

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.304 - C.P.(IB)/417(AHM)2025

Under Section 7 IBC

IN THE MATTER OF:

UG Fincon Advisors LLP

.....Applicant

V/s

Dharmadev Infrastructure Ltd.

.....Respondent

ITEM No. 305 - IA/45(AHM)2026 in C.P.(IB)/417(AHM)2025

Under Section 60(5) IBC & 65 IBC r.w. Rule 11 NCLT

IN THE MATTER OF:

Dharmadev Infrastructure Ltd.

.....Applicant

V/s

UG Fincon Advisors LLP

.....Respondent

Order delivered on: 09/02/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)

MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

ORDER
(Hybrid Mode)

C.P.(IB)/417(AHM)2025 with IA/45(AHM)2026

The case is fixed for pronouncement of order. The common order is pronounced in the open court, vide separate sheet.

-sd-

SANJEEV SHARMA
MEMBER (TECHNICAL)

-sd-

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD BENCH**

CP (IB) No. 417/7/AHM/2025

with

I.A. No. 45/AHM/2026

In the Matter of: Dharmadev Infrastructure Limited

CP (IB) No. 417/7/AHM/2025

(An application 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)

UG Fincon Advisors LLP

(CIN: LLPIN AAD-5083)

Registered office at 143, A-Wing,
Mittal Court, 224, Nariman Point,
Mumbai, Maharashtra, India- 400021.

...Applicant/Financial Creditor

VERSUS

Dharmadev Infrastructure Limited

(CIN: U45200GJ2005PLC046616)

Registered office at "Dharmadev House",
Shyamal Cross Road, Satellite, Sola,
Ahmedabad, Gujarat, India- 380015.

...Respondent/Corporate Debtor

I.A. No. 45/AHM/2026

(An application under Section 60(5), 65 of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the of the NCLT Rules, 2016)

Dharmadev Infrastructure Limited

"Dharmadev House", Shyamal Cross Road,

Satellite, Sola, Ahmedabad,
Gujarat, India- 380015.

...Applicant/ Corporate Debtor

VERSUS

UG Fincon Advisors LLP

143, A-Wing, Mittal Court,
224, Nariman Point,
Mumbai, Maharashtra- 400021.

...Respondent/ Financial Creditor

Order Pronounced On: 09.02.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Applicant/FC : Mr. Tarak Damani, Advocate.

For the Respondent/CD : Mr. Saurabh Soparkar, Sr. Advocate
a.w. Mr. Arjun Sheth, Advocate.

C O M M O N O R D E R

Per Bench

1. This common order disposes of Company Petition CP (IB) No. 417/7/AHM/2025 filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 by the Financial Creditor, and Interlocutory Application No. 45 of 2026 filed by the Corporate Debtor under Sections 60(5) and 65 of the

Code read with Rule 11 of the NCLT Rules, 2016. Both proceedings arise from the same loan transaction, defaults, pleadings and documents placed on record and are therefore heard and decided together.

2. The Financial Creditor – UG Fincon Advisors LLP has filed the Company Petition being CP (IB) No. 417/7/AHM/2025 on 17.10.2025 against the Respondent – Dharmadev Infrastructure Limited 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 for initiation of Corporate Insolvency Resolution Process, for having defaulted in payment of the outstanding Financial Debt of Rs. 20,97,43,678/- as on 31.03.2025 together with interest. The date of default is stated to be 01.02.2025.
3. On perusal of Part-I of the Form-1 reveals that the Financial Creditor – UG Fincon Advisors LLP is a limited liability partnership incorporated on 09.03.2015 under the Limited Liability Partnership Act, 2008, having LLP Identification Number AAD-5083, with its registered office at 143, A-Wing, Mittal Court, 224, Nariman Point, Mumbai, Maharashtra,

India- 400021. This Petition is filed through its Designated Partner Mr. Vishal Dilip Udani, who has been authorised by partner resolution dated 15.09.2021 annexed with the Petition as Exhibit-A.

4. On perusal of Part-II of the Form-1 reveals that the Corporate Debtor is Dharmadev Infrastructure Limited having CIN No. U45200GJ2005PLC046616, a public limited company incorporated on 16.08.2005 under the Companies Act, 1956. The Corporate Debtor is having its registered office at "Dharmadev House", Shyamal Cross Road, Satellite, Sola, Ahmedabad, Gujarat, India- 380015, with authorised share capital of Rs. 7,67,00,000/- and paid-up share capital of Rs. 7,66,00,000/-, as per the Master Data available on the website of the Ministry of Corporate Affairs annexed with the Petition as Exhibit-B.
5. On perusal of Part-III of the Form-1 reveals that the Financial Creditor has named **Mr. Rajendra D. Puranik** having Registration No. IBBI/IPA-001/IP-P02029/2020-2021/13149, having address C-601, Dindoshi Onkar CHS Ltd., Shivdham Complex, Off Gen A.K. Vaidya Marg, Opp. Fire Brigade, Malad East, Mumbai - 400097 (e-mail:

rdpuranik@gmail.com) under Section 13(1)(c) of the Code to act as Interim Resolution Professional. He has filed his written communication in Form-2 dated 16.10.2025, which are annexed with the Petition at page 59-60 as per Rule 9(1) of the Insolvency and Bankruptcy (AAA) Rules, 2016. The AFA of the proposed IRP is valid up to 31.12.2026 as per MCA website.

6. On perusal of Part-IV of the Form-1 reveals that the total Financial Debt as claimed by the Financial Creditor is Rs. 20,97,43,678/- consisting of Rs. 4,00,00,000/- towards principal and Rs. 16,97,43,678/- towards interest calculated at the contractual rate up to 31.03.2025. The date of default is stated to be 01.02.2025.
7. On perusal of Part-IV and Part-V of the Form-1 reveals that the Financial Creditor has placed the facts through this Petition in the following manner: -
 - 7.1 The Financial Creditor advanced a financial loan of Rs. 4,00,00,000/- to the Corporate Debtor on 22.06.2017 under a Loan Agreement, carrying interest at the rate of 18% per annum compounded quarterly. It was categorically agreed that the loan would be repaid on or before 31.12.2017 and in case of any default would

attract a penalty of 30% p.a. on the amount in default which constitutes a financial debt under Section 5(8) of the Insolvency and Bankruptcy Code, 2016.

- 7.2 The said loan was secured by personal guarantees executed by Mr. Umang Thakkar and Ms. Kanaklataben Thakkar on 22.06.2017, whereby the guarantors undertook joint and several liability for repayment of the financial debt and the said document is annexed as Annexure: Exhibit D.
- 7.3 To secure the financial debt, an Indenture of Mortgage dated 22.06.2017 was executed and registered, mortgaging 26 shops admeasuring approximately 12,425 sq. ft. situated at Swaminarayan Business Park, Narol, Ahmedabad, owned by Neelkanth (Narol) Co-operative Shops and Offices Society Ltd. and the said document is annexed as Annexure: Exhibit E.
- 7.4 The loan was further renewed and secured by execution of an additional Indenture of Mortgage dated 14.09.2020 in respect of land admeasuring 3716.13 sq. mtrs. along with a bungalow situated at Ahmedabad Cantonment Area, and the said document is annexed as Annexure: Exhibit G.
- 7.5 As part of renewal and security for the continuing financial debt, an Indenture of Mortgage dated 14.09.2020 was executed and registered, mortgaging land admeasuring 3716.13 sq. mtrs. along with a bungalow situated at Shahibaug, Ahmedabad, with

repayment agreed on or before 14.09.2021 and the said document is annexed as Annexure: Exhibit F.

- 7.6 However, the Corporate Debtor committed default in repayment of renewed loan by 14.09.2021. The Corporate Debtor made only part payments of Rs. 15,00,000 on 21.07.2021 and Rs. 5,00,000 on 18.10.2021, which were insufficient to discharge the outstanding financial liability, resulting in continuation of default of the financial debt.
- 7.7 Due to continued default, the Financial Creditor issued statutory notices dated 17.09.2021 to the Corporate Debtor and related entities asserting its mortgage rights, and the said notices and reply dated 08.10.2021 are annexed
- 7.8 Due to continued default, the Financial Creditor issued statutory notices dated 17.09.2021 to the Corporate Debtor and its directors' demanding payment of Rs. 7,51,02,241 due as on 31.08.2021 and invoking arbitration under the Loan Agreement dated 22.06.2017. The said notices and reply dated 08.10.2021 are annexed as Annexure: Exhibit H & I.
- 7.9 The Financial Creditor initiated proceedings under the Arbitration and Conciliation Act, 1996, wherein the Hon'ble High Court of Bombay passed an order dated 20.03.2023 directing status quo, and arbitration proceedings thereafter continued. The said order is annexed as Annexure: Exhibit K.

- 7.10 During pendency of the dispute, Consent Terms dated 25.09.2024 were executed between the parties, whereby the Corporate Debtor admitted its financial liability and agreed to pay a settled sum of Rs. 7,67,00,000/- in a time-bound manner, thereby reaffirming the subsisting liability against outstanding dues of Rs. 13,59,57,991/- along-with interest @ 30% per annum from 30.09.2023 till date of payment /realization. The said Consent Terms are annexed as Annexure: Exhibit L.
- 7.11 In furtherance of the said Consent Terms dated 25.09.2024 and acknowledgment of debt, the Corporate Debtor issued five post-dated cheques towards discharge of its liability of settled amount Rs.7,67,00,000/-, which were dishonoured on various dates between 24.10.2024 and 01.02.2025, and the cheques and return memos are annexed as Annexure: Exhibit M and Exhibit O to S, evidencing failure to honour the admitted liability.
- 7.12 Thereafter, the Financial Creditor issued statutory demand notices dated 21.11.2024, 16.12.2024 and 12.02.2025 to the Corporate Debtor upon dishonour of the cheques, But the Corporate Debtor failed to make payment or dispute the financial debt which are annexed as Annexure: Exhibit-T
- 7.13 Thereafter, an Arbitral Award dated 12.03.2025 was passed under Section 30(2) of the Arbitration and Conciliation Act, 1996, giving finality to the Consent

Terms and recording admission of the financial debt by the Corporate Debtor. The same is annexed as Annexure: Exhibit N.

- 7.14 The Financial Creditor also filed Record of Financial Information in Form-C on 08.09.2025 and Record of Default in **Form-D** with NeSL, wherein the date of default is recorded as 01.02.2025 for an amount of Rs. 20,97,43,678/-, and the same are annexed as **Annexure – A** and **Annexure – B**.
- 7.15 In view of the default clause under the Consent Terms, the outstanding financial debt payable by the Corporate Debtor stood at Rs. 20,97,43,678 as on 31.03.2025, together with contractual interest at 30% per annum thereafter.
- 7.16 The Financial Creditor has relied upon the principle laid down by the Hon'ble Supreme Court in ***Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407***, holding that once financial debt and default are established, the Adjudicating Authority is bound to admit the application under Section 7 of the Code.
- 7.17 In view of the above narrated facts, the Financial Creditor has sought initiation of Corporate Insolvency Resolution Process against the Corporate Debtor under Section 7 of the Insolvency and Bankruptcy Code, 2016, appointment of an Interim Resolution Professional, and all consequential reliefs as prayed for in the Company Petition.

8. The Financial Creditor has relied upon the following documents, which are as under: -

- (a) Loan Agreement dated 22.06.2017 as Exhibit-C.
- (b) Personal Guarantee Deeds executed by the promoters of the Corporate Debtor as Exhibit-D.
- (c) Registered Indenture of Mortgage dated 22.06.2017 as Exhibit-E.
- (d) Registered Indenture of Mortgage dated 14.09.2020 as Exhibit-F.
- (e) Statement of Account evidencing disbursement and outstanding dues.
- (f) Consent Terms dated 25.09.2024 executed between the parties as Exhibit-L.
- (g) Copies of Cheques Issued by the Corporate Debtor as Exhibit-M.
- (h) Arbitral Award passed in favour of the Financial Creditor dated 12.03.2025 as Exhibit-N.
- (i) Dishonoured cheques and bank return memos dated 23.10.2024 and 01.02.2025 as Exhibit-O to S.
- (j) Copy of Notice issued by the Financial Creditor to the Corporate Debtor as Exhibit-T.
- (k) Record of Default along with Form-C and **Form-D** issued by Information Utility

9. That on issuance of the notice in the Petition, the Corporate Debtor has appeared and filed its reply on 15.12.2025 vide inward diary no. D8537 denying various averments made in the Petition. The contentions of the Corporate Debtor are mentioned hereunder: -

- 9.1 The Corporate Debtor has contended that the Petition filed under Section 7 of the IBC, 2016 is not maintainable as the same is alleged to be a recovery proceeding arising out of contractual disputes and arbitral proceedings.
- 9.2 The Respondent contends that the petition is fundamentally defective for non-compliance with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 read with IBBI Circular dated 29.10.2020, as the Petitioner failed to lodge Form 1A and failed to place on record any proof of service upon the IBBI.
- 9.3 The Respondent denies the allegation that any financial debt of Rs.20.97 crores was ever disbursed to the Corporate Debtor. It is submitted that no such disbursement was made at any point of time and the Financial Creditor is put to strict proof thereof.
- 9.4 The petition suffers from inherent contradictions as it pleads multiple alleged dates of default, namely 31.12.2017, 14.09.2021, and 01.02.2025, which is impermissible under Section 7 of the Code. The Respondent submits that there can be only one date of default, and the shifting stand of the Financial Creditor renders the petition unsustainable.
- 9.5 It is submitted that the Loan Agreement dated 22.06.2017 does not stipulate 01.02.2025 as a repayment date. No disbursement was made under any

agreement subsequent to 22.06.2017. Therefore, the present petition is admittedly not founded on the said loan agreement.

- 9.6 The Respondent submits that the first alleged default occurred on 31.12.2017, pursuant to which no insolvency proceedings were initiated. Having failed to act on the first alleged default, the Financial Creditor cannot now rely on later dates to revive limitation.
- 9.7 The present petition is based on Consent Terms dated 25.09.2024, under which no money was borrowed nor any disbursement made against consideration for the time value of money, as required under Section 5(8) of the Code. The obligation under the Consent Terms is merely to “pay” a sum of ₹13,59,57,991/-, which cannot be equated with repayment of a loan.
- 9.8 The Respondent submits that the Consent Terms lack the essential ingredients of a financial debt, namely disbursement and consideration for time value of money. The conscious use of the term “pay” instead of “repay” in Clause 8 of the Consent Terms demonstrates that the obligation is not repayment of a financial debt.
- 9.9 Without prejudice, it is submitted that even if the Consent Terms are construed as creating liability, such liability is joint and collective upon all respondents therein, including individuals and a society, and not solely upon the Corporate Debtor. The Code does not

permit a single insolvency petition against multiple respondents.

9.10 Clause 9 of the Consent Terms expressly preserves the right of the Claimant to pursue civil and criminal remedies for recovery. This demonstrates that the Consent Terms are in the nature of a recovery arrangement, whereas the Insolvency and Bankruptcy Code is not a recovery mechanism.

9.11 The Consent Terms contemplate multiple contingencies of default, including dishonour of post-dated cheques on several dates. The Financial Creditor has no prerogative to unilaterally choose one date as the date of default. Such uncertainty strikes at the root of a petition under Section 7 of the Code.

9.12 The alleged date of default relied upon in the petition is 01.02.2025, which precedes the Arbitral Award dated 12.03.2025. Therefore, the petition cannot be sustained on the basis of the said arbitral award.

9.13 In view of the procedural defects, absence of financial debt, bar of limitation, uncertainty of default, and misuse of the Code as a recovery tool, the Respondent submits that the petition deserves to be dismissed with cost.

10. The Financial Creditor has also filed a rejoinder on 31.12.2025 vide inward diary no. D8809, denying most

contentions raised by the Corporate Debtor in its reply. The contents of the Rejoinder are reproduced as follows: -

- 10.1 The Financial Creditor has denied each and every averment made in the Reply of the Respondent/Corporate Debtor except those specifically admitted, and has stated that the Reply does not dispute the existence of Financial Debt or the execution of loan, security, consent terms and issuance of cheques, which are admitted on record.
- 10.2 The Financial Creditor submitted that for admission of a petition under Section 7 of the Code, the Adjudicating Authority is required to examine only the existence of financial debt and occurrence of default, both of which stand established through documentary evidence.
- 10.3 The Financial Creditor relied upon the Loan Agreement dated 22.06.2017, subsequent mortgage deeds, Consent Terms dated 25.09.2024, and the Arbitral Award dated 12.03.2025 to establish admitted liability and crystallisation of debt.
- 10.4 It is submitted that the objections raised by the Corporate Debtor regarding limitation, multiple dates of default, and nature of Consent Terms are untenable, as the liability is admitted and default occurred upon dishonour of cheques issued under the Consent Terms.

- 10.5 The Financial Creditor stated that pursuant to the Consent Terms, cheques were issued towards discharge of liability, all of which were dishonoured, and the last cheque dated 25.01.2025 was dishonoured on 01.02.2025, constituting the operative date of default.
- 10.6 It is submitted that the outstanding financial debt of Rs. 20,97,43,678 remains unpaid as on 31.03.2025 and is admitted by the Corporate Debtor through the Consent Terms and the Arbitral Award.
- 10.7 The Financial Creditor denied the contention that the Consent Terms are in the nature of recovery and submitted that the Consent Terms only record the manner of repayment of the original financial debt arising from the Loan Agreement.
- 10.8 It is submitted that the plea of joint liability raised by the Corporate Debtor is misconceived, as the Corporate Debtor is the principal borrower and remains liable for the entire debt irrespective of liabilities of guarantors or other entities.
- 10.9 The Financial Creditor stated that the loan was disbursed against consideration for time value of money with agreed interest and penal interest, and therefore the debt squarely falls within the definition of financial debt under Section 5(8) of the Code.
- 10.10 It is further submitted that the Financial Creditor has complied with procedural requirements under the

Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, and Form 1A acknowledged by the Insolvency and Bankruptcy Board of India has been annexed as **Annexure R1**.

10.11 In view of the above narrated facts, the Financial Creditor has sought admission of the petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 and initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.

11. Summary of Facts as placed through I.A. No. 45/AHM/2026, filed by the Corporate Debtor are as under: -

11.1 The Corporate Debtor through its director Kanaklataben Umangkumar Thakkar (DIN No.01684100) filed I.A. No. 45/AHM/2026 on 07.01.2026 under Sections 60(5) and 65 of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the of the NCLT Rules, 2016 in CP (IB) No. 417/7/AHM/2025 seeking dismissal of the Company Petition filed under Section 7 of the Code.

11.2 The Corporate Debtor has stated that the Financial Creditor has initiated the Company Petition with the object of recovery of money and not for resolution of insolvency, and therefore the proceedings are alleged to be outside the scope and intent of the Insolvency and Bankruptcy Code, 2016.

- 11.3 It is contended by the Corporate Debtor that the Financial Creditor had already invoked arbitration proceedings and obtained an arbitral award, and thereafter entered into Consent Terms dated 25.09.2024, and hence initiation of insolvency proceedings is stated to be impermissible for the same cause of action.
- 11.4 The Corporate Debtor has alleged that the Financial Creditor has misused the provisions of the Code by filing the Company Petition despite availability of alternate remedies for enforcement of the arbitral award and consent terms, and that the insolvency mechanism is being invoked as a substitute for execution proceedings.
- 11.5 The Corporate Debtor has further stated that the claim amount mentioned in the Company Petition is disputed and that the computation of Rs. 20,97,43,678/- is not admitted by the Corporate Debtor, contending that interest and other components have been wrongly calculated.
- 11.6 It is contended that the date of default as stated by the Financial Creditor is incorrect, and according to the Corporate Debtor the alleged default pertains to an earlier period, and therefore the Company Petition is claimed to be barred by limitation.
- 11.7 The Corporate Debtor has also raised contentions regarding the securities relied upon by the Financial

Creditor and has stated that certain mortgaged properties belong to associate entities and third parties, and that the Corporate Debtor is not the owner of such properties.

11.8 The Corporate Debtor has alleged suppression of material facts by the Financial Creditor in relation to other lenders, alleged multiple charges, and alleged prior encumbrances over the secured properties, and has stated that full disclosure has not been made in the Company Petition.

11.9 The Corporate Debtor has specifically invoked Section 65 of the Insolvency and Bankruptcy Code, 2016 and has alleged that the Company Petition has been filed with malicious intent and for purposes other than resolution of insolvency, and therefore seeks imposition of costs and dismissal of the Company Petition.

11.10 On the basis of the aforesaid contentions, the Corporate Debtor has prayed for allowing I.A. No. 45 of 2026, dismissal of Company Petition (IB) No. 417 of 2025 filed under Section 7 of the Insolvency and Bankruptcy Code, 2016, and for such other reliefs as deemed fit in accordance with law.

12. Summary of Facts as placed in the Reply of the Financial Creditor to I.A. No. 45/AHM/2026 are as under: -

- 12.1 The Financial Creditor has filed its Reply to I.A. No. 45 of 2026 on 28.01.2026 opposing the application filed by the Corporate Debtor under Sections 60(5) and 65 of the Insolvency and Bankruptcy Code, 2016 and seeking dismissal of the said I.A.
- 12.2 The Financial Creditor has stated that the allegations made in I.A. No. 45 of 2026 are denied in entirety except those specifically admitted, and it is asserted that the application is misconceived as the existence of Financial Debt and occurrence of default are not disputed.
- 12.3 It is stated that the Company Petition under Section 7 of the Code has been filed strictly in accordance with law after repeated defaults by the Corporate Debtor, and the Petition is based on a subsisting Financial Debt arising out of the Loan Agreement dated 22.06.2017.
- 12.4 The Financial Creditor has submitted that invocation of arbitration proceedings, passing of an arbitral award, and execution of Consent Terms dated 25.09.2024 do not bar initiation of insolvency proceedings under Section 7 of the Code once debt and default are established.
- 12.5 It is stated that the Corporate Debtor has acknowledged its liability through execution of Consent Terms dated 25.09.2024 and issuance of cheques thereafter, and dishonour of such cheques on

23.10.2024 and 01.02.2025 constitutes clear and fresh default.

- 12.6 The Financial Creditor has denied the plea of limitation raised by the Corporate Debtor and has stated that the date of default is 01.02.2025 as reflected in the Record of Default authenticated by the Information Utility, and the Company Petition has been filed within limitation.
- 12.7 It is submitted that the computation of the outstanding amount of Rs. 20,97,43,678/- is in accordance with contractual terms and is supported by Statement of Account and Information Utility records, and the same cannot be disputed at the admission stage.
- 12.8 The Financial Creditor has denied allegations relating to misuse of the Code and has stated that the Petition has not been filed with any malicious intent, but only after continuous non-payment, failed settlement attempts and dishonour of cheques by the Corporate Debtor.
- 12.9 It is specifically stated that Section 65 of the Insolvency and Bankruptcy Code, 2016 is not attracted as the Corporate Debtor has failed to demonstrate any malicious intent or fraudulent purpose on the part of the Financial Creditor in initiating the insolvency proceedings.
- 12.10 The Financial Creditor has prayed for dismissal of I.A. No. 45 of 2026 and for continuation of Company Petition (IB) No. 417 of 2025 under Section 7 of the

Insolvency and Bankruptcy Code, 2016 in accordance with law.

13. The Financial Creditor filed written submissions on 30.01.2026 vide inward diary no. D-758. The submissions and judgments relied on by the Financial Creditor are as follows: -

13.1 The Financial Creditor submitted written submissions dated 27.01.2026 narrating the complete factual background of the loan transaction, acknowledgments, defaults, and subsequent proceedings, to demonstrate that the petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 is maintainable and within limitation

13.2 It is submitted that pursuant to the Loan Agreement dated 22.06.2017, the Financial Creditor disbursed Rs. 4,00,00,000 to the Corporate Debtor against consideration for time value of money, and personal guarantees and registered mortgage deeds were executed as security.

13.3 The Corporate Debtor acknowledged its liability through a registered Mortgage Deed dated 14.09.2020, wherein the repayment period was extended, and part payments were made thereafter, which constituted acknowledgment of debt within the meaning of law.

13.4 It is further submitted that disputes were referred to arbitration, and the parties entered into Consent

Terms dated 25.09.2024, wherein the Corporate Debtor admitted the claim amount and agreed to a settlement schedule, including issuance of cheques.

- 13.5 The cheques issued under the Consent Terms were dishonoured on multiple dates, with the last cheque dated 25.01.2025 being dishonoured on 01.02.2025, which has been taken as the date of default for the present proceedings.
- 13.6 In ***Innoventive Industries Ltd. v. ICICI Bank (2018) 1 SCC 407***: Hon'ble Supreme Court held that NCLT's role under S.7 is limited to ascertaining debt and default; if established, admission is mandatory. No deep inquiry into disputes.
- 13.7 Reliance is placed on ***Dena Bank (now Bank of Baroda) v. C. Shivakumar Reddy & Anr., (2021) 10 SCC 330***, wherein para 141 it was held that a judgment, decree, recovery certificate, or arbitral award for payment of money constitutes acknowledgment of debt and gives rise to a fresh cause of action under Section 7 of the IBC & extends limitation under S.18 Limitation Act.
- 13.8 The Financial Creditor also relied upon ***Edelweiss Asset Reconstruction Company Ltd. v. Perfect Engine Components Pvt. Ltd., (2022) ibclaw.in 1065 NCLAT*** wherein held that a Consent terms/decreed/award/acknowledgments extend

limitation; multiple defaults possible; date of default not strictly NPA date but flexible based on events.

- 13.9 Reliance is also placed on ***Shilpi Asthana v. IndusInd Bank Ltd. & Anr., Company Appeal (AT) (Ins.) No. 274 of 2023*** wherein Hon'ble NCLAT held that Multiple dates of default permissible; cheque dishonour/non-payment of instalments constitute continuing defaults, resetting limitation.
- 13.10 In ***SIDBI v. Sambandh Finserve Pvt. Ltd. Comp. App. (AT) (Ins.) No. 784/2023***, wherein Hon'ble NCLAT held that breach of settlement/instalment payments are continuing defaults; fresh cause from latest event.
- 13.11 The Hon'ble NCLAT in the case of ***Priyal Kantilal v. IREP Credit Capital Pvt. Ltd. & Anr., (2023) ibclaw.in 86*** NCLAT reasserted that a breach of Settlement/Consent Terms does not wipe out or transform the nature of Financial Debt. In these circumstances, the Financial Creditor was fully entitled to initiating Insolvency Proceedings before the Hon'ble Adjudicating Authority.
- 13.12 The Financial Creditor submitted that the alleged lack of tangible assets is no ground to terminate or dismiss the petition. Relying on NCLAT Judgment of ***Amrit Rajani v. Pegasus Assets Reconstruction, Comp. App. (AT) (Ins) No. 476 of 2022*** decided on 23.01.2025 the Financial Creditor states that even if assets are minimal, the Committee of Creditors (CoC)

may ultimately decide to liquidate the Corporate Debtor.

13.13 The Financial Creditor further relied upon judgment of **Getz Cables Private Limited Vs. State Bank of India and Anr.** in Comp. App. (AT) (Ins.) No. 1953/2024 wherein NCLAT held that filing petition U/s 10 after SARFAESI not per se malicious under S.65; requires proof of fraud.

13.14 The Financial Creditor further relied upon judgment of **Monotrone Leasing Pvt. Ltd. v. PM Cold Storage Pvt. Ltd. Comp. App. (AT) (Ins.) No. 99/2020** wherein NCLAT held that Default must be established via concrete evidence like RoD; limited AA inquiry.

13.15 It is submitted that the arbitral award dated 12.03.2025 passed on the basis of the Consent Terms constitutes a financial debt under Section 5(8) of the IBC, and the unpaid amount thereunder is due and payable by the Corporate Debtor.

13.16 In view of the above narrated facts and settled legal position, the Financial Creditor has sought admission of the petition under Section 7 of the IBC and initiation of the Corporate Insolvency Resolution Process against the Corporate Debtor in accordance with law.

14. The Corporate Debtor filed written submissions on 06.02.2026 vide diary no. 1118, the submissions and

judgments relied on by the Corporate Debtor are as follows:

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- 14.1 The Corporate Debtor submits that no financial debt of Rs. 20,97,00,000 was ever granted or disbursed by the Financial Creditor. It is stated that no amount was transferred at any point of time. The Financial Creditor has been put to strict proof of any alleged disbursement. The petition is stated to be based on incorrect facts.
- 14.2 It is submitted that the petition mentions multiple dates of default namely 31.12.2017, 14.09.2021, and 01.02.2025. The Corporate Debtor states that the Loan Agreement dated 22.06.2017 does not provide for repayment on 01.02.2025. It is contended that there can be only one date of default under the IBC.
- 14.3 The Corporate Debtor submits that no insolvency proceedings were initiated after the first alleged default of 31.12.2017. It is stated that the claim has become barred by limitation. It is further submitted that fresh dates of default cannot be created after limitation has expired.
- 14.4 It is submitted that the present petition is not based on the Loan Agreement dated 22.06.2017. No disbursement took place under any agreement after the said date. The Corporate Debtor contends that the foundation of the petition is not the loan transaction.

- 14.5 The Corporate Debtor submits that the petition is founded on Consent Terms dated 25.09.2024. It is stated that the Consent Terms do not involve any disbursement of money. The obligation recorded is only to pay a settled amount of Rs. 13,59,57,991.
- 14.6 It is submitted that the Consent Terms do not constitute financial debt under Section 5(8) of the IBC. There is no borrowing against time value of money. The language used is “liable to pay” and not “repay”, showing that the obligation is not repayment of a loan.
- 14.7 Reliance is placed on ***Trafigura India Pvt. Ltd. v. TDT Copper Ltd., 2022 SCC OnLine NCLAT 3885***, wherein it was held that default of instalments under a settlement agreement does not constitute debt under the IBC and cannot be the basis for insolvency proceedings.
- 14.8 Reliance is also placed on ***Ahluwalia Contracts (India) Ltd. v. Logix Infratech Pvt. Ltd., 2022 SCC OnLine NCLT 169***, wherein it was held that breach of settlement agreements does not give rise to operational debt under the IBC.
- 14.9 Further reliance is placed on ***Rajgreen Building Solutions Pvt. Ltd. v. Rajgreen Amusement Park Pvt. Ltd.***, CP (IB) 202/AHM/2023 (NCLT Ahmedabad), wherein it was held that settlement agreements are recovery arrangements and cannot be enforced under the IBC.
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- 14.10 The Corporate Debtor submits that liability under the Consent Terms is joint and not several. Clause 8 refers to “Respondents” collectively. It is stated that the Corporate Debtor alone cannot be proceeded against under the IBC
- 14.11 Reliance is placed on **IDBI Bank Ltd. v. Manoj Gaur, IB-29(PB)/2022**, affirmed in **Rakshit Dhirajlal Doshi v. IDBI Bank Ltd.**, Company Appeal (AT) (Ins.) No. 658 of 2022, wherein it was held that where obligations are collective, proceedings cannot be initiated against a single alone.
- 14.12 Reliance is placed on **HPCL Bio-Fuels Ltd. v. Shahji Bhanudas Bhad Civil Appeal No. 12233/2024 (2024) ibclaw.in 288 SC** in para 99, 100,101 & 102 considered “Swiss Ribbons Pvt. Ltd.”, “Pioneer Urban Land & Infrastructure Ltd.” “Hindustan Construction Co. Ltd” and “Jaypee Kensington” wherein it was held that the IBC is meant for resolution and revival, not recovery and IBC cannot be used for recovery of dues-malicious use attracts S.65 penalty.
- 14.13 Reliance is also placed on **Beacon Trusteeship Ltd. v. Earthcon Infracon Pvt. Ltd. Civil Appeal No. 7641/2019**, wherein Hon’ble Supreme Court has held that if S.65 allegation raised, AA must inquire in accordance with law; malice/fraud must be apparent from record.

- 14.14 Reliance is also placed on ***Om Logistics Ltd. v. Ryder India Pvt. Ltd.*** IA 2028/2020 in CP(IB) 1742/2019 (NCLT Delhi)) wherein Terminated CIRP due to sole CoC member's non-cooperation/no viable resolution, did not take any steps to move the CIRP forward, and leaves the process completely stalled.
- 14.15 Reliance is also placed on ***Ravindra Kumar Goyal v. Gopa Trading Co.*** IA 1316/2024 with IA 643/2025 in CP(IB) 251/2022 (NCLT Ahmedabad) was pleased to terminate the CIRP process using inherent powers under Rule 11 NCLT Rules where no progress/viability.
- 14.16 In view of the above narrated facts, the Corporate Debtor has sought dismissal of the Section 7 petition as not maintainable, barred by limitation, lacking existence of financial debt, suffering from uncertainty of default, and being a recovery proceeding.
- 15.** We have heard Ld. Counsel for the Financial Creditor, Ld. Counsel for the Corporate Debtor, and considered the submissions of both parties and perused the material on record. The observations of the Tribunal are as under: -
- 15.1 The Company Petition was filed on 17.10.2025 on the basis of a Loan Agreement dated 22.06.2017 whereby Rs. 4,00,00,000/- was disbursed to the Corporate Debtor against consideration for time value of money, supported by security documents, guarantees, statements of account, pursis with Record of Default,

replies, rejoinder and written submissions filed by both sides.

- 15.2 The material on record establishes execution of registered Indentures of Mortgage dated 22.06.2017 and 14.09.2020, furnishing of personal guarantees, and part payments of Rs. 15,00,000 on 21.07.2021 and Rs. 5,00,000 on 18.10.2021, thereby confirming subsistence of Financial Debt and continuing obligation of the Corporate Debtor towards repayment.
- 15.3 The record further shows that arbitral proceedings were initiated, resulting in Consent Terms dated 25.09.2024 and the arbitral award dated 12.03.2025 wherein the Corporate Debtor acknowledged its outstanding liability and agreed to discharge the same in a stipulated manner.
- 15.4 In ***Dena Bank v. C. Shivakumar Reddy, (2021) 10 SCC 330***, Hon'ble Supreme Court has held that acknowledgment of debt through settlement documents and subsequent events can give rise to a fresh cause of action, and default may occur on a later date for the purpose of limitation, which principle squarely applies to consent terms dated 25.09.2024 and default dated 01.02.2025. As reaffirmed in ***Asset Reconstruction Co. (India) Ltd. v. Bishal Jaiswal (2021) 6 SCC 366***, where SC held balance sheets/OTS as valid acknowledgments under S.18

- 15.5 Cheques issued pursuant to the Consent Terms were dishonoured on 23.10.2024 and again on 01.02.2025. The Information Utility has issued **Form-D** being Record of Default (RoD) with status of the default as “**Deemed to be Authenticated**” with date of default as 01.02.2025 and outstanding amount of Rs.20,97,43,678/-, which has not been displaced by any contrary material. **NeSL** Certificates stand as concrete manifestations of default, providing a clear and indisputable record of the debtor’s failure to meet its financial obligations. Accordingly, the Financial Creditor satisfies the requirement of the Section 7(3)(a) of the code.
- 15.6 The objection raised by the Corporate Debtor regarding non-compliance with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and the IBBI Circular dated 29.10.2020 is untenable, as the Financial Creditor has placed on record Form-1A duly acknowledged by the Insolvency and Bankruptcy Board of India. This satisfies the mandatory pre-filing requirement under Rule 4(1) AAA Rules.
- 15.7 Hon’ble NCLAT, in ***Milind Kashiram Jadhav v. State Bank of India and Anr., (2024) ibclaw.in 273*** **NCLAT** has also upheld the evidentiary value of the Record of Default (“**RoD**”) generated from the Information Utility in **Form-D**, for the purpose of establishing occurrence of default under Section 7 of

the Code. The relevant extract of the said judgment is reproduced herein below: -

*"73. Furthermore, the Bank has diligently presented evidence of default through NESL Certificates, submitting them before the National Company Law Tribunal (NCLT) along with comprehensive Written Arguments dated 09.03.2023. **NESL Certificates stand as concrete manifestations of default, providing a clear and indisputable record of the debtor's failure to meet its financial obligations.** Section 7(3)(a) states that "the Financial Creditor shall, along with the application furnish – (a) record of the default recorded with the information utility or such other record or evidence of default as may be specified;" and **in this case record of default with the information utility was filed and is on record. In such a case there is no relevance of other documents as claimed by the Appellant and Admission cannot be disallowed on this ground.**"*

(Emphasis Supplied)

15.8 The Consent Terms dated 25.09.2024 and the arbitral award dated 12.03.2025 do not create a new liability but reaffirm and crystallize an existing financial debt arising from disbursement against time value of money under the Loan Agreement dated 22.06.2017. Such acknowledgment and adjudication do not alter the character of the debt as held by Supreme Court in ***Laxmi Pat Surana v. Union Bank of India (2021) 8 SCC 481***, where guarantor's acknowledgment extends limitation for principal debtor.

15.9 The arbitral award dated 12.03.2025 is a final adjudication directing payment of money. As held by the Hon'ble Supreme Court and the Hon'ble NCLAT,

such adjudication reaffirms and crystallises the pre-existing financial debt arising from disbursement against time value of money and provides a fresh cause of action under Section 7 of the Code.

15.10 The contention regarding multiple dates of default is misconceived. Earlier contractual defaults on 31.12.2017 and 14.09.2021 are relevant only as historical facts. It has been a continuing default and part payments, consent terms and arbitral award resulted into acceptance of debt and leading to a fresh cause of action because the original loan account increased to Rs.20,97,43,678/- due to charging of interest provided in the loan agreement. The operative date of default for the purpose of Section 7 of the Code is 01.02.2025, being the date of dishonour of the last cheque issued pursuant to the Consent Terms and duly recorded in the Information Utility **Form-D** The Petition having been filed on 17.10.2025 is well within limitation.

15.11 The argument that consent terms or arbitral award do not constitute financial debt is not acceptable, as the underlying debt arises from disbursement against time value of money and continues through acknowledgment and adjudication which qualifies under S.5(8); per **Priyal Kantilal (supra)**. The reliance on **Trafigura India Pvt. Ltd.** is misplaced as the said case involved **no** underlying disbursement against time value of money, whereas in the present case the

financial debt originates from a loan disbursed under a loan agreement dated 22.06.2017.

15.12 The Corporate Debtor also opposed the Petition by contending that the proceedings are in the nature of recovery, that arbitration and consent terms bar insolvency proceedings, that the claim is disputed and barred by limitation, and that the Petition is filed with malicious intent, and on these grounds filed I.A. No. 45 of 2026 invoking Section 65 of the Code.

15.13 The plea under Section 65 of the Code requires proof of fraudulent or malicious intent. Pendency of arbitration or execution proceedings does not by itself establish abuse of the insolvency process. Mere alternate remedies don't bar S.7, per **Sesh Nath Singh v. Baidyabati Sheoraphuli Coop. Bank Ltd. (2021) 7 SCC 313.**

15.14 The Financial Creditor, by reply and rejoinder, denied all objections and placed reliance on loan documents, acknowledgments, consent terms, dishonoured cheques and Information Utility records to submit that the jurisdiction of this Adjudicating Authority under Section 7 is confined to determination of existence of Financial Debt and occurrence of default.

15.15 In **Beacon Trusteeship Limited v. Earthcon Infracon Private Limited, Civil Appeal No. 7641 of 2019**, the Hon'ble Supreme Court has held that abuse must be apparent from the record. In the present case,

the Corporate Debtor has failed to demonstrate that the petition is filed with a malicious intent.

15.16 The Adjudicating Authority, while considering a petition under Section 7, is only required to ascertain existence of financial debt and occurrence of default, and not to examine disputes relating to recovery or other remedies as held in **Innoventive Industries Limited v. ICICI Bank**, (2018) 1 SCC 407. The view taken in the case of **Innoventive Industries** has been followed by the Supreme Court in the case of **E S Krishnamurthy & Ors. Vs. M/s Bharath Hi Tech Builders Pvt. Ltd.** (2021) ibclaw.in 173 SC. as reaffirmed in **M. Suresh Kumar Reddy v. Canara Bank** (2023) 10 SCC 643, overruling Vidarbha Industries—admission mandatory if debt/default proved.

15.17 From the pleadings, annexures, and records placed on record, existence of financial debt, acknowledgment through Consent Terms dated 25.09.2024 and dishonour of cheques thereafter with default recorded on 01.02.2025 and the Petition filed on 17.10.2025, and default within limitation are established. The reliance of **Rajgreen Building v. Rajgreen Amusement** (2023) CP (IB) 202/AHM/2023 (NCLT Ahm): is not applicable as in the present case consent terms reaffirm original debt.

15.18 Further, **Ahluwalia Contracts v. Logix Infratech** (2022 SCC OnLine NCLT 169): is not applicable to case

of financial debt. Further, **Om Logistics v. Ryder India** (2020) IA 2028/2020 in CP(IB) 1742/2019 and **Ravindra Kumar Goyal v. Gopa Trading** (2024) IA 1316/2024 in CP(IB) 251/2022 are decision of post admission stage. Hence, are also inapplicable in present case which at pre-admission stage.

15.19 The decision of **IDBI Bank v. Manoj Gaur** (2022) IB-29(PB)/2022 wherein held that Joint/collective obligations can't initiate against single entity under IBC. is also not applicable in the present case as here Corporate Debtor itself is principal borrower.

15.20 The contention of the Corporate Debtor that invocation of arbitration or execution of consent terms bars insolvency proceedings is not sustainable, as the Code permits initiation of CIRP upon proof of debt and default notwithstanding availability or invocation of other remedies, and disputes as to computation or securities do not defeat admission under Section 7.

15.21 The dispute raised regarding computation of amount and security cannot be examined at the admission stage, as the same does not negate the existence of Financial Debt or default, which stand established on record.

15.22 In **Pioneer Urban Land and Infrastructure Ltd. v. Union of India, (2019) 8 SCC 416**, the Hon'ble Supreme Court has held that Section 65 of the Code is attracted only when proceedings are initiated

fraudulently or with malicious intent, which must be established by cogent material. In the present case, repeated defaults, acknowledgments, failed settlement and dishonour of cheques negate any allegation of malicious initiation.

15.23 In the present case, the sequence of repeated defaults, part payments, execution of Consent Terms, dishonour of cheques, and prolonged non-payment clearly demonstrate a genuine attempt by the Financial Creditor to recover dues prior to invocation of insolvency proceedings. Mere availability of alternate remedies or pendency of arbitration does not establish malicious intent under Section 65 of the Code.

15.24 Accordingly, the Company Petition CP (IB) No. 417/7/AHM/2025 satisfies the requirements of Section 7 of the Insolvency and Bankruptcy Code, 2016 read with the applicable Rules and Regulations.

15.25 However, Interlocutory Application I.A. No. 45 of 2026 filed through its director Kanaklataben Umangkumar Thakkar (DIN No.01684100) under Sections 60(5) and 65 of the Code, read with Rule 11 of the NCLT Rules, 2016 is misconceived as it lacks merit. As discussed in paras 15.11 to 15.23 above, the IA re-agitates contentions already rejected (e.g., limitation, nature of debt), amounting to abuse of process to delay the Section 7 proceedings. It is only a counterblast to the Section 7 Company Petition as no ingredient of fraudulent or malicious initiation of proceedings is

established and is liable to be dismissed with exemplary cost personally imposing on the Applicant-Director under Rule 11 of the NCLT Rules, 2016 to deter such dilatory tactics.

- 16.** In view of the foregoing discussion, this Adjudicating Authority is satisfied the Company Petition is complete in terms of Section 7 (5) of the Code. The Adjudicating Authority finds that the Financial Creditor has discharged its burden of proof under Section 7 of the Code by demonstrating the existence of a financial debt and default in payment of the financial debt by the Corporate Debtor. The outstanding financial debt is of more than rupees one crore, which meets the threshold limit as per section 4 of the Code and is well within the limitation for filing the present Petition, which is supported by comprehensive documentation.
- 17.** Hence, the Company Petition filed under section 7(2) of the Insolvency and Bankruptcy Code for initiation of corporate insolvency resolution process (CIRP) against the Respondent/Corporate Debtor deserves to be admitted.

18. Accordingly, in light of the above facts and circumstances, it is, **hereby ordered** as under: -

- (i) The Respondent/Corporate Debtor - **Dharmadev Infrastructure Limited** is **admitted** in the Corporate Insolvency Resolution Process (**CIRP**) under section 7 of the IBC, 2016.
- (ii) As a consequence thereof, a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the Code.
 - a. *The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;*
 - b. *Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;*
 - c. *Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
 - d. *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.*
 - e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor. The moratorium does not apply to*

transactions notified by the Central Government, as per Section 14(3)(a) of the IB Code, 2016.

- (iii) The order of moratorium under section 14 of the Code shall come to 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 the Corporate Debtor under Section 33 of the IBC 2016, as the case may be.
- (iv) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the Corporate Debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period.
- (v) As proposed by the Financial Creditor, we appoint **Mr. Rajendra D. Puranik** having Registration No. IBBI/IPA-001/IP-P02029/2020-2021/13149, having address C-601, Dindoshi Onkar CHS Ltd., Shivdham Complex, Off Gen A.K. Vaidya Marg, Opp. Fire Brigade, Malad East, Mumbai – 400097 (e-mail: rdpuranik@gmail.com) under section 13 (1)(c) of the Code to act as Interim Resolution Professional (**IRP**). He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.

- (vi) The IRP so appointed shall make a public announcement (e.g., newspapers, websites) under Regulation 6(2) of IBBI Regulations, 2016, of the initiation of the Corporate Insolvency Resolution Process and call for submissions of claims under section 15 within three days of appointment as per Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as required by Section 13(1)(b) of the Code.
- (vii) The IRP shall perform all his functions as contemplated, *inter-alia*, by sections 17, 18, 20 and 21 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. Where any personnel of the Corporate Debtor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.
- (viii) The IRP is expected to take full charge of the Corporate Debtor's assets and documents without any delay whatsoever within seven days of this order. He is also free to take police assistance in this regard, and this Tribunal hereby directs the Police Authorities to render

all assistance as may be required by the IRP in this regard.

- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Debtor company' and manage the operations of the Corporate Debtor company as a going concern as a part of the obligation imposed by section 20 of the Code.
- (x) The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority a periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (xi) We direct the Financial Creditor to pay IRP a sum of **Rs.5,00,000/- (Rupees Five Lakh Only)** in advance exclusive of applicable taxes, within 7 days from the date of this order to meet the initial costs of the CIRP, including issuing public notice and inviting claims, as per Regulation 33(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This amount shall be adjustable against the IRP's fees and expenses as approved by the Committee of Creditors (CoC) under Regulation 33(3), with any excess refundable to the Financial Creditor or shortfall recoverable from the Corporate Debtor's estate as CIRP costs.
- (xii) The Registry is directed to communicate this order to the Financial Creditor, Corporate Debtor, and to the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and

Bankruptcy Board of India after completion of necessary formalities, within seven working days, and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update the Corporate Debtor's Master Data on the MCA portal to reflect its status as 'under Corporate Insolvency Resolution Process' within 7 working days of receiving this order and submit a compliance report to the Registrar, NCLT, within 14 working days.

(xiii) The public announcement under Regulation 6(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be published in at least one English (national edition) and one vernacular newspaper with wide circulation in the state of the Corporate Debtor's registered office (Gujarat) and on the Corporate Debtor's website, if any, as per Form A of the said Regulations.

(xiv) The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

19. Accordingly, Company Petition **CP (IB) No.**

417/7/AHM/2025 is hereby ***admitted.***

20. However, for the foregoing reasons, **I.A. No. 45/AHM/2026** filed by the Corporate Debtor through its director

Kanaklataben Umangkumar Thakkar (DIN No.01684100) is dismissed with exemplary costs of **Rs. 2,00,000/- (Rupees Two Lakhs only)** under Rule 11 of the NCLT Rules, 2016, as the IA was filed by her as authorized signatory with evidencing intent to abuse process and delay proceedings.

- 21.** The costs shall be borne by the director Kanaklataben Umangkumar Thakkar (DIN No.01684100) and shall be deposited by her within 15 days to the “**Gujarat State Legal Services Authority**” and submit proof with **IRP/RP**. Non-compliance may invite further proceedings and shall attract contempt proceedings under Section 425 of the Companies Act, 2013.
- 22.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

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SANJEEV SHARMA
MEMBER (TECHNICAL)

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SHAMMI KHAN
MEMBER (JUDICIAL)