IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No.03
CP. (IB) No. 233/BB/2025

IN THE MATTER OF:

Vasudev Adigas Fastfood Pvt Ltd ... Petitioner

Petition under Section 10 of I&B Code, 2016

Order delivered on: 09.10.2026

CORAM:

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

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Petitioner : Mrs. P. Chithra Nirmala

ORDER

1. **Vide separate order, the CD is admitted to CIRP,** with some directions to the Corporate Applicant. IRP is appointed and moratorium imposed.
2. **List the case on 14.12.2026, for IRP report.**

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

BL

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

CP (IB) No. 233/BB/2025
Application U/s. 10 of the Insolvency & Bankruptcy Code, 2016 read with Rule 7 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016

IN THE MATTER OF:

VASUDEV ADIGAS FAST FOOD PVT LTD.
Having Registered Office at: First Floor-IF-209,
Vishal Towers, NO.18/8, 16th Cross,
1st Main, Off Mission Road,
Sampangiramanagar, Bangalore 560027 …Corporate Applicant

Vs.

NIL …Respondent

Order delivered on: 09.10.2026

CORAM: 1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

O R D E R

1. This Petition is filed on 21.08.2025 by Vasudev Adigas Fastfood Pvt Ltd. ('Petitioner/Corporate Applicant') under section 10 of IBC, 2016 read with Rule 7 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for voluntary initiation of Corporate Insolvency Resolution Process as it failed to discharge the obligations to pay **INR 4,17,74,792** (Rupees Four Crores Seventeen lakhs seventy four thousand seven hundred and ninety two Only) to the Operational Creditors. The list of Operational Creditors along with their outstanding dues is at Annexure A 48 to A50. The List of Employees Liabilities is at Annexures A 45 to A 47

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2. Brief facts of the case leading to the filing of petition are as follows:

(i) The Corporate Applicant, M/s. Vasudev Adigas Fast Food Pvt Ltd, was incorporated on 12.10.2007 with CIN: U55101KA2007PTC044097. The Corporate Applicant was inter-alia involved in the business in food and beverage Industry. It owned and operated restaurants under the branch name Vasudev Adigas. The Company offered multiple vegetarian cuisine's through its outlets, through food delivery partners as well as provides catering services. It was founded in 1994 by Vasudeva Adiga. Vasudeva Adiga is one of the most reputed restaurant chains in Bangalore, South India. The Authorised capital of the Corporate Applicant is Rs.3,00,00,000/- and the paid-up capital is Rs.54,84,070/-.

(ii) The Company was taken over in the year 2014 by the NSR Group that holds 100% of the share capital of the Company. The new management continued the Hotel and Restaurant business of the Company, and the restaurants and outlets continued to be run in the name of "***Vasudev Adigas***". However, owing to various market forces, and high competition, demonetization, GST imposition, the business of the Company saw steady decline, and was forced to close down a large part of its outlets, and reduce its operations, so as to control its operational expenses and other working capital requirements. It is submitted that the Corporate Applicant company incurred losses from 2018 onwards and from 2019 was forced to close down a large part of its operations. And due to Nation-wide Lockdown imposed owing to the Pandemic during 2020, all its restaurants, hotels and outlets were shut down. With Zero business, but recurring operational costs and mounting dues, the Company suffered insurmountable losses. The Lockdown imposed by the Central Government from March 2020 onwards struck a heavy blow on the business operations of the Corporate Applicant, since the business heavily depended upon every day investment, every day sales. Owing to the Lockdown, the outlets were kept closed with no generation of income, but

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huge operational costs including the huge rentals payable, and the salaries that had to be paid to the employees and suppliers of the Corporate applicant, constraining the Corporate Applicant, to close down all its outlets, except it head office and few staff.

(iii) It is submitted that originally the Corporate Applicant had its head office at Yelachanahalli, which was registered address. The said Head Office was a four floored building with 30 employees manning the Head Office, and for the said Head Office itself the corporate applicant was incurring an Operating Cost of nearly Rs.1,00,000 per month, including rental and utility costs. However, owing to the losses suffered, the corporate applicant had to close its head office, and shifted it to a party hall in the then existing outlet at KG Rd., Bengaluru. As on April, 2019 the Corporate Applicant had 33 outlets with 1401 employees. And by April 2022, the Corporate Applicant had closed majority of the outlets and was left with only 9 Outlets and 158 employees. The data shows that the corporate applicant had drastically reduced its business operations, and just floating to satisfy the Operational business costs, with a hope to turn around the business.

(iv) Presently there are no employees working for the corporate applicant and it not running any outlet or restaurant or Hotel as of this day. The amounts payable to the erstwhile employees towards old dues, Bonus, Leave Encashment and Gratuity are laid in the Annexures. Owing to huge competition in the hotel business and also thereafter due to the impact and hit by the Pandemic Covid 19, the company sustained huge loss and was not able to continue with the business, in the respect of all the outlets and to avoid further huge loss, the corporate applicant considering the business and loss, stage by stage and one by one, closed all its outlets and automatically the strength of the employees was reduced to NIL.

(v) Further, the Corporate Applicant had tie up with various MNCs and IT industries for catering of food to their employees. But owing to Covid 19

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restrictions, these MNC's and IT industries stop functioning, and they started to operate work from home. More than 50% of the business of the appellant was towards catering services, and that apart the companies which had received the services failed to settle the amounts, and have also stopped their operations. When such being the fact and position, the Corporate Applicant with great difficulty for some months continued to pay wages and other benefits to its employees. It is submitted that in respect of Provident Fund and Gratuity contributions, the company was not in a position to afford the cost and burden of paying the Provident Fund. However, with great difficulty and monetizing their meagre assets, they started paying the arrears of contributions and completed payment of Provident Fund contributions, but the corporate applicant is saddled with huge penalty for the delay in payment of the provident fund contributions. The Corporate Applicant has been loaded with penalty even for the Covid 19 Pandemic period. When the borrowers had been granted moratorium by the Central Government in payment of Debt, the Corporate Applicant has been penalised for delay in payment of the Contributions.

(vi) Alleging belated payment of contributions, on 17.06.2022 the Commissioner of Provident Fund issued notice calling for a hearing under Section 7Q, 14B and 32 of the Provident Funds Act. The Provident Fund commissioner also passed an Order confirming the proposed damages of Rs.33,32,820 and interest of Rs.21,28,568/- on 09.10.2022. The PF authority even before the period for appeal lapsed, issued demand seeking for payment of damages and interest in terms of its Order, on 28.10.2022. The said Order has been challenged before the Appellate Authority, in respect of the damages portion amounting to Rs.33,32,820/-.

(vii) Since Penalty portion under Sec.7Q cannot be challenged in appeal proceedings, the corporate applicant has assailed the order of the PF Commissioner before the Hon'ble High Court in **WP. No. 25135/2022**.

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In the said WP, vide Orders dated 16.12.2022, an Interim Order of stay had been granted and the WP is pending for hearing.

(viii) The Corporate Applicant has also filed another **WP.No.25134/2022** seeking issuance of a Writ pf Mandamus directing the EPFO not to take any coercive steps in executing and implementing 14B Order dated 19.10.2022.

(ix) It is submitted that the Income Tax Department has also raised an additional demand of Rs.1,41,76,999/- including taxes and interest u/s. 234B of the Act. Aggrieved by the said Order, the Corporate Applicant has preferred **an appeal** and the same is pending.

(x) Meanwhile Notice under Sec.250 of IT Act was issued for the Assessment Year 2021-22 by the Income Tax Authority on 09.09.2024. Corporate Applicant was also proceeded by the Income Tax Department under Sec. 156 for a liability of **Rs. 1,25,01,310/-** for the period from AY 2021-22. Income Tax Department (TDS) has also raised demand under Sec. 156 for **Rs. 5,02,470/-** for the period from AY 2018-19. Simultaneously, Intimation of proceedings under section 201 of the Income Tax Act, 1961 for FY2017-18 was also issued. The Commercial taxes Department under the GST Act also initiated proceedings under section 73 for payment of GST amounting to **Rs. 5,20,95,054** for FY 2017-18; **Rs.2,48,23,915** for FY 2018-19; **Rs.3,29,12,859** for FY 2019-20 and **Rs.4,68,632/-**for FY 2020-21. The Corporate Applicant has satisfied the entire liabilities payable to the GST Department.

(xi) Due to pandemic the Corporate Applicant was severely affected by the Lock Down which ran for almost two years due to the 1st phase and 2nd phase of Pandemic, and consequently was not able to pay bonus or leave encashment to its employees. The Corporate Applicant was unable to pay the Gratuity portion to its employees who had left the services. Thereby the dues of the Corporate Applicant payable to its employees mounted. And to crown it all, even in cases where the Corporate Applicant had paid

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the Provident Fund dues, was compelled to pay delayed payment interests and penalties by Provident Fund Department.

(xii) The below mentioned chart depicts the financial performance of the Corporate Applicant since the year 2019:

Financial year	**Revenue**	**Expenses**	**Profit/Loss**
FY 19-20	101,52,32,914	108,51,22,317	6,98,89,403
FY 20-21	26,72,42,268	44,93,24,614	18,20,82,346
FY 21-22	17,17,14,000	20,35,28,000	3,18,14,000
FY 22-23	13,53,87,000	19,03,54,000	5,49,66,000
FY 23-24	6,47,15,000	14,71,25,000	8,24,10,000

(xiii) Considering the continuous losses incurred by the Corporate Applicant, and the closure of all the outlets and business by the Corporate Applicant, the shareholders/ members of the Corporate Applicant in its extra-ordinary general meeting held on 16.04.2025, passed a special resolution for initiating Corporate Insolvency Resolution process against the Corporate Applicant under Sec.10 of the Insolvency and Bankruptcy Code.

(xiv) There are no financial creditors. Only Operational creditors are available.

(xv) Total Debt Raised and Amount in default:

Old statutory dues	: 49,00,000
Gratuity payable	: 77,98,155.00
Bonus payable	: 96,86,593.00
Leave Encashment Dues	: 28,40,000.00
Total Employee Dues	: 2,52,24,748.00
Current Supplies & Services Payable	: 28,20,546.00
Old dues payable	: 1,32,27,028.00
Total Creditors dues	: 1,60,47,574.00
Income Tax dues	: 5,02,470.00

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GST Liabilities	: 0
Total Statutory Liabilities	: 5,02,470.00
Total Debt	**Rs.4,17,74,792.00**

3. Vide order dated 08.10.2025 the Corporate Applicant was directed to serve notice on all the Creditors and ex-employees. In compliance thereof the Corporate Applicant has filed proof of service vide affidavit dated 02.12.2025. As per postal receipts and tracking reports of speed post, the Creditors were duly served with the notices along with the copies of application through Regd./Speed Post on 08.11.2025 and on 12.11.2025 but none of them has appeared in the matter nor any reply/objections/consent has been filed till date.
4. As per the order dated 29.01.2026 all the concerned creditors were required to submit their Consent /Objection for admitting the Corporate Applicant into the Corporate Insolvency Resolution Process (CIRP) by way of a formal memo, or objections. The Corporate Applicant got the notices again issued to the creditors through e-mail, conveying the directions to the creditors.
5. The reply filed on 27.4.2026 from, Nishant Kumawat, Sole Proprietor of M/s ADS Enterprises, appearing in person, as an Operational Creditor, states as follows:
    a) M/s ADS Enterprises is an Operational Creditor of the Corporate Debtor, having supplied cloth carry bags during the period 2019-2020.
    b) An amount of Rs. 1,54,329/- is outstanding as principal. Including interest, the total claim is approximately **Rs.3,18,229/-.**
    c) The principal amount is undisputed and has been acknowledged by the Corporate Debtor, including being reflected in Annexure A48 (Volume 4, Pages 519-520) of the Insolvency Petition.
    d) The Operational Creditor has no objection to the admission of the insolvency petition filed under Section 10 of the Insolvency and Bankruptcy Code, 2016. The Operational Creditor undertakes to submit

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its claim in the prescribed form (Form B) before the Resolution Professional upon admission of the petition.

6. Under Vide Order dated 17.03.2025 upon oral submissions, Ld. Counsel for the Petitioner/Corporate Applicant informed that, out of 47 Creditors, 42 have been served by one or another mode, and 12 or 13 of them have telephonically informed her of their 'no objection'. Creditor No.1, appearing online, and one of the creditors appearing physically have also expressed their 'no objection' for admitting Petitioner to CIRP.
7. We have heard learned Counsel for the Corporate Applicant/Debtor and carefully perused the material on record besides examining the relevant legal proposition.
8. As per Section 10 of Insolvency and Bankruptcy Code, 2016, a Corporate Applicant can file an application before the Adjudicating Authority, seeking voluntary initiation of Corporate Insolvency Resolution Process for having committed a default, in a prescribed form by enclosing the following:
    a. The information relating to its books of account and such other documents for such period as may be specified
    b. The Special resolution passed by shareholders of the Corporate Applicant or the resolution passed by at least three-fourth of the total number of partners of the Corporate Applicant, as the case may be, approving filing of the application.
9. In view of the above facts and circumstances of the case, and the settled position of law on the issue, **CP (IB) 233(BEN)2025 is hereby admitted and Corporate Insolvency Resolution Process is initiated in respect of Corporate Applicant, Vasudev Adigas Fastfood Pvt. Ltd.**, thereby triggering Moratorium under Section 14(1) of the Code, in following terms for compliance by all concerned: -
    a. The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority;
    b. Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;

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c. Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;

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

10. The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process or until approval the resolution plan under sub-section (1) of Section 31 or passing of an order for liquidation of Corporate Debtor under Section 33, as the case may be.

11. Irrespective of the Insolvency Professional proposed by the Petitioner, in view of the amendment in IBC, effective from 26.05.2026, Prafulla Gurulingayya Melinamani having Registration No. IBBI/IPA-001/IP-P-02680/2022-2023/14089 Registered address: Sy. No. 5206/8, Opp APMC Mangal Karyalaya, At Post : Jamkhandi, Opp APMC Mangal Karyalaya, Bagalkot, Karnataka, 587301, Contact No: 9480284791 e-mail: caprafullagm@gmail.com from the Panel forwarded by the Insolvency & Bankruptcy Board of India, is appointed as Interim Resolution Professional (IRP) of the Corporate Debtor with the following directions: -

a. The term of appointment shall be in accordance with the provisions of Section 16(5) of the Code;

b. In terms of Section 17 of the Code, from the date of appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs of Corporate Applicant shall vest in the Interim Resolution Professional and the officers and the managers of the Corporate Debtor shall report to the **I**nterim **R**esolution **P**rofessional, who is enjoined to exercise all powers as are vested with the Interim Resolution Professional and strictly perform the duties as such under Section 18 and other relevant provisions of the Code, including taking control and custody of the assets over which the Corporate Debtor has ownership rights,

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recorded in the balance sheet of the Corporate Debtor or retrieved documents etc. as provided in Section 18 (1) (f) of the Code. The Interim Resolution Professional is directed to prepare a complete list of inventories of assets of the Corporate Debtor;

c. The Interim Resolution Professional shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government and in accordance with the Code of Conduct governing his profession and as an Insolvency Professional with high standards of ethics and morals.

d. The Interim Resolution Professional shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the Corporate Insolvency Resolution Process in terms of Section 13 (1) (b) of the Code read with Section 15 calling for the submission of claims against Corporate Debtor.

e. It is hereby directed that the Corporate Debtor, its Directors, personnel and the persons associated with management shall extend all cooperation to the Interim Resolution Professional in managing the affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor;

f. The Interim Resolution Professional shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying the constitution of the Committee to this Authority on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days of filing the report of constitution of the Committee; and

g. The petitioner shall deposit a sum of **INR 5,00,000/-** (Rupees Five Lakh Only) with the IRP to meet the expenses arising out of issuing public

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notice and inviting claims. These expenses shall be subject to approval by the Committee of Creditors as per Regulation 33 of the CIRP Regulations, 2016 and adjustable in his fee and CIRP costs.

h. The IRP shall separately & individually intimate the concerned PF Department, Employee State Insurance Corporation, Income Tax Department, Inspector of Factories, GST/VAT/Commercial Tax authorities, Registrar of Companies, Karnataka, other relevant statutory authorities and Creditors based in other parts of India or beyond, whose reference may be found in books/records of CD, about the commencement of CIRP of the Corporate Debtor and specify the mode and date of service of intimation to such authorities/creditors in 2nd progress report.

i. The Interim Resolution Professional is directed to submit ***monthly*** progress reports to this Authority regularly, along with inside & outside photographs of office, warehouse, installations, and equipment etc. of the Corporate Debtor. On taking control of assets and management of Corporate Debtor, the IRP/RP shall affix a Board outside the premises of CD specifying that the CD is undergoing CIRP with number and title of this case; complete name and particulars including contact details of IRP/RP to enable stakeholders to make enquiry and/or to lodge their claims, if any, within specified timelines.

j. The IRP shall file his written consent for the assignment with his credential documents within one week from the date of receipt of order.

12. It has been experienced that even in voluntary CIRP matters Resolution Professionals are filing non-cooperation and avoidance transaction applications, which should not be the case going by objective for which an opportunity is accorded to distressed units to present an honest picture for seeking to find ways for revival of the company and resolution of creditor's claims. Such cases are consuming lot of time in retrieval of records/information/ confidential data from the Ex promoters/directors which gradually causes erosion in its asset value. In order to curtail spending time in such exercise and to overcome perceived hurdles

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and ensure that all records/information are made available during the process, the following directions are issued to the Corporate Applicant for compliance on affidavit:

a. To provide audited financial statements of Corporate Applicant for the 05 years prior to the month of institution of petition.
b. To stack all the account books, tally data, records, returns, audit reports at the Regd. office of CD with complete list. Forensic/Transaction audit reports, valuation reports, if conducted in the last five years. Photographs of all the records kept in office should be filed.
c. A detailed list of all receivables of CD with specification whether the claims are still within the period of limitation along with documentary proofs thereof be submitted
d. Details of Title documents of all owned/leasehold/mortgaged properties of CD and the person/authority in actual custody thereof be specified.
e. Details of all the Bank accounts of Corporate Applicant with latest statements of account. They shall also disclose the details of all financial facilities, if any availed therefrom with or without mortgage/hypothecation of CD properties.
f. Documentary proof of residence and PAN details of Directors of Corporate Applicant with copies of their last 02 years ITR's and disclosure as to whether any of them is/are also Guarantors in respect of the debts availed by the Corporate Applicant.
g. Details of the properties of CD/Guarantors mortgaged/ hypothecated in favour of creditors along with details of all related party transactions in two years prior to the date of filing of petition.
h. Disclosure of complete details of all the litigations pending/ensuing, including legal notices, if any received, against the CD and its Guarantors.
i. An affidavit of Directors that they will fully co-operate during the CIRP and will keep the Creditors and RP informed of all relevant information.

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j. An undertaking to bear CIRP cost including Fee/remuneration of IRP under Regulation 33 (1) of CIRP Regulations, 2016.

13. While the Corporate Applicant shall provide the aforesaid details/records/data/information to the IRP within three weeks of his taking over, a compliance affidavit with photographs be submitted here before the next date.

14. A copy of this order be communicated to the petitioner. Learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional and also convey to the Creditors forthwith. **The Registry shall also forward a soft copy of this order to the Interim Resolution Professional, at his email id,** RoC, Karnataka and IBBI

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)

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