

**IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ**

CP (IB) NO.39/ALD/2024

*(Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016
R/w Rule 4 of the Insolvency and Bankruptcy Rules, 2016)*

IN THE MATTER OF:

M/S IIFL HOME FINANCE LIMITED

Having Its Registered Office At:

IIFL House, Sun Infotech Park,
Road No. 16V, Plot No. B-23, Thane Industrial Area
Wagle Estate, Thane, Maharashtra, India 400604

And Corporate Office At:

Plot No.98, Udyog Vihar,
Phase-IV, Sector-18, Gurugram,
Haryana-122016,

.....Financial Creditor

Versus

M/S GOODWILL IRON AND STEEL TRADERS PRIVATE LIMITED

Having Its Registered Office At:

323 FF B. S. Road Loha Mandi
Ghaziabad-201001

And Branch Office At:

42, Kaila Walan Delhi Gate,
Ghaziabad-201001
Email: goodwillironsteelpvtltd@gmail.com

.....Corporate Debtor

Order pronounced on: 09.06.2026

Coram:

Sh. Praveen Gupta : Member (Judicial)
Sh. Ashish Verma : Member (Technical)

-Sd-

CP (IB) NO.39/ALD/2024

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

-Sd-

Appearances:

Sh. Gulshan Kumar Sachdev, Adv. : For the Financial Creditor
Sh. Dhananjai Jain, Adv. : For the Corporate Debtor

ORDER

1. This Application has been filed on 11.05.2024 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the “***IBC/Code***”), by IIFL Home Finance Limited (hereinafter referred to as “***Applicant/Financial Creditor***”) seeking to initiate Corporate Insolvency Resolution Process (hereinafter referred to as “***CIRP***”) against M/s Goodwill Iron and Steel Traders Private Limited (hereinafter referred to as ‘***Respondent/Corporate Debtor***’).
2. In Part I of the Application, it is averred that Applicant/Financial Creditor is a company incorporated on 26.12.2006, having CIN U65993MH2006PLC166475.
3. Part II of the application contains the details of the Respondent/Corporate Debtor, and it is averred that the Respondent/Corporate Debtor was incorporated on 21.08.2012 under the Companies Act, 1956. The Registered office of the Respondent/Corporate Debtor is at 42, Kaila Walan Delhi Gate, Ghaziabad, Uttar Pradesh, India, 201001. Therefore, as per Section 60(1) of the Code, the present application is under the jurisdiction of this Tribunal.

-Sd-

CP (IB) NO.39/ALD/2024

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

-Sd-

4. In Part III of the application, the Applicant/Financial Creditor has proposed Mr Ruchir Batra having IBBI Registration No. IBBI/IPA-003/IP-ICAI-N00225/2019-2020/12626, to act as the Interim Resolution Professional.
5. In Part-IV of the Application, the Applicant/Financial Creditor stated that the amount in default is Rs. 1,13,13,587.36/- along with interest @10% w.e.f 25.01.2020 in light of the arbitral award dated 30.09.2021. The Date of Default is mentioned as 30.09.2021.
6. In Part V of the application, the following documents are referred to substantiate the debt disbursed to the Respondent/Corporate Debtor.
 - a) Loan Agreement dated 27.05.2016
 - b) Tri-partite agreement dated 31.05.2016
 - c) Arbitration Award dated 30.09.2021
 - d) Order dated 02.11.2020 passed by District Magistrate, Gurugram
 - e) Statement of accounts of the Respondent/Corporate Debtor.
 - f) Record of default dated 05.02.2024
7. It is submitted that the Respondent/Corporate Debtor, along with other borrowers, availed a loan facility for an amount of Rs. 1,06,58,000/- from the Applicant/Financial Creditor for purchase of the property bearing flat No. 1203, Tower-P0S, 12" Floor, Crescent Parc Green Parc II, Gurgaon-122001 and subsequently, a loan agreement dated 27.05.2016 was executed amongst the parties. The said loan facility was secured by creation of a mortgage over the aforesaid property.

-Sd-

CP (IB) NO.39/ALD/2024

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

-Sd-

8. Thereafter, a Tripartite Agreement dated 31.05.2016 was executed between the Applicant/Financial Creditor, the Respondent/Corporate Debtor, and the Builder namely M/s Ramprastha Sare Realty Private Limited, whereby the Builder undertook to pay the Pre-EMIs of the loan on behalf of the Respondent/Corporate Debtor during the subvention period. Pursuant to which the loan amount was duly disbursed. However, despite being obligated to repay the instalments in accordance with the agreed terms and conditions, the Respondent/Corporate Debtor failed to maintain financial discipline.
9. Due to persistent defaults, the Applicant/Financial Creditor issued several demand notices and reminders to the Respondent/Corporate Debtor; however, the outstanding dues remained unpaid. Consequently, the account of the Respondent/Corporate Debtor was classified as NPA on 03.02.2020. The Applicant/Financial Creditor initiated SARFAESI proceedings and issued a Section 13(2) notice of SARFAESI Act, 2002, dated 10.02.2020, which the Respondent/Corporate Debtor failed to comply with. Accordingly, the Applicant/Financial Creditor initiated a Section 14 application under the SARFAESI Act, 2002 and secured an order dated 02.11.2020 wherein the possession of the mortgaged property was granted. Despite the said order, the Applicant/Financial Creditor has not been able to undertake the possession of the mortgaged property to date.

-Sd-

-Sd-

10. In spite of the efforts made by the Applicant/Financial Creditor, the Respondent/Corporate Debtor failed to pay the outstanding dues, resulting in the invocation of the arbitration clause as mentioned under the loan agreement dated 27.05.2016. The Ld. Arbitrator passed an award dated 30.09.2021 wherein recovery of the outstanding dues along with 10% interest was awarded. Further recovery of the cost of litigation, as well as to take appropriate legal action/proceedings to enforce/sell the mortgaged property, was also awarded.
11. The Applicant/Financial Creditor avers that even after passing of the aforesaid award in favour of the Applicant/Financial Creditor, the Respondent/Corporate Debtor did not show any willingness to pay the awarded amount to the Applicant/Financial Creditor. Aggrieved by the refusal of the Respondent/Corporate Debtor to pay the Applicant/Financial Creditor the awarded amount, the Applicant has filed the present application under Section 7 of the Code as a financial creditor.
12. Due to the non-representation on behalf of the Respondent/Corporate Debtor and no reply having been filed by the Respondent/Corporate Debtor despite the issuance of notice on 05.06.2024, this Tribunal vide order dated 09.08.2024 had struck off the rights of filing of the reply by the Respondent/Corporate Debtor.

-Sd-

-Sd-

13. Further, in compliance with the order dated 23.03.2026, the Applicant/Financial Creditor filed their written submission on 28.03.2026, wherein the Applicant/Financial Creditor submits as follows:

- a. It is submitted that pursuant to the loan agreement dated 27.05.2016, which sets out the terms and conditions, including disbursement, repayment schedule, rate of interest and consequences of default, the debt constitutes “financial debt” as per Section 5(8) of the Code. Further specifically, Clause 2.8(a) of the said Agreement stipulates that the Borrower is under a clear and absolute legal obligation to repay the loan amount along with interest and other charges as per the specified repayment schedule.
- b. The Applicant/Financial Creditor further relies on the recent judgment of *Innoventive Industries Ltd. v. ICICI Bank & Anr. (2018) 1 SCC 407* and *Elegna Co-op. Housing and Commercial Society Ltd. vs. Edelweiss Asset Reconstruction Company Limited [2026 INSC 58]*, stating that the threshold enquiry under section 7 is confined to the existence of a financial debt and the occurrence of default. It is submitted that in the present case, the loan agreement dated 27.05.2016, statement of account and arbitral award dated 30.09.2021 unequivocally establish the financial debt and the default, hence satisfying the twin requirements for admission of the Section 7 petition.
- c. With respect to the present application being within the prescribed limitation period, the Applicant/Financial Creditor submits that, as per the landmark judgment of the Hon'ble Supreme Court in *Dena Bank (now Bank of Baroda) vs. C. Shivakumar Reddy [(2021) 10 SCC 330]*,

-Sd-

-Sd-

the issuance of an Arbitral Award or a decree in favor of a Financial Creditor gives rise to a fresh cause of action. Consequently, the limitation is to be reckoned from 30.09.2021, making the current filing timely, since the present petition is filed in May 2024.

14. In compliance with the order dated 23.03.2026, the Respondent/Corporate Debtor has also filed its written submission on 06.04.2026, wherein the Respondent/Corporate Debtor submits as follows:

- a. The Respondent/Corporate Debtor submits that on perusal of the loan agreement, it can be clearly demonstrated that the loan was availed for the purchase of a residential flat and not for commercial or business purposes. Further also submits that the agreement has been executed by the Respondent/Corporate Debtor, through its directors, thereby establishing privity of contract between the Respondent/Corporate Debtor and the Applicant/Financial Creditor.
- b. The Respondent/Corporate Debtor submits that the total loan amount of Rs. 1.06 crores in the Tripartite Agreement corresponds exactly with the loan agreement relied upon by the Applicant/Financial Creditor. The Tripartite agreement executed between the Applicant/Financial Creditor, The Borrower i.e., Mr Ramit Garg & The Builder, namely M/s Ramprastha Sare Realty Private Limited, clearly records that the transaction was under a subvention scheme, whereby the builder was obligated to service the EMIs/interest during the pre-possession period. Further places reliance on the judgment of the Hon'ble Supreme Court in *Bikram Chatterjee v. Union of India*, WP C no. 940/2017 dated 18.04.2022.

-Sd-

CP (IB) NO.39/ALD/2024

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

-Sd-

- c. In continuance with the above submissions, the Respondent/Corporate Debtor submits that the arbitral award placed on record by the Applicant/Financial Creditor also shows that the loan was extended for the purchase of the subject flat, and the title documents of the flat were mortgaged with the Applicant/Financial Creditor. This further reinforces that the transaction is intrinsically linked to the housing unit and governed by the subvention scheme.
- d. The Respondent/Corporate Debtor also submits that the present petition is premature as the flat has not been handed over, and the project is still under construction and incomplete.

FINDINGS AND ORDER

15. We have heard the Ld. Counsels of both parties and also perused the records and examined the pleadings filed before us. The main issues which are before us to be decided in respect of the present Application u/s 7 are:

- i) **Whether the present application is filed within the prescribed period of limitation?**
- ii) **Whether there are debt and default within the meaning of the Code, 2016?**

16. In examining the first issue relating to limitation, it is observed that the account of the Respondent was classified as NPA on 03.02.2020 on account of persistent defaults in repayment of the loan dues. Thereafter, the Applicant/Financial Creditor invoked the arbitration clause contained in the Loan Agreement and obtained an Arbitral Award dated 30.09.2021 in its favour, thus arising a fresh cause of action. The failure of the Respondent to

-Sd-

-Sd-

comply with and satisfy the said Award gave rise to a continuing cause of action and default in favour of the Applicant/Financial Creditor. Accordingly, reckoning limitation from the date of the Arbitral Award dated 30.09.2021, the prescribed period of three years would expire on 29.09.2024. Since the present application has been filed on 11.05.2024, the same is clearly within the prescribed period of limitation.

17. With regard to the second issue concerning the determination of debt and default, it is evident from the record that a loan agreement was executed between the Applicant/Financial Creditor and Mr. Ramit Garg (Director of the Respondent), Meenu Garg and the Respondent/Corporate Debtor on 27.05.2016 wherein it was agreed that an amount of Rs. 1,06,58,000/- would be sanctioned as a secured loan for purchasing of the residential flat at Crescent Parc Green Parc II, Gurgaon. The relevant clauses of the said agreement, namely Clause 2.8, Clause 2.11, Clause 6.1, Clause 6.2 and Clause 12, necessary for perusal and consideration, are as follows:

“2.8 Payment, Prepayment and Other Charges

- a) The Borrower/s shall repay the Loan to IIFL HFC in such number of installments, and with such installment/s being of such amounts and on the due date(s) as is specified in the Agreement, (time being of the essence of the contract), such installments are hereinafter referred to, individually, as an "instalment" and, collectively, as the "installments". The expression "installments"*

-Sd-

-Sd-

shall comprise of both the principal amount of the Loan and interest thereon where the principal amount of the Loan is agreed to be paid in EMI. If the Loan is payable in EMI, such EMI shall be calculated on the basis of monthly rests and IIFL HFC shall be entitled to vary/modify the EMI (including increases in the amount of one or more installment/s) in the event of changes to the interest rate on the Loan.

- b)** *At the request of the Borrower/s and if agreed upon by IIFL HFC, The Borrower/s shall pay to IIFL HFC EMI every month from the date of commencement of EMI as specified in the Agreement and also PEMII till the payment of the first EMI. The EMI payable by the Borrower/s may be on the full amount of the Loan irrespective of full disbursement of the Loan having not been made, changes from time to time would be made to the term of the repayment of the Loan corresponding to the amounts of the Loan disbursed. As and when disbursements are made under the Loan, the term of repayment of the Loan will be increased to amortise the prior disbursement(s) and the disbursement, which is being made. IIFL HFC reserves the right to revise the terms of the Loan at its sole discretion.*
- c)** *At the request of the Borrower/s and if agreed upon by IIFL HFC, the Borrower/s shall pay to IIFL HFC, EMI on the amounts disbursed under the Loan based on the full tenor of the Loan. On each subsequent disbursement the EMI of the Loan shall be increased to amortise the Loan over the balance term of the Loan.*
- d)**

-Sd-

-Sd-

- e) *If the Borrower/s default/s in making payment of any instalments or any other amounts comprising the Borrower/s Dues to IIFL HFC on the respective Due Date(s), the Borrower/s shall be liable to pay default / further interest at the rate specified in the Agreement (plus applicable interest tax or other statutory levy) on all such outstanding/unpaid amounts from the relevant due date till the date of payment of such entire amount. Such default/further interest shall be in addition to any other charges which the Borrower/s is liable to pay to IIFL HFC in terms of the Transaction Documents. Such default/further interest shall be computed from respective Due Dates for repayment/payment and become payable upon the footing of compound interest at rates mentioned in the Schedule to the Agreement with monthly rests or such other rests as may be prescribed by IIFL HFC from time to time. The rate of interest as specified above is reasonable and represents genuine pre-estimate of the loss expected to be incurred by IIFL HFC in the event of non-payment of any monies by the Borrower/s.*

2.11 Liability of the Borrower/s to be Joint and Several

Where the Loan is provided to more than one Borrower/s, notwithstanding anything herein stated, the liability of the Borrower/s to repay Loan together with interest, and all other amounts payable under the present agreement and to observe the terms and conditions of the present agreement and also the terms and conditions of any other Agreement(s), document(s) that may be executed between the Borrower/s with IIFL HFC In respect of the Loan or any other Loan or Loans, is joint and several.

-Sd-

-Sd-

6.1 Events of Defaults:

Any of the following shall constitute an Event of Default under this Agreement:

a) Payment of Dues: If the Borrower/s defaults in the payment of interest and/or PEMII(s) and/or EMI(s) or any part thereof and/or in payment of any other amount(s) due and payable to IIFL HFC in terms of this Agreement and/or in terms of any other agreement/s, document/s that may be subsisting or that may be executed between the Borrower/s and IIFL HFC.

6.2. Notice on the Happening of an Event of Default

If any Event of Default or any event which, after the notice or lapse of time or both would constitute an Event of Default shall have happened, the Borrower/s shall forthwith give IIFL HFC notice thereof in writing specifying such Event of Default, or such event, which after notice or lapse of time or both would constitute an Event of Default and thereupon the entire principal amount of the Loan together with interest and all other amounts shall become due and payable forthwith and IIFL HFC shall be entitled goodwill and security adderReverted. The Loan with interest thereon till the date of actual payment and all other amounts whether payable under the Transaction Documents or otherwise.

-Sd-

CP (IB) NO.39/ALD/2024

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

-Sd-

12. ARBITRATION

The Borrower and IIFL HFC agree that agreement shall be construed in accordance with the laws in force in India and in the event that any dispute or difference should arise between the parties in performance, interpretation and/or application with respect to the present agreement including but not limited as to any amount outstanding and/or on any matter relating to or arising out of the present agreement the same shall be referred to the Sole Arbitration of an Arbitrator to be appointed by IIFL HFC whose decision shall be final and binding upon the Parties. Any notice by the Arbitrator to the respondents shall be sent by registered post at the address mentioned in the Agreement or to any changed address duly intimated in writing by the Borrower, will be deemed to be sufficient notice to the Parties. The costs and expenses of the arbitration proceedings shall be borne by the Borrower. The sole Arbitrator shall conduct the arbitration proceedings at place and location to be decided by IIFL HFC, in case of such dispute and shall be binding on the Borrower. It is also mutually agreed between the parties that IIFL HFC would be entitled to invoke the present arbitration agreement even after IIFL HFC would have recalled the Loan/terminated the contract for any reason whatsoever. It is also agreed between the parties that arbitration proceeding would be conducted in English only and in no other language.”

-Sd-

CP (IB) NO.39/ALD/2024

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

-Sd-

18. Further, the repayment schedule of the said agreement is as follows:

SCHEDULE

Place: Chhatisgarh Prospect No.: 752051

Date: 21-5-2016 Type of Loan: Home Loan

Name & Address of the Borrower
Ramit Garg, Meenu Garg, Goodwill Iron Steel Traders
Art HD
42, Kailashalan, Delhi Gate, Chhatisgarh - 201001

Clauses under Reference

2.1 AMOUNT OF LOAN
 Rs. 10,658,000/- (Rupees one crore six lac fifty eight thousand)

2.2 INTEREST

A. Fixed Rate of Interest
 ROI% p.a. (*EMI is calculated on the basis of monthly rests.)

B. Adjustable Interest Rate
 Preferred Base Rate (Write "YES" against selected option):

IH - HPLR: IH - LPLR:

(a) the "Base Rate": 13.75 % per annum (as on the date of execution of this Agreement)

(b) Adjustable Rate of Interest: the "Base Rate" +/- 3.25 % p.a. = 10.50 % p.a.

C. For Mixed Rate of Interest - Fixed and Adjustable

(a) Term of repayment under fixed rate of interest: months

(b) Term of repayment under adjustable rate of interest: months*

2.3 AMORTISATION

(a) Term of repayment 180 months*

(b) EMI Rs. 1,17,813/-*

(c) Number of EMIs 180*

(d) Date of Commencement of EMI 5th*

(e) Due date of payment of first EMI 5th*

* Subject to variation in terms of this agreement.

Mr. P. S. Sharma
 Director
 P. S. Sharma & Sons
 Traders Pvt. Ltd.

-Sd-

-Sd-

19. In light of the aforesaid clauses and the repayment schedule forming part of the said Agreement, it is evident that the loan amount sanctioned was repayable by way of Equated Monthly Instalments (EMIs), which the Borrower(s) were under a contractual obligation to pay strictly in the manner and within the timelines prescribed therein. The Agreement further makes it clear that the liability of the Borrower(s) is joint and several, thereby rendering each of the Borrower(s) including Corporate Debtor, Respondent herein, independently as well as collectively liable for repayment of the entire outstanding loan amount together with interest, penal/default interest and other charges payable under the Agreement. Further, any default in payment of EMI(s) or other dues constituted an “*Event of Default*” under Clause 6.1, entitling the lender, in terms of Clause 6.2, to recall the entire outstanding loan amount.
20. It is further observed that subsequent to the execution of the Loan Agreement, a Tripartite Agreement dated 31.05.2016 came to be executed between Mr. Ramit Garg, M/s Ramprastha Sare Realty Private Limited (“Builder”) and the Applicant/Financial Creditor. The said Agreement was executed for giving effect to the arrangement between the Borrower, namely Mr. Ramit Garg, and the Builder, whereby the Builder undertook the liability towards the interest payable by the Borrower to the Applicant/Financial Creditor in respect of the sanctioned loan during the period defined therein

-Sd-

-Sd-

as the “Liability Period”. The relevant clauses of the said Tripartite Agreement are reproduced as follows:

4. The Borrower has informed IIFL HFC about the scheme of arrangement between the Borrower and the Builder in terms whereof the Builder hereby assumes the liability on account of interest payable by the Borrower to IIFL HFC during the period to be referred to as the “Liability Period” as details herein below

Subvention Period (Assumed Liability for the Builder)10.....Months.....10.....Days
Subvention Start date	From Date of First Disbursal
Subvention End Date	31/03/2017
Liability of Builder	To pay the Pre EMI interest for the subvention period

(the Liability period is referred to as “Assumed Liability for the Builder”). It is however agreed that during the liability period the payment of assumed liability is joint and several by and between the Borrower and the Builder. The assumption of liability by the Builder, in no manner whatsoever releases, relinquishes and/ or reduces the liability of the Borrower and that same shall not be affected in any manner on account of any difference and / or dispute between the Borrower and the Builder under the arrangement between them. The Pre EMI interest once paid/deducted is non refundable.

5. That IIFL HFC shall disburse the Loan as per the stage of construction of the Project may warrant as assessed by IIFL HFC in its sole discretion and such decision being full and final.
6. That irrespective of the stage of construction of the Project and irrespective of the date of handing over the possession of the residential apartment to the Borrower by the Builder, the Borrower shall be liable to pay to IIFL HFC regularly each month the EMI/PEMI as laid down in the Loan Agreement to be signed by and between IIFL HFC and the Borrower, subsequent to completion of the Liability Period. The Borrower shall execute such other documents as may be required by IIFL HFC in favour of IIFL HFC in this regard.

21. Considering the financial obligations subsisting between the Applicant/Financial Creditor and the Respondent, it is the case of the Applicant/Financial Creditor that the Respondent committed defaults in payment of the instalments and, despite repeated reminders and notices issued by the Applicant/Financial Creditor, failed to discharge the outstanding dues. Owing to such continued defaults, the Applicant/Financial Creditor issued a notice under Section 13(2) of the SARFAESI Act, 2002 on

-Sd-

CP (IB) NO.39/ALD/2024

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

-Sd-

10.02.2020 and thereafter initiated proceedings under Section 14 of the said Act; however, possession of the mortgaged property has not been obtained till date. The Applicant/Financial Creditor further invoked Clause 12 of the Loan Agreement dated 27.05.2016 and initiated arbitration proceedings, pursuant to which an Award dated 30.09.2021 came to be passed in favour of the Applicant/Financial Creditor, awarding recovery of an amount of Rs. 1,13,13,587.36/- together with interest @ 10% per annum from 25.01.2020 until final realisation. Therefore, in view of the outstanding award dated 30.09.2021, the Applicant/Financial Creditor, in its Part IV of the petition, claims a defaulted amount of Rs. 1,13,13,587.36/- along with interest @ 10% per annum from 25.01.2020 until final realisation from the Respondent/Corporate Debtor.

22. Per Contra, the primary contention of the Respondent/Corporate Debtor is that the loan in question was sanctioned under a subvention scheme. In support of its contentions, the Respondent/Corporate Debtor relies upon the judgment of the Hon'ble Supreme Court in *Bikram Chatterjee v. UOI (WP C No. 940/2017)* wherein it has been categorically held that in subvention schemes, the liability to service the loan lies on the builder during the pre-possession period, and the borrower's account cannot be classified as NPA until possession of the flat is offered.

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-Sd-

23. Upon consideration of the submissions advanced and the material placed on record, it emerges that the loan amount of Rs. 1.06 Crores stood sanctioned and debited on 31.05.2016 from the account of the Respondent maintained with the Applicant/Financial Creditor. It is further evident from the Tripartite Agreement dated 31.05.2016 that the role and obligation of the Builder under the subvention arrangement was limited and specifically circumscribed. Clause 4 thereof unequivocally stipulates that the Builder had merely assumed the liability towards payment of Pre-EMI interest during the “Liability Period”, which has been expressly defined as a period of 10 months and 10 days commencing from the date of first disbursement and ending on 31.03.2017. The said clause further clarifies that such assumed liability during the Liability Period was joint and several only to the extent of the Pre-EMI interest component.
24. Significantly, Clause 6 of the Tripartite Agreement categorically provides that upon expiry of the Liability Period, the Borrower shall remain liable to regularly pay the EMI/PEMI in terms of the Loan Agreement irrespective of the stage of construction of the project or the date of handing over of possession of the residential unit by the Builder after the completion of the liability period. Thus, a conjoint reading of the Loan Agreement and the Tripartite Agreement leaves no ambiguity that the Builder’s obligation under the subvention scheme was temporary and confined only to servicing the

-Sd-

-Sd-

Pre-EMI interest upto 31.03.2017, whereas the ultimate and continuing liability towards repayment of the loan rested upon the Respondent/Corporate Debtor. Further, the documents forming part of the Loan Agreement dated 27.05.2016 clearly reflect that the EMIs, in terms of the repayment schedule, were to be paid from the account of the Respondent/Corporate Debtor. The aforesaid contractual stipulations remains undisputed by either party.

25. The record further reflects that payments towards interest were duly made during the Liability Period up to 31.03.2017 in accordance with the Tripartite arrangement. However, subsequent thereto, the Respondent failed to honour its repayment obligations under the Loan Agreement, resulting in persistent defaults in servicing the loan account. Consequent upon such continued non-payment, the account of the Respondent came to be classified as NPA on 03.02.2020. Even thereafter, despite issuance of demand notices, initiation of proceedings under the SARFAESI Act, 2002, invocation of the arbitration clause under Clause 12 of the Loan Agreement, and the passing of the Arbitral Award dated 30.09.2021 in favour of the Applicant/Financial Creditor, the outstanding dues remained unpaid and unrebutted.
26. In these circumstances, the material on record clearly establishes the existence of a “financial debt” within the meaning of Section 5(8) of the Insolvency and Bankruptcy Code, 2016, as also the occurrence of “default”

-Sd-

-Sd-

within the meaning of Section 3(12) thereof. The documentary evidence placed on record, including the Loan Agreement, Tripartite Agreement, statement of accounts, classification of the account as NPA, issuance of Section 13(2) notice under SARFAESI Act, subsequent initiation of proceedings under Section 14 of the SARFAESI Act and the Arbitral Award, sufficiently satisfy the twin requirements necessary for admission of an application under Section 7 of the Code. Consequently, the contention of the Respondent/Corporate Debtor that the liability exclusively rested upon the Builder under the subvention scheme is contrary to the express contractual terms governing the parties and is therefore devoid of merit and liable to be rejected. There is thus no doubt about the existence of debt and default, so as to meet the ingredients within the meaning and purview of Section 7 of the Code. Accordingly, the objection raised by the Respondent/Corporate Debtor regarding the liability of the builder to pay and not the respondent is untenable and is therefore rejected.

27. After considering the entire facts and circumstances of the case so far discussed and taking into account the decision of the Apex Court in the case of *Innoventive Industries Ltd. v. ICICI Bank (2018) 1 SCC 407* in which it has been already held that a petition under Code be admitted if there is clear debt and default, we are of the considered opinion that in the present case, default on repayment of the debt has occurred and the Section 7 Petition filed

-Sd-

-Sd-

by the Financial Creditor is complete in all aspects providing all the details of debt and default as required in Part IV of the Application in Form 1 and attaching all the necessary supporting documents as required in Part V of the Application. Considering that all the above criteria are fulfilled as required under the IBC, we find that this Application deserves to be admitted u/s 7 for initiating CIRP against the Respondent/Corporate Debtor. Accordingly, this Tribunal admits this petition and orders to initiate the CIRP against the Respondent/Corporate Debtor i.e., M/s Goodwill Iron and Steel Traders Private Limited.

28. We note that the Applicant/Financial Creditor has proposed the name of Insolvency Professional Mr Ruchir Batra, having Registration No. IBBI/IPA-003/IPA-ICAI-N-00225/2019-2020/12626, Email ID: ip.ruchirbatra@gmail.com as the Interim Resolution Professional (hereinafter referred to as “IRP”) who has also filed her consent in Form–2. The Law Research Associate of this Tribunal, Ms. Kriti Kaushal, has checked the credentials of Mr. Ruchir Batra, and found that there are no disciplinary proceedings pending against the proposed Insolvency Professional and also there is nothing adverse against him. Upon verification from the website of IBBI, it is found that Insolvency Professional holds valid authorization till 31.12.2026. After considering these details, we appoint Mr. Ruchir Batra having registration No. IBBI/IPA-003/IPA-ICAI-N-

-Sd-

-Sd-

00225/2019-2020/12626, as IRP.

29. Accordingly, this application is admitted u/s 7 of the Code, 2016, under the following terms and conditions.

- i.** The Application filed by the Financial Creditor under Section 7 of the Insolvency & Bankruptcy Code, 2016 for initiating the CIRP against the Corporate Debtor i.e., M/s Goodwill Iron and Steel Traders Private Limited is hereby admitted.
- ii.** We hereby declare a moratorium and public announcement in accordance with Sections 13 and 15 of the Code.
- iii.** This Adjudicating Authority hereby appoints Mr. Ruchir Batra to act as the IRP under Section 13(1)(c) of the Code as decided by us in para 28 above.
- iv.** The IRP shall cause a public announcement for the initiation of the CIRP against the Corporate Debtor and call for the submission of claims under Section 15. The public announcement referred to in clause (b) of sub-section (1) of Section 15 of the Insolvency & Bankruptcy Code, 2016 shall be made immediately.
- v.** Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016 has commenced from the date of this order prohibiting the following:
 - 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;

-Sd-

CP (IB) NO.39/ALD/2024

IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

-Sd-

- b.** Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
- c.** Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 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.
- vi.** Apart from above prohibitions in respect of the corporate debtor, it is further directed that the supply of essential goods or services to the corporate debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period.
- vii.** The provisions of Section 14(3) shall, however, not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a corporate debtor.
- viii.** The order of moratorium shall have effect from the date of this order till completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the corporate debtor under Section 33 as the case may be.
- ix.** The IRP is directed to take steps as mandated under section 13 and 15 of the IBC for making public announcement about the commencement

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of CIRP against the Corporate Debtor and moratorium against it u/s 14, and also take necessary actions as per sections 17, 18, 20 and 21 of IBC, 2016.

- x.** The IRP shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor and to constitute a Committee of Creditors (hereinafter referred as "COC") and shall file a report certifying the constitution of the COC to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene the first meeting of the COC within seven days of filing the report of the constitution of the COC.
- xi.** As the IRP appointed herein is proposed by this Tribunal, he will ensure that his written consent in Form-2 shall be duly submitted before this Tribunal.
- xii.** The COC in its first meeting shall appoint a Resolution Professional (hereinafter referred as "RP") as per the provision of section 22(2) and file an application before this Tribunal for confirmation of the appointment of the RP.
- xiii.** The Suspended Board of Directors of the corporate debtor is directed to give to IRP/RP complete access to the Books of Accounts of the corporate debtor maintained under section 128 of the Companies Act. In case, the books are maintained in the electronic mode, the Suspended Board of Directors are to share with the IRP/RP all the information regarding maintaining the Backup and regarding service provider kept under Rule 3(5) and Rule 3(6) of the Companies Accounts Rules, 2014 respectively as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the service provider and its

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location, and also address of the location of the Books of Accounts maintained in the cloud. In case, accounting software for maintaining the books of accounts is used by the corporate debtor, then IRP/RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs.

- xiv.** The Statutory Auditor is directed to share with the Resolution Professional the audit documentation and the audit trails, which they are mandated to retain pursuant to SA-230 (Audit Documentation) prescribed by the Auditing and Assurance Standards Board ICAI.
- xv.** The IRP/RP is directed to take custody and control of all the records of information relating to assets of the Corporate Debtor, its Books of Account in physical form or the computer systems storing the electronic records at the earliest in accordance with the provision of Regulation 3A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as "CIRP Regulations, 2016").
- xvi.** The Financial Creditor shall also provide necessary assistance to IRP/RP in obtaining the necessary information about the Corporate Debtor as envisaged in Regulation 4(3) of the CIRP Regulations, 2016.
- xvii.** In case of any non-cooperation by the Suspended Board of Directors or the Statutory Auditors, IRP/RP may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/RP in implementing this order for the retrieval of relevant information from the systems of the corporate debtor.
- xviii.** The IRP/RP may take the assistance of Digital Forensic Experts empanelled with this Bench/IBBI/MCA for this purpose.

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- xix.** The Suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the corporate debtor, particularly for government portals, for various compliances.
- xx.** The IRP/RP is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.
- xxi.** The IRP/RP is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with requests for information/documents available with those authorities'/institutions/others pertaining to the Corporate Debtor which would be relevant in the CIR proceedings.
- xxii.** The IRP/RP is directed to approach all the concerned Government Departments and authorities as discernible from the books of account of the Corporate Debtor requesting them to file claims if any amount is outstanding against the Corporate Debtor.
- xxiii.** The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the IRP/RP to enable him to conduct the CIR Proceedings as per law.
- xxiv.** The IRP/RP shall collate the data obtained from (a) the claim(s) made before it and (b) information gathered from the records including those maintained by the Corporate Debtor.
- xxv.** The IRP/RP is further directed to send regular progress reports to this Tribunal every month.

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- 30.** We direct the Financial Creditor to deposit a sum of Rs. 1,00,000/-with the Interim Resolution Professional, to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The amount, however, is subject to adjustment by the Committee of Creditors as accounted for by the Interim Resolution Professional on the conclusion of CIRP.
- 31.** A certified copy of the order shall be communicated to both the Applicant/Financial Creditor and the Respondent/Corporate Debtor. The learned counsel for the Applicant/Financial Creditor shall deliver a certified copy of this order to the IRP forthwith. The Registry is also directed to send a certified copy of this order to the IRP at his e-mail address forthwith.
- 32.** Accordingly, **CP (IB) No. 39/ALD/2024** stands admitted for initiating CIRP against the Corporate Debtor i.e., M/s Goodwill Iron and Steel Traders Private Limited.
- 33.** List the matter on 13.07.2026 for filing of the progress report/further proceeding.

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(Ashish Verma)
Member (Technical)

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(Praveen Gupta)
Member (Judicial)

Date: 09.06.2026