties inclusive of the Counsels.
- x. The registry is further directed to send a copy of the order to the IBBI for their record.
- xi. The IRP shall also serve a copy of this order to the various departments such as Income Tax, GST (Centre), State Trade Tax, Provident Fund, etc. who are likely to have their claim against the Corporate Debtor as well as to the trade unions/employees associations so that they are informed timely initiation of CIRP against the Corporate Debtor timely.
75. Consequently, **I.A.(IBC)/154/GB/2026** and **I.A.(IBC)/112/GB/2026** stands **disposed of** in terms of this order passed in **C.P.(IB)/40/GB/2026**.
76. Urgent certified copy of this order, if applied for, be issued upon compliance with all requisite formalities.
77. File be consigned to records.

Sd/-
Yogendra Kumar Singh
Member (Technical)

Sd/-
Rammurti Kushawaha
Member (Judicial)

Signed this on 12th day of October, 2026