IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No.01

CP(IB) No. 67/BB/2024

IN THE MATTER OF:

IDBI Trusteeship Service Ltd ... Petitioner

Vs.

M/s Ozone Realtors Pvt Ltd ... Respondent

Petition under Sec 7 of I & B Code, 2016

Order delivered on: 30.09.2026

CORAM:

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

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the FC : Adv. Chintan Chinappa. Adv. Ankit Rajgarhia
Adv. Adith Nair, Adv. Dibyangana Nag
Adv. Prajjwal Chauhan,Adv. Sushanth Belvet

For the Respondent : Adv. Vandana P L

ORDER

1. Heard Ld. Counsel for parties.
2. Vide Separate Order the respondent is admitted to CIRP and the moratorium in imposed.
3. List the matter on **30.11.2026** for CIRP reports.

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

Jones

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

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

(Through Physical Hearing/ VC Mode (Hybrid))

CP (IB) No. 67/BB/2024

(Under Section 7 of the Insolvency and Bankruptcy Code, 2016)

IN THE MATTER OF:

IDBI Trusteeship Services Limited
having its registered office at
Gr. Floor, Universal Insurance Building,
Sir Phiroz Shah Mehta Road, Fort, Mumbai - 400001
through authorized signatory: Mr. Ramesh Sachdeva

…Petitioner/Financial Creditor

VERSUS

Ozone Realtors Private Limited
having its registered office at
2nd Floor, No. 35/1, Yellapa Chetty Layout,
Civil Station, Ulsoor Road, Bengaluru - 560042

…Respondent/Corporate Debtor

Order delivered on: 30.09.2026

CORAM:

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

Parties/Counsels Present:
For the Petitioner : Shri Chintan Chinappa
For the Respondent : Ms. Vandana P L

O R D E R

1. This Company Petition is filed by the Petitioner/Financial Creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 on 15.12.2023 seeking initiation of Corporate Insolvency Resolution Process ("CIRP") against the Respondent/Corporate Debtor for committing default in repayment of the amounts due under the Debenture Trust Deed dated 25.01.2018. The Petitioner has stated that as on

20.11.2023 an aggregate amount of ₹114,13,58,222/- remained due and payable, comprising principal outstanding of ₹60,00,00,000/-, interest due of ₹24,45,50,721/-, default interest on principal and interest of ₹26,80,10,501/- and redemption premium of ₹2,87,97,000/-. The date of default stated in Part-IV of the Petition is 25.01.2023.

2. Brief facts of the Petition are given hereunder:

i. The Petitioner/Financial Creditor, IDBI Trusteeship Services Limited, is a company incorporated under the Companies Act, 1956 and is engaged in the business of providing corporate trusteeship services. It was appointed as Debenture Trustee under the Debenture Trustee Agreement dated 25.01.2018 and has instituted the present Petition on behalf of the Debenture Holders, namely Indiabulls India Opportunities Fund ("IIOF") and Indiabulls High Yield Strategy 1 (PMS) ("IHYS").

ii. The Respondent/Corporate Debtor, Ozone Realtors Private Limited, is a company incorporated under the Companies Act, 1956 and is engaged in the construction and development of real estate projects. It is stated that the Corporate Debtor is associated with the Ozone Group and is developing the project "Ozone Polestar" at Nagawara, Bengaluru.

iii. A Debenture Trust Deed dated 25.01.2018 ("Trust Deed") was executed between the Petitioner and the Corporate Debtor, under which the Corporate Debtor issued 6,00,000 fully secured, redeemable, rated non-convertible debentures, each having a face value of ₹1,000/-, aggregating to ₹60,00,00,000/- on a private placement basis in favour of the Debenture Holders. Under the Trust Deed and the Amendment Deed dated 20.02.2018, the Debenture Holders extended financial assistance aggregating to ₹60,00,00,000/- to the Corporate Debtor in multiple tranches.

iv. Under Clause 10.1 read with Schedule VII of the Trust Deed, coupon interest at the rate of 14% per annum, payable quarterly, was stipulated.

Clause 10.3 provided for default interest at the rate of 5% per annum over and above the documented rate upon the occurrence of an Event of Default. Under Clause 20.1, failure to pay the secured obligations on the due dates, including failure to redeem the debentures on the Redemption Date, constituted an Event of Default. Clause 20.3 empowered the Debenture Trustee, acting on the instructions of the Debenture Holders, to declare the amounts due and payable upon occurrence of an Event of Default.

v. Under Clause 3 read with Schedules I and XI of the Trust Deed, the debentures were originally required to be redeemed within four years from the Tranche-I closing date, namely 25.01.2018, together with the stipulated redemption premium. Accordingly, the original redemption date was 25.01.2022. Thereafter, a Second Amendment Deed dated 06.01.2022 was executed whereby the Redemption Date was extended by twelve months, till 25.01.2023.

vi. The financial assistance was secured by, inter alia, (a) a first-ranking equitable mortgage created by Memorandum recording Deposit of Title Deeds dated 09.01.2018 over the immovable property bearing Survey No. 78/5 situated at Nagawara Village, Kasaba Hobli, Bangalore North Taluk; (b) an exclusive first-ranking charge under the Deed of Hypothecation dated 25.01.2018 over project receivables, movable assets and receivables arising from "Ozone Polestar"; (c) a Demand Promissory Note dated 25.01.2018; (d) an irrevocable and unconditional Personal Guarantee dated 25.01.2018 executed by Mr. S. Vasudevan; and (e) an escrow arrangement in relation to receivables of identified units/projects.

vii. The Petitioner has stated that the Corporate Debtor committed defaults in servicing the coupon obligations. By notice dated 19.10.2020, the Petitioner called upon the Corporate Debtor to pay the coupon amounts which had fallen due on 15.06.2020 and 15.09.2020, each amounting to ₹2,14,20,331/-. The said notice recorded that an Event of Default had

occurred under Clause 20.1.1 of the Trust Deed and referred to the consequences contemplated under Clause 20.3.

viii. Thereafter, by demand notice dated 09.11.2020 under the Deed of Guarantee, the Petitioner called upon the Personal Guarantor, Mr. S. Vasudevan, to discharge the same coupon defaults. The demand included coupon amounts of ₹2,14,20,331/- each for 15.06.2020 and 15.09.2020 and default interest of ₹16,94,847/-, aggregating to ₹4,45,35,509/-. The said notice was addressed to the Personal Guarantor and not as a separate demand notice to the Corporate Debtor.

ix. The Petitioner has further stated that interest-servicing defaults continued after the initial defaults. In the Memo dated 15.04.2024 filed pursuant to the directions of this Adjudicating Authority dated 05.04.2024, the Petitioner referred to the NeSL record, which included a default dated 15.06.2021. In its written submissions, the Petitioner also contended that interest amounts falling due from 15.03.2021 onwards remained unpaid till the extended redemption date.

x. Notwithstanding the earlier defaults, the Debenture Holders executed the Second Amendment Deed dated 06.01.2022, modifying the Redemption Date and extending it till 25.01.2023. The Petitioner contends that the Corporate Debtor failed to redeem the debentures or discharge the redemption obligation on the revised date and thereby committed a subsequent Event of Default under Clause 20.1 of the Trust Deed read with the Second Amendment Deed.

xi. Consequently, a demand and recall notice dated 29.03.2023 was issued to the Corporate Debtor and the Personal Guarantor calling upon them to repay ₹98,71,08,687/- within one day from receipt thereof, failing which appropriate proceedings, including proceedings under the Code, would be initiated. The Petitioner has stated that the amount demanded comprised the subscription amount, redemption premium, coupons due,

accrued coupon and default interest, and that no payment was made pursuant to the said notice.

xii. The Petitioner relies upon the Record of Default issued by National E-Governance Services Limited ("NeSL") dated 26.05.2023 and the NeSL authentication report dated 16.06.2023, apart from the Trust Deed, the Amendment Deeds, security documents, bank statements and other financing records. The Petitioner has also referred to the report as recording a default dated 15.06.2021, in addition to the failure to redeem on 25.01.2023.

xiii. As on 20.11.2023, the Petitioner has computed the outstanding amount at ₹114,13,58,222/-, comprising ₹60,00,00,000/- towards principal outstanding, ₹24,45,50,721/- towards interest due, ₹26,80,10,501/- towards default interest on principal and interest and ₹2,87,97,000/- towards redemption premium.

3. The Respondent/Corporate Debtor has filed its Reply/Objections to the Petition and, inter alia, stated as under:

i. The Corporate Debtor has stated that it is part of the Ozone Group, which is engaged in development of residential and commercial real estate projects, and that it is developing "Ozone Polestar" at Nagawara, Bengaluru, comprising two towers and approximately one hundred residential units. It admits that the Petitioner is acting as Debenture Trustee in relation to debentures subscribed by IIOF and IHYS under the Trust Deed dated 25.01.2018, but disputes the legality, enforceability and genuineness of the transaction structure and the surrounding lending arrangements.

ii. At the outset, the Corporate Debtor has contended that the Petition is fraudulent, misconceived and liable to be rejected under Section 65 of the Code. It alleges that the proceedings have been initiated not for insolvency resolution but as part of a larger strategy adopted by the

Indiabulls Group to acquire valuable assets of the Ozone Group at distressed valuations by misusing the insolvency process.

iii. The Corporate Debtor has described the Ozone Group as comprising Ozone Properties Private Limited, Tuscan Consultants & Developers Private Limited, Ozone Projects Private Limited, Ozone Homes Private Limited, Skylink Hospitality LLP, True Living Spaces Private Limited, Ozone Realtors Private Limited, Ozone Infra Developers Private Limited, Ozone Elegant Developers Private Limited, Ozone Retail Development Private Limited, Airmid Infrastructure Limited, Selene Estate Limited, Ozone Infracon Private Limited, SPG Facility Management Services Private Limited, Positive Housing Private Limited, Lakisha Real Estate Limited and Finefacilis Management Private Limited. It has identified the Indiabulls Group as including Sammaan Capital Limited (formerly Indiabulls Housing Finance Limited), Indiabulls High Yield Opportunities Fund, Indiabulls Real Estate Fund-A, Indiabulls India Opportunities Fund, Indiabulls Commercial Credit Limited, Dhani Loans and Services Limited, Groww Asset Management Limited, Equinox India Development Limited, Dhani Stocks Limited, IDBI Trusteeship Limited and Catalyst Trusteeship Limited, among others, and alleges that the entities acted in concert under the influence of the Indiabulls Group.

iv. According to the Corporate Debtor, the Indiabulls Group approached the Ozone Group from around 2015 offering quick approvals, speedy disbursement and continuous funding support for land acquisition and real estate projects. It is alleged that, after initial lending, various Ozone entities were compelled to enter into multiple loan and refinancing arrangements intended primarily to generate processing fees, interest and recurring transactions and to evergreen loan accounts and avoid their classification as non-performing assets. The Corporate Debtor alleges that fresh loans were repeatedly applied towards repayment or servicing

of earlier loans and EMIs owed to other Indiabulls Group entities, with only a negligible portion being made available for project development or operational requirements.

v. The Corporate Debtor has further alleged that the Indiabulls Group exercised dominant bargaining power and compelled Ozone Group entities to execute loan agreements, debenture trust deeds, guarantees and security documents without meaningful negotiation or adequate legal scrutiny. It is alleged that drafts and executed copies were not furnished to the signatories, and that the Ozone Group was induced or pressured by threats of NPA classification, invocation of guarantees and civil or criminal proceedings. The Reply refers to various transactions from 2015 to 2017 involving Ozone Projects Private Limited, Ozone Properties Private Limited, Ozone Homes Private Limited, Skylink Hospitality LLP, True Living Spaces Private Limited and other group entities, together with utilization statements, to demonstrate the alleged pattern of circular funding and evergreening.

vi. The Corporate Debtor has disputed that there was any legally enforceable financial debt or default within the meaning of Sections 5(8) and 3(12) of the Code. It describes the Trust Deed and connected documents as "paper documents" which, according to it, did not reflect the true arrangement and were not intended to be acted upon in the manner now sought to be enforced. It further alleges that the Applicant and the Indiabulls Group did not comply with the contractual conditions and due diligence requirements under the Trust Deed, including listing of the debentures, tranche-related conditions, submission of business plans, valuation reports, architectural approvals, compliance reports and monitoring requirements.

vii. Without prejudice, the Corporate Debtor has contended that the default had already occurred during the period covered by Section 10A. It relies upon the notice dated 19.10.2020 recording non-payment of coupons due

on 15.06.2020 and 15.09.2020 and the invocation of the default clauses in the Trust Deed. According to the Corporate Debtor, the default had crystallised in October 2020, within the statutory suspension period from 25.03.2020 to 25.03.2021. It disputes the Petitioner's attempt to treat 25.01.2023 as a fresh and independent default and submits that extension of the repayment date cannot revive or shift a default which had already occurred during the Section 10A period. On this basis, it contends that the Petition is barred by Section 10A and limitation.

viii. The Corporate Debtor has also stated that its Director, Mr. Vasudevan Sathyamoorthy, instituted proceedings before the Hon'ble High Court of Delhi challenging the validity and enforceability of various agreements entered into between the Ozone Group and the Indiabulls Group, including the Trust Deed forming the basis of the present Petition. It is contended that the suit seeks declarations that the relevant agreements are null and void and that the underlying transaction is therefore seriously disputed.

ix. It is further contended that the Trust Deed and connected transaction documents are insufficiently stamped. According to the Corporate Debtor, the documents bear stamp duty applicable to another State, were brought into Karnataka without the requisite endorsement and are liable to be impounded under the applicable stamp law. It submits that such instruments cannot be relied upon to establish enforceable repayment obligations or default under Section 7 of the Code.

x. The Corporate Debtor has also referred to settlement discussions during April-May 2024 and the exchange of draft settlement proposals through representatives of the Indiabulls Group. It contends that the parties should be permitted to pursue an amicable settlement and that admission of the Petition would be premature. It further submits that the Adjudicating Authority should exercise its discretion under Section 7 having regard to the alleged conduct of the Applicant and the impact of

CIRP upon the real estate project and approximately one hundred homebuyers.

xi. The Reply additionally refers to alleged police complaints, legal notices, communications concerning evergreening and money laundering, arbitration proceedings and other proceedings involving Ozone Group entities. The Corporate Debtor relies upon these matters to contend that the wider lending structure between the Ozone Group and the Indiabulls Group is under serious dispute and that the present Petition is part of a coordinated attempt to recover inflated liabilities and acquire Ozone Group assets.

4. The Petitioner/Financial Creditor has filed its Rejoinder controverting the averments made in the Reply and, inter alia, submitted as under:

i. The Petitioner has denied the allegations, submissions and averments in the Reply except those specifically admitted and has contended that the objections are misconceived and intended to avoid repayment of the financial liabilities arising from the Trust Deed. It submits that the execution of the Trust Deed, the issuance of the debentures, the contractual repayment obligations and the subsequent extension of the Redemption Date are borne out by the documents on record.

ii. The Petitioner has stated that it was duly appointed as Debenture Trustee under the Debenture Trustee Agreement dated 25.01.2018 and is competent to maintain the Petition on behalf of the Debenture Holders. It relies upon the notification dated 27.02.2019 issued by the Ministry of Corporate Affairs and has also placed reliance upon the Board Resolution dated 02.02.2021 and the Power of Attorney dated 04.03.2022 authorising Mr. Ramesh Sachdeva to institute and prosecute proceedings on its behalf.

iii. In response to the objection that no financial debt or default exists, the Petitioner has relied upon the Trust Deed, the First Amendment dated

20.02.2018, the Second Amendment dated 06.01.2022, the security documents, disbursement records, bank statements and NeSL records. It submits that the debenture subscription of ₹60,00,00,000/- constituted financial debt under Section 5(8) of the Code, being financial assistance raised through the issue of debentures for consideration for the time value of money.

iv. The Petitioner has contended that the Corporate Debtor's own Reply contains admissions relating to the lending relationship and repayment arrangements. In particular, the Petitioner has relied upon paragraphs 62 and 63 of the Reply as admissions of receipt and disbursement of funds. The Petitioner submits that the execution of the Trust Deed and the Second Amendment and the continued failure to discharge the redemption obligation are sufficient to establish debt and default.

v. In relation to Section 65 of the Code, the Petitioner has submitted that the Petition has been filed bona fide for insolvency resolution and not with fraudulent or malicious intent. It is contended that the allegations of evergreening and circular financing are directed broadly against the Indiabulls Group and do not establish that the debenture subscription forming the subject matter of this Petition was not made or that the liability under the Trust Deed has been discharged.

vi. The Petitioner has disputed the defence under Section 10A. It accepts that defaults in payment of coupon amounts had arisen during 2020, but submits that the Debenture Holders subsequently executed the Second Amendment dated 06.01.2022, formally extending the Redemption Date to 25.01.2023. It contends that the amendment altered the contractual maturity date and that the failure to redeem the debentures on 25.01.2023 constituted a subsequent and independent default outside the Section 10A period. The Petitioner has also referred to the NeSL record of default dated 15.06.2021 and contended that further coupon defaults occurred after the protected period.

vii. The Petitioner has submitted that the challenge before the Hon'ble Delhi High Court does not extinguish the repayment obligations under the Trust Deed and that no order restraining the Petitioner from pursuing the present proceedings has been placed on record. It further contends that the Corporate Debtor, having availed the financial assistance and acted upon the transaction documents, cannot now seek to avoid the repayment obligations on the basis of allegations raised several years later.

viii. With regard to the objection concerning stamping, the Petitioner has submitted that the transaction documents are duly stamped under the applicable law. Without prejudice, it contends that even an objection to the stamp duty on the Trust Deed cannot by itself defeat the Petition where the existence of the financial transaction and default are supported by independent material, including the bank statements, NeSL records, security documents, notices and the subsequent amendment.

ix. The Petitioner has denied that any concluded settlement was reached in relation to the subject debenture debt. It submits that the settlement discussions referred to by the Corporate Debtor were not reduced to a binding settlement and do not discharge the liability under the Trust Deed. It has also disputed that the subject debenture debt was assigned to any Asset Reconstruction Company.

x. In relation to non-listing of the debentures, the Petitioner has submitted that the obligation to procure listing on the wholesale debt market of the National Stock Exchange was cast upon the Corporate Debtor under Clause 5.3(g) of the Trust Deed. It contends that the Corporate Debtor cannot rely upon its own alleged non-compliance with the listing obligation to avoid the repayment obligations arising under the Trust Deed.

xi. The Petitioner has further contended that the obligations concerning business plans, valuation reports, approvals, monitoring and other conditions were contractual obligations and that no material has been

produced to show that any such alleged non-compliance invalidated the subscription or extinguished the repayment liability after disbursement of the financial assistance.

xii. In the additional affidavit filed in response to the memo dated 06.08.2025 and the documents produced by the Corporate Debtor pursuant to the order dated 30.07.2025, the Petitioner has dealt with the Assignment Agreement dated 27.06.2023 between Indiabulls Housing Finance Limited and Assets Care and Reconstruction Enterprise Limited, the Rectification Agreement dated 04.08.2023, the Memorandum of Compromise and proceedings in Commercial A.A. No. 453/2024, and the Inter-Creditor Agreement dated 14.02.2022 relating to "Project Ozone WF48".

xiii. The Petitioner contends that the aforesaid assignment and compromise documents relate to different lending transactions, creditors and securities and do not concern the debenture investments made by IIOF and IHYS under the Trust Deed dated 25.01.2018. It has pointed out that the mortgaged property securing the present debentures is Survey No. 78/5, admeasuring 1 Acre 20 Guntas, at Nagawara Village, Kasaba Hobli, Bangalore North Taluk, whereas the properties referred to in the Inter-Creditor Agreement and compromise proceedings relate to lands at Mahadevapura/Whitefield Main Road connected with "Project Ozone WF48". The Petitioner submits that neither it nor the Debenture Holders represented by it are parties to the said compromise or assignment and that no settlement has been entered into in respect of the subject debenture debt.

xiv. In its Additional Written Submissions, the Petitioner has also addressed the objection concerning authorization. It submits that the Board Resolution dated 02.02.2021 and the Power of Attorney dated 04.03.2022 authorise Mr. Ramesh Sachdeva to institute and prosecute the proceedings and that any procedural objection concerning authorization

is curable. In this regard, it has relied upon ***United Bank of India v. Naresh Kumar***.

xv. The Petitioner has reiterated that the Debenture Trustee acts in a fiduciary capacity for the Debenture Holders and that no separate resolution of each Debenture Holder is required in the absence of any such restrictive requirement in the Trust Deed. It submits that the present Petition is maintainable under Section 7 and that the alleged defects in the wider financing arrangements do not negate the subject debenture debt.

xvi. In its written submissions, the Petitioner has relied upon ***Innoventive Industries Ltd. v. ICICI Bank*** and ***M. Suresh Kumar Reddy v. Canara Bank*** on the scope of enquiry under Section 7; ***Radha Exports (India) Pvt. Ltd. v. K.P. Jayaram*** and ***Sanjay Kalate v. Vistra ITCL*** on allegations of fraud and the summary jurisdiction of the Adjudicating Authority; ***Karan Goel v. Pashupati Jewellers*** on the effect of pending civil proceedings; ***Koncentric Investments Ltd. v. Standard Chartered Bank*** on subsequent defaults; and ***Ashique Ponnamparambath v. Federal Bank*** on the effect of an objection relating to insufficient stamping where independent material establishes the debt and default.

5. The Corporate Debtor has also filed detailed Written Arguments reiterating its objections to admission of the Petition and, inter alia, submitted as under:

i. The Corporate Debtor has prepared a chronology of transactions between entities of the Ozone Group and the Indiabulls Group commencing from 2015 and has reiterated that several facilities entered into during 2015-2017 were allegedly used for refinancing or repayment of earlier liabilities owed to Indiabulls Group entities. It contends that the present Petition, although founded upon the Trust Deed dated 25.01.2018 for ₹60 Crores, is part of the same alleged pattern of evergreening and circular funding.

ii. It has reiterated that the notice dated 19.10.2020 recorded non-payment of the coupon amounts due on 15.06.2020 and 15.09.2020 and that the default therefore arose during the period covered by Section 10A. It relies upon ***Ramesh Kymal v. Siemens Gamesa Renewable Power Private Limited*** to contend that the statutory bar is absolute and that the date of default cannot be shifted to 25.01.2023 by relying upon the subsequent amendment.

iii. The Corporate Debtor has relied upon ***Vidarbha Industries Power Ltd. v. Axis Bank Ltd.*** to contend that admission under Section 7 is not automatic and that the Adjudicating Authority should consider the surrounding circumstances, including the pending proceedings concerning the transaction documents and the alleged conduct of the lenders.

iv. The Corporate Debtor has reiterated its objection that the Trust Deed and connected instruments are insufficiently stamped and inadmissible in evidence. It submits that the Applicant cannot establish an enforceable repayment obligation or default solely on the basis of such instruments.

v. It has further relied upon ***Swiss Ribbons Pvt. Ltd. v. Union of India*** to contend that the Code is a mechanism for resolution of insolvency and not a mere debt-recovery forum. According to the Corporate Debtor, the Petition has been filed to acquire valuable real estate assets at distressed valuations, notwithstanding the alleged history of circular funding, servicing of earlier loans from fresh disbursements, inflation of liabilities and coercive acquisition attempts.

vi. The Corporate Debtor has also reiterated that several conditions under the Trust Deed were allegedly not fulfilled, including listing of the debentures, tranche-based disbursement conditions, business plan submissions, compliance reporting, valuation requirements and monitoring obligations. It further states that funds were allegedly diverted towards servicing earlier Indiabulls loans, acquisition of entities

associated with the Indiabulls Group and closure of third-party liabilities rather than for the stated project purposes.

vii. It has contended that the Trust Deed was not intended to be enforced strictly according to its written terms and that the Petitioner is estopped from selectively enforcing contractual provisions. It also relies upon the settlement discussions allegedly held during April-May 2024 and urges that the CIRP may adversely affect the real estate project and the interests of the homebuyers.

6. The following procedural developments are also relevant for consideration of the present Petition:

a. By order dated 05.04.2024, this Adjudicating Authority called upon the Petitioner to clarify the aspect of limitation and the date of default. In compliance thereof, the Petitioner filed a Memo dated 15.04.2024 contending that, although earlier coupon defaults had occurred, further defaults were recorded in the NeSL material, including the default dated 15.06.2021, and that the Second Amendment Deed dated 06.01.2022 extended the Redemption Date till 25.01.2023. The Petitioner maintained that non-redemption on the revised date was an independent default and that the Petition was within limitation.

b. The Corporate Debtor thereafter filed a memo dated 06.08.2025 placing reliance upon assignment documents, settlement documents and proceedings in Commercial A.A. No. 453/2024. By order dated 30.07.2025, the parties were permitted/directed to place the relevant documents on record. The Petitioner filed an additional affidavit disputing the relevance of those documents to the subject debenture transaction and explaining that they concerned separate financing arrangements and properties.

c. Form No. 2, being the Written Communication and consent of the proposed Interim Resolution Professional, Mr. Ashok Mittal, was filed

along with the memo dated 17.09.2024. The Petitioner has proposed Mr. Ashok Mittal, IBBI/IPA-001/IPP02549/2021-2022/13889, to act as Interim Resolution Professional.

7. We have heard the Learned Counsel appearing for the parties and perused the pleadings, documents, written submissions and the authorities placed on record. The principal issues which arise for consideration are whether the Petitioner has established the existence of a financial debt and default under Sections 5(8) and 3(12) of the Code; whether the default relied upon is barred by Section 10A; and whether the objections regarding the pending civil proceedings, stamping, alleged evergreening, settlement and Section 65 of the Code affect maintainability of the Petition.

Existence of Financial Debt and Authority of the Debenture Trustee

8. The Trust Deed dated 25.01.2018 records the issuance by the Corporate Debtor of 6,00,000 secured redeemable non-convertible debentures of ₹1,000/- each, aggregating to ₹60,00,00,000/-, in favour of the Debenture Holders represented by the Petitioner. The First Amendment dated 20.02.2018 and the contemporaneous financing and security documents are also on record. The transaction is structured as a subscription to debentures carrying coupon interest and a redemption obligation and, therefore, falls within the description of financial debt under Section 5(8) of the Code, subject to the question whether the amount became due and remains unpaid.

9. The Petitioner has placed reliance upon the Debenture Trustee Agreement dated 25.01.2018, the Trust Deed and the Ministry of Corporate Affairs notification dated 27.02.2019 to establish its authority to institute proceedings on behalf of the Debenture Holders. The Corporate Debtor itself acknowledges that the Petitioner acts as Debenture Trustee in relation to the debentures subscribed by IIOF and IHYS. The Petitioner has also placed on record the Board Resolution dated 02.02.2021 and the Power of Attorney

dated 04.03.2022 in favour of Mr. Ramesh Sachdeva. In the circumstances, the objection to the Petitioner's authority to maintain the Petition is not made out.

10. The Petitioner has referred to paragraphs 62 and 63 of the Corporate Debtor's Reply as admissions of receipt and disbursal of ₹60 Crores under the subject Trust Deed. On perusal, however, those paragraphs refer to other lending transactions and not to the subject debenture subscription of ₹60 Crores under the Trust Deed dated 25.01.2018. They therefore cannot be treated as admissions of disbursal under the present transaction. The existence of the subject financial debt is accordingly examined on the basis of the Trust Deed, the amendment deeds, bank statements and other contemporaneous financing records produced in relation to these debentures, and not on the basis of the said paragraphs of the Reply.

11. The fact that the Corporate Debtor disputes the larger lending relationship or the utilisation of funds does not, by itself, answer whether the specific debenture subscription was made and whether the redemption obligation has become due. The material relating to the Trust Deed and the disbursement of the debenture proceeds, read with the security documents, the coupon and redemption terms and the subsequent amendment, establishes the financial nature of the subject transaction. No material has been placed to show that the entire subject debenture amount was repaid or that the redemption obligation was discharged.

Scope of Enquiry under Section 7 and the Decisions in Innoventive, Vidarbha and M. Suresh Kumar Reddy

12. In ***Innoventive Industries Ltd. v. ICICI Bank***, (2018) 1 SCC 407, particularly paragraphs 27, 28 and 30, the Hon'ble Supreme Court explained that default under Section 3(12) includes non-payment of the whole debt, any part thereof or an instalment when it becomes due and payable. In a

proceeding under Section 7, the Adjudicating Authority is required to examine the records of the Information Utility or other evidence furnished by the Financial Creditor and determine whether the debt is due and payable and whether default has occurred. A mere dispute does not operate as a defence in the same manner as the pre-existing dispute mechanism under Section 9; however, the Corporate Debtor may point out that the debt is not payable in law or in fact.

13. The Corporate Debtor has relied upon ***Vidarbha Industries Power Ltd. v. Axis Bank Ltd.***, (2022) 8 SCC 352, particularly paragraphs 64 to 66 and 76 to 79, to contend that admission under Section 7 is discretionary. The said judgment considered the particular facts and circumstances before the Hon'ble Supreme Court, including the pending appeal and the financial position of the corporate debtor. The scope of the said decision was subsequently considered in ***M. Suresh Kumar Reddy v. Canara Bank***, (2023) 8 SCC 387, particularly paragraphs 9 to 13, wherein the Hon'ble Supreme Court clarified that Vidarbha Industries does not lay down a general proposition that the Adjudicating Authority has an unrestricted discretion to refuse admission even after being satisfied that a financial debt exists and default has occurred. Once the Adjudicating Authority is satisfied as to debt and default, there is ordinarily no discretion to reject the application, save for the limited circumstances recognised in law.

14. The present matter is therefore required to be decided by applying the test in Section 7: whether the financial debt is due and payable and whether the Corporate Debtor has failed to pay it. The allegations concerning the broader lending relationship and the pendency of civil proceedings are relevant only to the extent that they demonstrate that the subject debt is not payable in law or in fact, that the subject transaction did not occur, that the liability was discharged, or that an express legal bar prevents initiation of CIRP. They cannot be treated as a substitute for the statutory enquiry.

Defaults in Payment of Coupon Amounts during the Section 10A Period

15. The notice dated 19.10.2020 issued by the Petitioner records that coupon amounts due on 15.06.2020 and 15.09.2020, each of ₹2,14,20,331/-, had not been paid and expressly records the occurrence of an Event of Default under Clause 20.1.1 of the Trust Deed. The subsequent demand dated 09.11.2020 under the Deed of Guarantee to the Personal Guarantor relates to the same coupon defaults. These are defaults which occurred during the period covered by Section 10A of the Code, namely 25.03.2020 to 25.03.2021.

16. In ***Ramesh Kymal v. Siemens Gamesa Renewable Power Private Limited***, (2021) 3 SCC 224, particularly paragraphs 27 to 30, the Hon'ble Supreme Court held that Section 10A creates an absolute prohibition on filing an application for initiation of CIRP in respect of a default which occurred during the protected period. The expression "shall ever be filed" makes the bar permanent in relation to such default. At the same time, the judgment makes clear that the statutory prohibition does not extinguish the underlying debt or the right of the creditor to recover it outside the insolvency process.

17. Accordingly, the coupon defaults dated 15.06.2020 and 15.09.2020 cannot, by themselves, constitute the operative basis for admission of the present Section 7 Petition. The Petitioner cannot avoid the statutory bar merely by describing those very defaults as continuing or by shifting their date through a subsequent demand or recall notice. The said defaults are therefore treated as protected by Section 10A for the purpose of the present proceedings.

Subsequent Defaults after the Section 10A Period and the Effect of the Second Amendment Deed

18. The above finding does not, however, conclude the enquiry. The Petitioner has relied upon the failure to pay subsequent coupon obligations, including the default recorded in the NeSL material as 15.06.2021, and, more

particularly, the failure to redeem the debentures on 25.01.2023. The Petitioner's Memo dated 15.04.2024 and written submissions refer to the further coupon defaults after the protected period. A default dated 15.06.2021, if established from the record, falls outside the period covered by Section 10A. The Petitioner has, in any event, specified 25.01.2023 in Part-IV of the Petition as the date of default in respect of the failure to redeem the debentures.

19. The original Trust Deed contemplated redemption on 25.01.2022. By the Second Amendment Deed dated 06.01.2022, executed after expiry of the Section 10A period, the parties formally amended the Redemption Date and extended it by twelve months, to 25.01.2023. This was not merely a unilateral extension asserted in a demand notice; it was a written amendment to the contractual repayment schedule. The failure to redeem the debentures on the revised date gave rise to a payment default on 25.01.2023 under the amended contractual arrangement.

20. The Corporate Debtor submits that the Second Amendment cannot revive a default which had already arisen during the Section 10A period. We agree with the limited proposition that the Second Amendment cannot retrospectively erase or cure the 2020 coupon defaults. The terms of the Second Amendment preserve the provisions of the Original Trust Deed except to the extent specifically amended and do not constitute a waiver of the rights of the Debenture Trustee or the obligations of the Issuer, including liability for default interest. Thus, it would not be correct to hold that the earlier defaults stood extinguished merely because the redemption date was extended.

21. At the same time, the Second Amendment specifically altered the contractual Redemption Date. The default relied upon for the present Petition is not confined to the earlier non-payment of coupons in June and



September 2020; it is the failure to discharge the principal redemption obligation on the subsequently agreed date of 25.01.2023. The earlier coupon defaults and the failure to redeem on the revised maturity date are distinct payment obligations falling due at different points of time. The latter is not merely a relabelling of the 2020 coupon defaults but arises from the non-performance of the revised maturity obligation under the Second Amendment.

22. In ***Koncentric Investments Limited and Another v. Standard Chartered Bank, London and Another***, 2022 SCC OnLine NCLAT 1254, particularly paragraphs 31, 32 and 42, the Hon'ble NCLAT held that non-filing of a Section 7 application upon an earlier default in payment of interest does not necessarily foreclose the Financial Creditor's right to initiate proceedings upon a subsequent and distinct default, such as non-payment of a repayment instalment or the entire loan becoming due upon acceleration. The decision was rendered in the context of limitation and successive defaults and did not interpret Section 10A. It is therefore not a direct authority on the effect of Section 10A, but the principle that a later and distinct payment default may give rise to a separate cause of action is relevant by analogy to the present contractual arrangement.

23. Applying the above principles, we find that the Petitioner cannot found the present Petition upon the 2020 coupon defaults. However, the written amendment of the Redemption Date to 25.01.2023 and the failure to pay the redemption amount on that date constitute a subsequent default outside the protected period. The fact that the earlier coupon defaults were not waived does not prevent a separate default from arising upon non-payment of the principal on the revised maturity date.

Limitation and the NeSL Record of Default

24. The date of default stated in Part-IV of the Petition is 25.01.2023. The Petition was filed on 15.12.2023, within three years of the said date. The Petitioner has placed reliance upon the NeSL Record of Default dated 26.05.2023 and the authentication report dated 16.06.2023. These are separate dates relating to the record and authentication of default and are not to be conflated with the contractual date on which the redemption obligation fell due. The Petitioner has also referred to the further coupon default dated 15.06.2021. On the basis of the date of default pleaded in Part-IV, the Petition is within the period prescribed under Article 137 of the Limitation Act, 1963.

25. In Koncentric Investments, the Hon'ble NCLAT also considered the limitation consequences of successive defaults and held that a creditor may proceed on a subsequent default where a distinct repayment obligation becomes due, provided the application is filed within the applicable limitation period calculated from that default. In the present case, the Petitioner has not attempted to rely upon the date of the 2020 coupon defaults as the date of default for the present Petition. The date pleaded is 25.01.2023, which follows the revised Redemption Date under the Second Amendment Deed.

Challenge to the Transaction Documents before the Hon'ble Delhi High Court

26. The Corporate Debtor has referred to proceedings instituted before the Hon'ble High Court of Delhi challenging the validity and enforceability of the Trust Deed and connected documents. The mere pendency of a civil suit does not, by itself, operate as a bar to a proceeding under Section 7. The question before this Adjudicating Authority remains whether the financial debt is due and payable and whether default has occurred. No order

restraining the Petitioner from pursuing the present proceedings or staying the operation of the subject Trust Deed has been placed before us.

27. In ***Karan Goel v. Pashupati Jewellers and Another***, 2019 SCC OnLine NCLAT 934, particularly paragraph 7, the Hon'ble NCLAT held that the mere pendency of a civil suit challenging the underlying guarantee document cannot, by itself, be a ground to reject an application under Section 7. The Tribunal also observed that the concept of a pre-existing dispute applicable to Section 9 cannot be mechanically imported into a Section 7 proceeding. The said judgment is relevant to the limited proposition that the pendency of a suit is not, in itself, a statutory bar; it does not relieve the Adjudicating Authority of examining whether the debt is payable in law or in fact. In the present case, no interim order preventing enforcement of the subject debt has been shown.

Objection Regarding Stamping of the Trust Deed and Connected Documents

28. The Corporate Debtor contends that the Trust Deed and connected documents are insufficiently stamped and cannot be relied upon to establish the debt or default. The Petitioner disputes the allegation and submits that the instruments are duly stamped. Without determining any question of stamp duty beyond what is necessary for the present proceeding, we find that an objection to the stamping of the principal instrument does not, by itself, establish that the financial transaction did not occur or that the liability has been discharged. The relevant question under Section 7 is whether the financial debt and default are established from the material legally available on record.

29. In ***Ashique Ponnamparambath v. Federal Bank Limited***, 2021 SCC OnLine NCLAT 1769, particularly paragraphs 25 to 28, the Hon'ble NCLAT held that even if the principal loan agreement is inadequately stamped, the

financial debt and default may nevertheless be established through other independent records, such as bank statements, promissory notes, security documents and other corroborative material. A similar approach was adopted in Koncentric Investments, where the Hon'ble NCLAT considered the registered mortgage and other contemporaneous records and held that the finding of default was supported by material apart from the facility agreement alleged to be insufficiently stamped.

30. In the present case, apart from the Trust Deed, the Petitioner relies upon the First and Second Amendment Deeds, bank statements evidencing disbursement, the security documents, the notices recording non-payment, the demand and recall notice dated 29.03.2023 and the NeSL records. The stamping objection, in the absence of material showing that the subject transaction did not take place or that the debt was discharged, does not by itself negate the existence of financial debt and default for the limited purpose of the present Section 7 proceeding. Any consequence under the applicable stamp law in respect of a particular instrument shall remain governed by that law.

Allegations of Evergreening, Fraud, Coercion and Abuse of Process under Section 65

31. The Corporate Debtor has extensively referred to the broader financial dealings between various Ozone Group entities and entities associated with the Indiabulls Group from 2015 onwards. It alleges that fresh loans were used to repay or service earlier loans, that only a small portion of the sanctioned amounts was available for project development, that the Ozone Group was compelled to execute documents and guarantees and that the present Petition is part of a strategy to acquire real estate assets at distressed values. These allegations are serious and have been noted. However, the question in the present proceeding is whether the subject debenture

transaction of ₹60 Crores was disbursed, whether the redemption obligation became due under the amended Trust Deed and whether the Corporate Debtor failed to pay it.

32. The documents concerning other Ozone Group entities and other lending facilities cannot, without a demonstrated nexus to the subject debenture subscription, establish that the present debt was not disbursed or that the redemption obligation has been discharged. The Corporate Debtor has not placed on record any material showing repayment of the subject ₹60 Crores or a concluded arrangement extinguishing the subject debenture liability. Allegations regarding the larger funding relationship may be pursued before the appropriate forum on their own merits, but they do not, on the present material, displace the contractual and banking records relating to the subject Trust Deed.

33. The Petitioner has relied upon ***Radha Exports (India) Private Limited v. K.P. Jayaram and Another***, (2020) 10 SCC 538, particularly paragraphs 15, 32, 35 and 39, and ***Sanjay Pandurang Kalate v. Vistra ITCL (India) Limited and Others***, Company Appeal (AT) (Insolvency) No. 742 of 2023, decided on 05.10.2023, reported in (2024) 248 Comp Cas 615, particularly paragraphs 17 and 18. In Radha Exports, the Hon'ble Supreme Court observed that allegations of forgery and fraud involving disputed signatures and documents require adjudication on evidence, including forensic evidence, and further held that the applicant must prima facie establish a legally recoverable debt. The said decision is distinguishable on its facts, as the Court found that no financial debt existed in the circumstances before it, which concerned share application money and a personal loan to a promoter, and the claim was also held to be barred by limitation.

34. In Sanjay Kalate, the Hon'ble NCLAT observed that allegations of collusion and fraud require unimpeachable evidence and that the summary jurisdiction

of the Adjudicating Authority under the Code is not as extensive as that of a civil court for adjudicating complex disputes involving memoranda of understanding and specific performance. The Tribunal also considered whether the disbursal had taken place and whether the amount had been repaid. The said decision supports the proposition that serious allegations cannot be accepted on mere assertions; however, a collusive or fraudulent Section 7 petition may still be rejected where the material establishes such a case. We have therefore examined the allegations and the supporting material rather than rejecting them merely because they are raised in the Reply.

35. On the material placed before us, the allegations of evergreening and coercion primarily concern the wider relationship between the Ozone Group and various Indiabulls Group entities. The material does not establish that the particular debenture subscription made by IIOF and IHYS under the Trust Deed was not advanced, that the repayment obligation under the Trust Deed stood discharged, or that the Second Amendment was procured by a finding of fraud or coercion by a competent forum. No independent material of unimpeachable nature has been produced which establishes that the present Section 7 Petition itself was filed with the fraudulent or malicious intent contemplated under Section 65 of the Code. We therefore find that the objection under Section 65 is not made out on the present record.

Assignment Documents, Project Ozone WF48 and Settlement Discussions

36. The Corporate Debtor has placed reliance upon the Assignment Agreement dated 27.06.2023 between Indiabulls Housing Finance Limited and Assets Care and Reconstruction Enterprise Limited, the Rectification Agreement dated 04.08.2023, the Memorandum of Compromise and proceedings in Commercial A.A. No. 453/2024 and the Inter-Creditor Agreement dated

14.02.2022 concerning "Project Ozone WF48". The Petitioner has specifically disputed that any of these documents relate to the present debenture transaction. It submits that the assignment concerned a separate lending arrangement between Indiabulls Housing Finance Limited and Assets Care and Reconstruction Enterprise Limited and did not include the debenture investments made by IIOF and IHYS under the Trust Deed dated 25.01.2018.

37. The Petitioner has further pointed out that the property mortgaged in respect of the present debenture transaction is Survey No. 78/5, admeasuring 1 Acre 20 Guntas, situated at Nagawara Village, Kasaba Hobli, Bangalore North Taluk, whereas the properties referred to in the compromise and Inter-Creditor Agreement relate to lands situated at Mahadevapura/Whitefield Main Road connected with Project Ozone WF48. On perusal of the material relied upon, no reference identifying the subject Trust Deed or the present debenture holders as part of the assignment or compromise has been demonstrated. We therefore find no material to hold that the subject debenture debt was assigned to ACRE or extinguished by the compromise proceedings relating to Project Ozone WF48.

38. The Corporate Debtor has also referred to settlement discussions during April-May 2024. The present Petition was filed on 15.12.2023, before the said discussions. No concluded and binding settlement concerning the subject debenture debt has been placed on record. Mere exchange of draft proposals or negotiations after institution of the Petition do not, without a concluded agreement, discharge the debt or retrospectively invalidate the Petition.

Contractual Conditions, Listing of Debentures and the Interests of Homebuyers

39. The Corporate Debtor has alleged non-compliance with listing requirements and other conditions relating to business plans, valuation reports, architectural approvals, compliance reporting and monitoring. The Petitioner has responded that the obligation to procure listing was cast upon the Corporate Debtor under Clause 5.3(g) of the Trust Deed. In any event, no material has been placed to establish that the alleged non-compliance with those contractual or monitoring obligations rendered the debenture subscription void, prevented disbursement or postponed the repayment obligation under the Trust Deed and the Second Amendment. The existence of the repayment obligation is to be examined on the contractual terms and the evidence of disbursement and non-payment.

40. The Corporate Debtor has urged that admission of the Petition may affect the real estate project and the interests of approximately one hundred homebuyers. The concerns of homebuyers and other stakeholders are relevant to the conduct of the CIRP and are required to be considered by the Interim Resolution Professional and the Committee of Creditors in accordance with the Code. Such concerns, by themselves, do not extinguish an established financial debt or constitute a statutory bar to admission where the requirements of Section 7 are otherwise satisfied.

Findings on Existence of Debt, Default and Maintainability of the Petition

41. For the reasons recorded above, we find that the financial assistance of ₹60,00,00,000/- was extended through subscription to the secured redeemable non-convertible debentures issued under the Trust Deed dated 25.01.2018 and that the transaction constitutes financial debt within the meaning of Section 5(8) of the Code. The 2020 coupon defaults fall within Section 10A and are not relied upon as the operative default for admission. However, the NeSL material also refers to a subsequent coupon default

dated 15.06.2021, and the Petitioner has specifically pleaded failure to redeem the debentures on the revised Redemption Date of 25.01.2023 under the Second Amendment Deed dated 06.01.2022.

42. The Second Amendment Deed did not extinguish the earlier defaults, but it did formally modify the contractual Redemption Date. The failure to discharge the redemption obligation on 25.01.2023 therefore constitutes a subsequent default outside the period covered by Section 10A. The Petition filed on 15.12.2023 is within three years from the said date. The objections regarding the pendency of civil proceedings, stamping, alleged evergreening, assignment, settlement and Section 65 do not, on the material presently available, negate the subject financial debt or the subsequent default.

43. Accordingly, the Petitioner has established the existence of financial debt and occurrence of default within the meaning of the Code. The amount of default is above the threshold prescribed under Section 4 of the Code. The Petition is complete in all respects and is maintainable under Section 7 of the Code. There is no impediment to admission of the Petition and commencement of CIRP against the Corporate Debtor.

44. Accordingly, Company Petition bearing **CP (IB) No. 67/BB/2024** is hereby allowed and the Respondent/Corporate Debtor, **Ozone Realtors Private Limited**, is admitted to the **C**orporate **I**nsolvency **R**esolution **P**rocess ("CIRP"). Consequently, moratorium is declared in terms of Section 14 of the Code, prohibiting the following, to be complied with by all concerned:

> (i) 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;

(ii) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

(iii) 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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

(iv) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

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

46. The provisions of Section 14(3) of the Code shall however not apply in respect of such transactions, agreement or other arrangements 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 the Corporate Debtor.

47. The order of moratorium shall have effect from the date of this order till completion of the CIRP or until this Adjudicating Authority approves the Resolution Plan under Section 31(1) of the Code or passes an order for liquidation of the Corporate Debtor under Section 33 of the Code, as the case may be.

48. In Part-III of Form-1, **Mr. Ashok Mittal**, IBBI/IPA-001/IPP02549/2021-2022/13889, has been proposed as the Interim Resolution Professional. Form-2, being the Written Communication



and consent of the proposed Interim Resolution Professional, has been filed along with the memo dated 17.09.2024.

49. Accordingly,**Mr. Ashok Mittal**, IBBI/IPA-001/IPP02549/2021-2022/13889, having address at ***Bungalow No. 1, Near Jai Santoshi Maa Tower, Datta Pada Road, Rajendra Nagar, Borivali East, Mumbai, Maharashtra - 400066***, E-mail: ***ashokmitta2020@gmail.com***, Phone No.: ***900435252***, is hereby appointed as the Interim Resolution Professional ("IRP") of the Corporate Debtor. The IRP is directed to take all such steps as are contemplated under Sections 15, 17, 18, 20 and 21 of the Code and the Regulations framed thereunder. The IRP shall make a public announcement forthwith with regard to the admission of this Petition and invite submission of claims in accordance with law.

50. The Financial Creditor is directed to deposit a sum of **₹2,00,000/-** (Rupees Two Lakhs Only) with the Interim Resolution Professional to meet the expenses for carrying out public announcement and inviting claims. The amount so deposited shall be subject to ratification by the Committee of Creditors. The Interim Resolution Professional shall also issue individual notices to the Jurisdictional Income Tax Authority, Principal Commissioner of Income Tax (Judicial), Regional Provident Fund Commissioner, GST Authorities, Commercial Tax Authorities, ESI Authorities and such other statutory authorities as may be necessary.

51. The Interim Resolution Professional shall cause a public announcement to be made forthwith in accordance with Section 15 of the Code and the applicable Regulations and shall invite submission of claims from the creditors of the Corporate Debtor within the time stipulated under the Code and Regulations.

52. The Interim Resolution Professional shall, after collation and verification of all claims received against the Corporate Debtor and determination of the

financial position of the Corporate Debtor, constitute the Committee of Creditors in accordance with the provisions of the Code and file the report certifying constitution of the Committee of Creditors before this Adjudicating Authority within the prescribed period. The Interim Resolution Professional shall thereafter convene the first meeting of the Committee of Creditors in accordance with law.

53. The Interim Resolution Professional shall keep the Corporate Debtor as a going concern, if it is functional, and submit periodical progress reports before this Adjudicating Authority regarding the status of the Corporate Insolvency Resolution Process. Upon taking control and custody of the assets and management of the Corporate Debtor, the Interim Resolution Professional shall ensure compliance with all statutory requirements under the Code and the Regulations framed thereunder.

54. The Interim Resolution Professional shall issue individual notices to the Jurisdictional Income Tax Authority, Principal Commissioner of Income Tax (Judicial), Regional Provident Fund Commissioner, GST Authorities, Commercial Tax Authorities, ESI Authorities and such other statutory authorities as may be necessary, and shall submit proof of service thereof along with the first progress report.

55. The Interim Resolution Professional shall perform all functions and discharge all duties entrusted to him under the Code, the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other applicable rules and regulations.

56. The personnel of the Corporate Debtor, its promoters, directors, officers and persons concerned with the management of the Corporate Debtor shall extend all assistance and cooperation to the Interim Resolution Professional as may be required for the conduct of the CIRP, in accordance with Section 19 of the Code.

57. The suspended Board of Directors, Key Managerial Personnel, officers and employees of the Corporate Debtor shall extend full cooperation and assistance to the IRP/RP in discharge of duties under the Code. Any obstruction or non-cooperation shall be viewed seriously and dealt with in accordance with law.

58. Upon taking over management of the Corporate Debtor, the IRP shall ensure that on appropriate size notice boards it be displayed at the registered office and principal place of business of the Corporate Debtor that the Corporate Debtor is undergoing CIRP together with details and contact information of the IRP, to enable them to make enquiries and for submission of claims by stakeholders.

59. A copy of this order shall be communicated forthwith to the Petitioner/Financial Creditor, the Respondent/Corporate Debtor and the Interim Resolution Professional. The Registry is directed to transmit a soft copy of this order to the Interim Resolution Professional and the Registrar of Companies, Karnataka through e-mail/WhatsApp for immediate compliance.

-Sd-
(RADHAKRISHNA SREEPADA)
MEMBER (TECHNICAL)

-Sd-
(SUNIL KUMAR AGGARWAL)
MEMBER (JUDICIAL)