

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT VI

Item No. P1

C.P. (IB)/818(MB)2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **07.07.2026**

NAME OF THE PARTIES:

The South Indian Bank Limited

V/s

M/s Royal Dry Fruits Private Limited

Under Section 7 of the IBC

ORDER

The case is fixed for pronouncement of the order. The order is pronounced in the open court, *vide* separate order. Detailed order is being uploaded on the NCLT portal today.

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI - BENCH-VI

CP (IB) No. 818/MB/2025

*[Under Section 7 of the Insolvency and Bankruptcy Code, 2016
r/w Rule 4(1) of the Insolvency and Bankruptcy (Application to
Adjudicating Authority) Rules, 2016]*

In the matter of:

The South Indian Bank Limited.,

ID No: [L65191KL1929PLC001017]

‘SIB House’ T.B. Road, Thrissure-1,

Branch Office: Collection and Recovery

Department, Mumbai Region at Ground

Floor, "C" Building, Chitrapur

Cooperative Housing Society.

Pandurang Marg, 27th Road.

Bandra West. Mumbai- 400050.

...Applicant/Financial Creditor/Petitioner

Vs.

M/s. Royal Dry Fruits Private Limited

CIN: [U51101MH2011PTC220314]

Registered Office: Flat No. 4, Asiya Manor

67/A Perry Road, Bandra (West),

Mumbai- 400050.

...Respondent/Corporate Debtor

Pronounced On: 07.07.2026

CORAM:

SHRI NILESH SHARMA, MEMBER (JUDICIAL)

SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances (Hybrid):

Financial Creditor: Adv. Mr. Ayush Rajani a/w Adv. Mr. Anurag Mishra i/b AKR

Legal

Corporate Debtor: Adv. Saumya Kapoor, Adv. Mr. Shadab Jain ,Adv.

Sangeeta Menon, Adv. Mr. V. Singh ,Adv. Dhruv Kalantri,

S & K Partners

ORDER

[PER: CORAM]

AVERMENTS OF THE APPLICANT

1. This is an application filed by the Applicant- The South Indian Bank Limited (hereinafter also referred to as the “Financial Creditor” or “Applicant”), against the Respondent- Royal Dry Fruits Private Limited (hereinafter referred to as the “Corporate Debtor”), under Section 7 of the Insolvency & Bankruptcy Code 2016 (in short, ‘the Code’) read with Rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, seeking commencement of the Corporate Insolvency Resolution Process (‘CIRP’) of the Corporate Debtor, appointment of Interim Resolution Professional (‘IRP) and declaration of moratorium. The amount claimed to be in default is Rs. 9,95,60,745.61/- including interest.
2. From Part-I of Form 1, it is seen that the present application is filed by The South Indian Bank Limited through Mr. Sabarish D. G.
3. Part II of the Application in Form 1 reveals that the Respondent/Corporate Debtor i.e. Royal Dry Fruits Private Limited, having its registered office at Flat No. 4, Asiya Manor 67/A Perry Road, Bandra (West), Mumbai- 400050.

4. Part-III of Form 1 reveals that the Applicant has proposed the name of CA Siddhant Vinod Agrawal (**IBBI/IPA-001/IP-P-02832/2023-2024/14370**) to be appointed as the IRP of the Corporate Debtor in the event that this application gets admitted. The Applicant has also obtained the Written Consent from the proposed IRP above-named in Form 2, the copy of which is annexed to this Application as **Exhibit 4**.
5. Part IV of the application vide Form 1 reveals that the amount claimed to be in default by the Applicant/Financial Creditor is Rs. 9,95,60,745.61/- including interest. The principal is stated to be Rs. 7,01,55,646.00/- and balance is towards interest.
6. The date of default stated by the Applicant in Part IV is 29.07.2024.
7. The facts narrated by the Applicant in Part IV of the Application are stated hereinbelow:
8. The Financial Creditor is a banking company incorporated under the Companies Act, 1913, and is engaged in the business of banking as defined under the Banking Regulation Act, 1949.
9. In 2016, the Corporate Debtor approached the Financial Creditor for credit facilities. Pursuant thereto, the Financial Creditor sanctioned facilities aggregating to ₹9,90,00,000/- comprising Cash Credit Open Loan(CCOL) of Rs. 3,90,00,000/-, Term Loan of Rs. 2,00,00,000/-, and Import Letter of Credit of Rs. 4,00,00,000/-. The Corporate Debtor accepted the terms and conditions of the Sanction Letter dated 20 July 2016.
10. As per the Sanction Letter, the CCOL facility was granted for a period of 12 months at an interest rate of 11.85% p.a. on a floating rate linked to MCLR, payable on monthly

rests, with penal interest at 2% p.a. for any default or non-compliance. Further, the Term Loan was repayable in 60 equated monthly instalments. A copy of the Sanction Letter dated 20.07.2016 is annexed with the application.

11. Pursuant to the sanction of the aforesaid credit facilities under the Sanction Intimation Letter dated 20 July 2016, the Corporate Debtor, through its Directors and in terms of the Board Resolution dated 20 July 2016, executed the requisite loan and security documents in favour of the Financial Creditor. A copy of the said Board Resolution is annexed as "**Exhibit-7.**" The Corporate Debtor, inter alia, agreed to abide by the terms and conditions thereof.

12. Corporate Debtor has extended the following documents in favour of the Financial Creditor in respect of the above facilities.

- i. Credit Facility Agreement for Cash Credit Open Loan dated 27 July, 2016 for Rs. 3,90,00,000/- (Rupees Three Crores Ninety Lakhs only). A copy of which is annexed as "**Exhibit-8**".
- ii. Demand Promissory Note dated 27 July 2016 for Rs.3,90,00,000/- (Rupees Three Crores Ninety Lakhs only) executed in favour of the Financial Creditor, a copy of which is annexed as "**Exhibit-9**".
- iii. Credit Facility Agreement for Letter of Credit (import) dated 27 July 2016 for Rs.4,00,00,000/- (Rupees Four Crores only). a copy of which is annexed as "**Exhibit- 10**".
- iv. Forward Contract dated 27 July 2016 with a limit of Rs. Rs.4,00,00,000/- (Rupees Four Crores only), a copy of which is annexed as "**Exhibit-11**".

- v. Personal guarantee of Mr. Sameer Abdulhusein Lalani (Promoter and Property Owner) & Mrs Heena Lalani (Promoter) dated 27 July 2016. A copy of which is annexed as "**Exhibit-12**".
- vi. The aforesaid facilities were subsequently renewed vide Renewal/Sanction Letter dated **28 September 2017**. The Corporate Debtor accepted the terms and conditions stipulated in the said Letter, a copy of which is annexed as "**Exhibit-13.**"

13. The Corporate Debtor executed the following documents in favour of the Financial Creditor in respect of the aforesaid renewed credit facilities:

- a. **Credit Facility Agreement** for Cash Credit Open Loan dated **03 October 2017** for a sum of **Rs. 3,90,00,000/- (Rupees Three Crores Ninety Lakhs only)**, a copy of which is annexed hereto and marked as "**Exhibit-14.**"
- b. Demand Promissory Note dated 03 October 2017 for Rs.3,90,00,000/- (Rupees Three Crores Ninety Lakhs only) executed in favour of the Financial Creditor, a copy of which is annexed as "**Exhibit-15**".
- c. Credit Facility Agreement for Letter of Credit (Import) dated 03 October 2017 for Rs.4,00,00,000/- (Rupees Four Crores only), a copy of which is annexed as "**Exhibit-16**".
- d. Acknowledgement of Debt and Security dated 03 October 2017, a copy of which is annexed as "**Exhibit-17**".

- e. Personal guarantee of Mr. Sameer Abdulhusein Lalani (Promoter and Property Owner) & Mrs Heena Lalani (Promoter) dated 03 October 2017. a copy of which is annexed as "**Exhibit-18**".
- f. Equitable Mortgage of the Collateral security, dated 04 October 2017, in the name of Mr. Sameer Abdulhusein Lalani created by depositing the title deeds for:
1. All that piece and parcel of residential Building "ONE NORTH" bearing Flat No. 1802, 18th Floor, Building Name ADHARA Admeasuring Carpet area 316.19 Sq. Mtrs. Mezzanine Car Parking Space No. M-208. M-209, M-230 and M-231 the building standing on Survey No. 136/1B/1, 136/1B/2/1, 136/1B/2/2, 136/2, 136/3, 137/1A, 137/2, 137/5A, 137/5B, 137/6A/1 and CTS No. 4944 bearing total area 47745.58 Sq. Mtrs., a copy of which is annexed as "**Exhibit-19**".
14. In the year **2018**, the facilities granted were renewed vide **Sanction Letter dated 02 May 2018**. The Corporate Debtor accepted the terms and conditions stipulated in the said Letter, a copy of which is annexed as "**Exhibit-20**."
15. The Corporate Debtor executed the following documents in favour of the Financial Creditor in respect of the aforesaid renewed credit facilities:
- a. Credit Facility Agreement for Cash Credit Open Loan dated 03 May 2018 for Rs.5,00,00,000/- (Rupees Five Crores only), a copy of which is annexed as "**Exhibit-21**".

- b. Demand Promissory Note dated 03 May 2018 for a sum of Rs.7,00,00,000/- (Rupees Seven Crores only) executed in favour of the Financial Creditor, a copy of which is annexed as "**Exhibit-22**".
- c. Credit Facility Agreement for Letter of Credit (Import) dated 03 May 2018 for Rs.4,00,00,000/- (Rupees Four Crores only). a copy of which is annexed as "**Exhibit-23**".
- d. Supplemental Agreement of Hypothecation dated 03 May 2018, a copy of which is annexed as "**Exhibit-24**".
- e. Personal guarantee of Mr. Sameer Abdulhusein Lalani (Promoter and Property Owner) & Mrs Heena Lalani (Promoter) dated 03 May 2018, a copy of which is annexed as "**Exhibit-25**".
- f. Equitable Mortgage of the Collateral security. dated 04 May 2018, in the name of Mr. Sameer Abdulhusein Lalani created by depositing the title deeds for:

All that piece and parcel of residential Building "ONE NORTH" bearing Flat No. 1802, 18th Floor, Building Name ADHARA Admeasuring Carpet area 316. 19 Sq. Mtrs. Mezzanine Car Parking Space No. M-208, M- 209, M-230 and M-231 the building standing on Survey No. 136/1B/1, 136/1B/2/1, 136/1B/2/2, 136/2, 136/3, 137/1A, 137/2, 137/5A, 137/5B, 137/6A/1 and CTS No. 4944 bearing total area 47745.58 Sq. Mtrs., a copy of which is annexed as "**Exhibit-26**".

16. In 2019, the Corporate Debtor applied for the renewal of the CCOL facility and the said facility was enhanced to a limit of Rs.7,00,00,000/- (Rupees Seven Crores only). A new credit facility in the nature of Packing Credit was also granted to the tune of

Rs.2,50,00,000/-. These facilities were granted vide Sanction Letter dated 04 September 2019, a copy of which is annexed as "**Exhibit-27**".

17. Upon sanctioning the abovementioned facilities, the Corporate Debtor executed the following documents in favour of the Financial Creditor:

- a) Credit Facility Agreement for Cash Credit Open Loan dated 04 September 2019 for Rs.7,00,00,000/- a copy of which is annexed as "**Exhibit-28**".
- b) Demand Promissory Note dated 04 September 2019 for a sum of Rs.7,00,00,000/- (Rupees Seven Crores only) executed in favour of the Financial Creditor, a copy of which is annexed as "**Exhibit-29**".
- c) Credit Facility Agreement for Packing Credit dated 04 September 2019 for Rs.2,50,00,000/- a copy of which is annexed as "**Exhibit-30**".
- d) Demand Promissory Note dated 04 September 2019 for a sum of Rs.2,50,00,000/- (Rupees Two Crores Fifty Lakhs only) executed in favour of the Financial Creditor, a copy of which is annexed as "**Exhibit-31**".
- e) Credit Facility Agreement for Foreign Purchase Bill which is sublimit to the Packing Credit facility. The said Agreement was dated 04 September 2019 and it was executed for a sum of Rs.2,50,00,000/-, a copy of which is annexed as "**Exhibit-32**".
- f) Personal Guarantee of Mr. Sameer Abdulhusein Lalani (Promoter and Property Owner) & Mrs Heena Lalani (Promoter) dated 04 September 2019, a copy of which is annexed as "**Exhibit-34**".

- g) Deed of Declaration dated 04.09.2019 declaring that the property being Flat No.4. Asiya Manor Co-op Hsg Soc Ltd., 67/A, Master Vinayak Cross Road, Old Kantawadi, Bandra(W), Mumbai 400050, is free from any charge or encumbrance, a copy of which is annexed as "**Exhibit-35**".
- h) Deed of Declaration dated 04 September 2019 declaring that the property being Flat No. 1802. 18th Floor, Building Name ADHARA Admeasuring Carpet area 316.19 Sq. Mtrs Mezzanine Car Parking Space No. M-208. M-209, M-230 and M-231, the building standing on Survey No. 136/1B/1, 136/1B/2/1, 136/1B/2/2, 136/2, 136/3, 137/1A, 137/2, 137/5A, 137/5B, 137/6A/1 and CTS No. 4944 bearing total area 47745.58 Sq. Mtrs., is free from any charge or encumbrance, a copy of which is annexed as "**Exhibit-36**".
- i) Acknowledgement of Debt and Security dated 04 September 2019, acknowledging their liability as on 03 September 2019 under the CCOL facility and other facility document/s executed in favour of the Financial Creditor, a copy of which is annexed as "**Exhibit-37**".

18. Pursuant to a Board Resolution dated 27 January 2022, the Corporate Debtor had approached the Financial Creditor for availing a Working Capital Term Loan under the Emergency Credit Line Guarantee Scheme ("ECLGS"). A copy of the said Board Resolution is annexed as "**Exhibit-38**". Accordingly, the Financial Creditor sanctioned the ECLGS loan to the tune of Rs.95,97,000/- (Rupees Ninety-Five Lakhs Ninety-Seven Thousand only) vide Sanction Letter dated 27 January 2022, a copy of which is annexed as "**Exhibit-39**".

19. Upon sanctioning the aforesaid ECLGS facility, the Corporate Debtor executed the following loan documents:

- a) Master Facility Agreement dated 27 January 2022 for Rs.95,97,000/- (Rupees Ninety-Five Lakhs Ninety-Seven Thousand only), a copy of which is annexed as "**Exhibit-40**".
- b) Deed of Declaration dated 27 January 2022 declaring that the property being Flat No. 1802, 18th Floor, Building Name ADHARA admeasuring carpet area 316.19 Sq. Mtrs., Mezzanine Car Parking Space No. M-208. M-209. M-230 and M-231. the building standing on Survey No. 136/1B1, 136/1B/2/1, 136/1B/2/2, 136/2, 136/3, 137/1A, 137/2, 137/2, 137/5A, 137/5B, 137/6A/1 and CTS No. 4944 bearing total area 47745.58 Sq. Mtrs., is free from any charge or encumbrance, a copy of which is annexed as "Exhibit-41".
- c) Acknowledgement of Debt and Security dated 27 January 2022, acknowledging their liability as on 26 January 2022 under the ECLGS facility and other facility documents executed in favour of the Financial Creditor. A copy of which is annexed as "**Exhibit-42**".

20. In May of 2022, the Corporate Debtor applied for the renewal of the CCOL and Packing Credit facility first availed by them in 2016 and 2019 respectively. The Financial Creditor, vide Sanction/Renewal Letter dated 01 July 2022, granted the said facilities and the Corporate Debtor accepted the terms and conditions stipulated therein. A copy of the Renewal/Sanction Letter is annexed as "**Exhibit--43**".

21. The Corporate Debtor executed an Acknowledgement of Debt and Security dated 18 August 2022 acknowledging their liability as on 17 August 2022, a copy of which is annexed as "**Exhibit-44.**"

22. The credit facilities were renewed yet again in 2023 vide Renewal/Sanction Letter dated 22 December 2023. The CCOL facility was renewed for a sum of Rs.7,00,00,000/- (Rupees Seven Crores only); and Capital Term Loan (ECLGS) stood at Rs.95,97,000/- (Rupees Ninety-Five Lakhs Ninety-Seven Thousand only), a copy of the said Renewal/Sanction Letter is annexed as "**Exhibit-45**".

23. After utilizing the credit facilities granted. the Corporate Debtor failed and neglected to adhere to the terms and conditions specified in the facility documents. Instead, the Corporate Debtor has committed serious lapses on its part by not paying the outstanding due to the Financial Creditor despite several reminders by the Financial Creditor and as such the account/s of the Corporate Debtor were classified as NPA on 29 July 2024. A copy of the NPA Certificate dated 29 July 2024 is annexed as "**Exhibit-46**".

24. The Financial Creditor issued a registered notice dated 06 August 2024, calling upon the Corporate Debtor to regularize said loan accounts. A copy of the said Loan Regularisation Notice along with its postal receipts and delivery reports are annexed as "**Exhibit-47**".

25. Since the Corporate Debtor failed and neglected to regularize the loan accounts, the Financial Creditor issued a Loan Recall Notice dated 14 August 2024. calling upon the Corporate Debtor to pay a sum of Rs.7,97,81,130.75/- (Rupees Seven Crores Ninety-Seven Lakhs Eighty-One Thousand One Hundred Thirty and Paise Seventy-Five Only). A copy of the said Loan Recall Notice along with its postal receipts and delivery reports are annexed as "**Exhibit- 48 Colly**".

26. The Financial Creditor sent a Demand Notice under Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act. 2002. A copy of which is attached along with the postal receipt and delivery reports attached as "**Exhibit- 49 Colly**".

27. The Financial Creditor had issued a Notice dated 02 December 2024 to take over the symbolic possession of the property being Flat No. 1802, 18th Floor, Building Name ADHARA Admeasuring Carpet area 316. 19 Sq. Mtrs. Mezzanine Car Parking Space No. M-208, M-209, M-230 and M-231 the building standing on Survey No. 136/1B/1, 136/1B/2/1, 136/1B/2/2, 136/2, 136/3, 137/1A, 137/2, 137/5A, 137/5B, 137/6A/1 and CTS No. 4944. The said Notice was served upon the Corporate Debtor on 05 December 2024. A copy of the said notice along with its postal receipt and track consignment report is annexed as "**Exhibit 50 Colly**".

28. The Financial Creditor had issued another Notice dated 03 December 2024 to take over the symbolic possession of the property being Flat No.4, Asiya Manor Co-op. Housing Society Ltd. situated in land bearing C.T.S No C/344, Bandra Village, Andheri Taluka, Bandra at 67-A, Master Vinayak Cross Road, Bandra(W), Mumbai. The said Notice was served upon the Corporate Debtor on 06 December 2024. A copy of the said notice along with its postal receipt and track consignment report is annexed as "**Exhibit 51 Colly.**"

29. Hence this Application.

30. Applicant has attached the following documents with the Application:

- I. Copy of the Company Master Data of the Financial Creditor from the MCA website.

- II. Copy of the Power of Attorney dated in favour of Mr. Sabarish D.G.
- III. Copy of the Company Master Data of the Corporate Debtor.
- IV. Copy of Form-2 with the written communication of consent by the proposed interim resolution professional.
- V. Copy of the IBBI Certificate of Registration and the Certificate of Authorization for Assignment of the proposed interim resolution professional.
- VI. Copy of the Sanction Letter.
- VII. Copy of Board Resolution.
- VIII. Credit Facility Agreement for Cash Credit Open Loan for Rs.3,90,00,000/- (Rupees Three Crores Ninety Lakhs only).
- IX. Copy of the Demand Promissory Note for Rs.3,90,00,000/- (Rupees Three Crores Ninety Lakhs only) executed in favour of the Financial Creditor.
- X. Credit Facility Agreement for Letter of Credit (Import) for Rs.4,00,00,000/- (Rupees Four Crores only).
- XI. Copy of Forward Contract with a limit of Rs. Rs.4,00,00,000/- (Rupees Four Crores only).
- XII. Copy of Personal guarantee of Mr. Sameer Abdulhusein Lalani (Promoter and Property Owner) & Mrs Reena Lalani (Promoter).
- XIII. Copy of Renewal/ Sanction Letter.

- XIV. Credit Facility Agreement for Cash Credit Open Loan renewed for Rs.3,90,00,000/- (Rupees Three Crores Ninety Lakhs only).
- XV. Copy of the Demand Promissory Note for Rs.3,90,00,000/- (Rupees Three Crores Ninety Lakhs only) executed in favour of the Financial Creditor.
- XVI. Copy of Credit Facility Agreement for Letter of 2017 Credit (Import) renewed for Rs.4,00,00,000/- (Rupees Four Crores only).
- XVII. Acknowledgement of Debt and Security.
- XVIII. Copy of Personal guarantee of Mr. Sameer Abdulhusein Lalani (Promoter and Property Owner) & Mrs Heena Lalani (Promoter).
- XIX. Copy of Agreement of Mortgage over Flat No. 1802, 18th Floor, Adhara Building.
- XX. Copy of Sanction Letter.
- XXI. Credit Facility Agreement for Cash Credit Open Loan renewed for Rs.5,00,00,000/- (Rupees Five Crores only).
- XXII. Copy of the Demand Promissory Note for Rs. 7,00,00,000/- (Rupees Seven Crores only) executed in favour of the Financial Creditor.
- XXIII. Copy of Credit Facility Agreement for Letter of Credit (Import) renewed for Rs.4,00,00,000/- (Rupees Four Crores only).
- XXIV. Copy of Supplemental Agreement of Hypothecation.

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- XXV. Copy of Personal guarantee of Mr. Sameer Abdulhusein Lalani (Promoter and Property Owner) & Mrs Heena Lalani (Promoter).
- XXVI. Copy of Agreement of Mortgage over Flat No. 1802, 18th Floor, Adhara Building.
- XXVII. Copy of Sanction/Renewal Letter.
- XXVIII. Credit Facility Agreement for Cash Credit Open Loan renewed for Rs.7,00,00,000/- (Rupees Seven Crores only).
- XXIX. Copy of Credit Facility Agreement for Packing Credit (Import) renewed for Rs.2,50,00,000/- (Rupees Two Crores Fifty Lakhs only).
- XXX. Copy of Demand Promissory September Note for a sum of Rs.2,50,00,000/- (Rupees Two Crores Fifty Lakhs only) executed in favour of the Financial Creditor.
- XXXI. Copy of Credit Facility September Agreement for Foreign Purchase Bill (submit to the Packing Credit facility).
- XXXII. Copy of Supplemental Agreement of Hypothecation.
- XXXIII. Copy of Deed of Declaration with respect to Flat No.4, Asiya Manor Co-op Hsg Soc Ltd.
- XXXIV. Copy of Deed of Declaration with respect to Flat No. 1802, 2019 18th Floor, Adhara Building.
- XXXV. Copy of Acknowledgement of Debt and Security executed by the Corporate Debtor, acknowledging their liability as on 03 September 2019.

- XXXVI. Copy of Board Resolution.
- XXXVII. Copy of Sanction Letter for granting Working Capital Term 2022 Loan (ECLGS) Facility.
- XXXVIII. Copy of Master Facility Agreement for Working Capital 2022 Term Loan (ECLGS) for Rs.95,97,000/- (Rupees Ninety-Five Lakhs Ninety-Seven Thousand only).
- XXXIX. Copy of Deed of Declaration with respect to Flat No. 1802, 2022 18th Floor, Adhara Building.
- XL. Copy of Acknowledgement of Debt and Security executed by the Corporate Debtor, acknowledging their liability as on 26 January 2022.
- XLI. Copy of Sanction/Renewal Letter.
- XLII. Copy of Acknowledgement of Debt and Security executed by the Corporate Debtor, acknowledging their liability as on 17 August 2022.
- XLIII. Copy of Renewal/Sanction Letter for renewing the CCOL Facility for a sum of Rs.7,00,00,000/- (Rupees Seven Crores only); and Capital Term Loan (ECLGS) for Rs.95,97,000/- (Rupees Ninety-Five Lakhs Ninety-Seven Thousand only).
- XLIV. Copy of NP A Certificate.
- XLV. Copy of the Regularisation Notice along with its postal receipts and delivery reports.

- XLVI. Copy of Loan Recall Notice along with its postal receipts and track consignment report obtained from the official website of India Post.
- XLVII. Copy of Demand Notice under September Section 13(2) of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 along with its postal receipts and track consignment report obtained from the official website of India Post.
- XLVIII. Copy of the Notice issued for taking over the symbolic possession of Flat. No. 1802, 18th Floor, Adhara Building, along with the postal receipts and track consignment report obtained from the official website of India Post.
- XLIX. Copy of the Notice issued for taking over the symbolic possession of Flat No.4, Asiya Manor C.H.S. Ltd., along with the postal receipts and track consignment report.
- L. Copy of Statement of Accounts relating to the CCOL Facility from 2016 to 2017 and 2023 to 2025.
- LI. Copy of the Statement of Accounts for the ECLGS Facility as on 25 July 2025.
- LII. Copy of Certificate under the Bankers Book Evidence Act, 1891.
- LIII. Copy of Index of Charges extracted from the Ministry of Corporate Affairs website.
- LIV. Copy of the (NeSL) Report.
- LV. Copy of the CIBIL Report.

Reply of the Corporate Debtor

31. Order dated 25.09.2025 records that an Affidavit of Service (AoS) dated 04.09.2025 was filed by the Applicant and that service upon the Respondent sent through speed post were returned. Substituted service was ordered on 25.09.2025.

32. Order dated 31.10.2025, records that another Affidavit of Service (AoS) dated 27.10.2025 was filed by the Applicant Annexing thereto photo copies of paper publication carried out in two newspapers being Free Press Journal on Page- 37 and Nava Shakti on Page- 38. Applicant was directed to furnish the originals of the paper publication. Service upon the Respondent was recorded as complete. As none appeared on behalf of the Respondent in the Interest of Justice last and final opportunity was given to the Respondent to file his say within extended period of 10 days from the date of order.

33. Since no Reply / Vakalatnama or representation was filed/ made by the Respondent vide order dated 25.11.2025, right to file reply of the Respondent was closed and Applicant was directed to file short synopsis of his arguments.

34. The matter was taken 12.12.2025 where we heard the Applicant and order was reserved in the matter.

A. Post reserving the order, the Respondent filed IA No. 5952/MB/2025 IN CP (IB) No. 818/MB/2025 seeking the following prayers :-

- a. Pass an order/directing allowing the instant Application and de-reserving the order dated 12 December 2025 in the petition bearing CP (IB) No.818/MB/2025; and/or
- b. Pass an order directing the registry to re-list the petition bearing CP (IB) No.818/MB/2025 for hearing on merits; and/or

- c. Pass an order/directing allowing the instant Application and setting aside the order dated 25 November 2025 in the petition bearing CP (IB) No.818/MB/2025; and/or
- d. Grant leave to the Respondent to file its reply/written statement on merits in CP (IB) No.818/MB/2025; and/or
- e. Pass any other order that this Hon'ble Tribunal may deem fit in the interest of justice.

35. This Bench passed an order dated 04.02.2026 recording as under:-

“This Bench is of the considered view that the Applicant in the IA has been able to satisfy us that the notice was not duly served upon them as the registered office of the Applicant herein was taken over by the Applicant in the CP and was disposed of by invoking the provisions of SARFAESI Act 2002 and that their registered email ID could not be accessed, as a result the Applicant in the IA was prevented by a sufficient cause from appearing before this Tribunal and from filing a reply. In view of the above, to meet the ends of justice, we direct that an opportunity be given to the Applicant herein to file his say in the CP 818/2025 on the following terms and conditions :-

- A. Applicant to file its reply within a period of 7 days from the date of this order without fail and no further extension will be permitted to the Applicant.
- B. Copy of the reply to be served to the opposite site, who is permitted to file a Rejoinder, if any, within a period of 7 days from the date of receipt of the reply.
- C. Applicant to disclose on oath the new address of the Corporate Debtor and its email ID.

- D. Applicant to undertake that they will update the new address of the Corporate Debtor and its email ID on the website of MCA within a period of two week's.
- E. Applicant to deposit a cost of Rs. 50,000/-(Rupees Fifty Thousand) in the Prime Minister Relief Fund within 7 days of this order and the receipt of the same to be filed along with the reply. The opportunity to file reply is subject to the deposit of the above cost, which has been imposed considering that the CD has failed to update its new address and email ID on the website of MCA and as a result of the same the present proceedings before this Tribunal have been substantially delayed.

36. Subsequent to the above order, a cost of Rs. 50,000 was paid to the PMNRF and Respondent filed its reply vide an affidavit dated 04.03.2026.

Contents of Reply by the Corporate Debtor

37. The reply is affirmed by one Mr. Sameer A Lalani, stated to be authorized signatory of the Corporate Debtor.
38. Corporate Debtor states that the Financial Creditor is guilty of suppression of facts including suppression of auction process of two secured properties and has not come to this Hon'ble Tribunal with clean hands.
39. It is stated that the Financial Creditor has no lawful claim against the Corporate Debtor.
40. It is stated that the present petition is incomplete and suffers from several material defects and non-disclosure of parallel proceedings.
41. Respondent has described the business of the Corporate Debtor.

42. Under para 10 of the reply the Corporate Debtor has admitted sanction and disbursement of CCOL facility bearing No. 0771083000000003 and the Working Capital Term Loan (ECLGS) bearing No. 0771656000000030, which as per the reply were utilized for the legitimate business of the Corporate Debtor.

43. The Corporate Debtor has disputed the correctness of the outstanding of Rs. 8,96,18,839.89/- under the CCOL facility and Rs. 99,41,905.72/ under the ECLGS, aggregating to Rs. 9,95,60,745.61/- as on 25.07.2025 on the following grounds:-

43.1. The Financial Creditor has failed to disclose and credit the amount realized from the auction of the mortgaged properties conducted on 20 August 2025 and 10 September 2025. Until such amount is disclosed and adjusted, the claimed outstanding is neither verified nor final.

43.2. The alleged outstanding amount has not been reduced to reflect the recovery under SARFAESI, and the figure presented before this Tribunal is therefore overstated and misleading.

44. It is further submitted that the Financial Creditor had already initiated coercive measures under the provisions of the SARFAESI Act prior to the institution of the present Petition. In this regard, an E-Auction Sale Notice in respect of the secured asset was issued on 06 June 2025, the same has been annexed as Annexure-3.

45. It is stated that the Financial Creditor proceeded to issue another E-Auction Sale Notice dated 29 July 2025, claiming the alleged outstanding amount as (exactly as stated in the Petition) on 28 July 2025. Further, an additional auction notice in respect of another secured property was issued on 18 August 2025.

46. It is stated that the issue of multiple auction notices amounts to adoption of parallel proceedings and merits consideration.

47. It is respectfully submitted that the secured/mortgaged properties of the alleged Corporate Debtor and the guarantors have been grossly undervalued by the Financial Creditor in the auction notices issued under the SARFAESI Act and the reserve price indicated in the auction notices is not reflecting the correct price.

48. It is stated that the auction sale notices as well as the valuation of the secured properties are presently under challenge before the Debts Recovery Tribunal (DRT) by way of a Securitisation Application under Section 16 of the SARFAESI Act, 2002 bearing Diary No. 90 of 2026 in appropriate proceedings initiated by the Respondent.

49. It is stated that in these circumstances, the alleged shortfall projected by the Financial Creditor is premature, disputed, and contingent upon the outcome of the proceedings pending before the DRT. The Financial Creditor cannot rely upon a disputed and under assessed valuation to justify the institution and continuation of the present Section 7 proceedings.

50. It is stated that as such the claim of the applicant is disputed.

51. The Corporate Debtor seeking dismissal of the present application relied upon the decision of Hon'ble Supreme Court in Innoventive Industries Ltd. v. ICICI Bank, wherein it has been held that the Adjudicating Authority must be satisfied that a default has occurred before admitting a petition under Section 7 before the Company Law Tribunal.

52. It was stated that the quantum of debt is disputed, there is no appropriation of the amounts realized under SARFAESI sale w.r.t. 2 (two) of the properties sold and realized by the applicant.

53. The Corporate Debtor has relied upon the decision of Hon'ble Supreme Court in Vidarbha Industries Power Ltd. v. Axis Bank Ltd. in which it has been clarified that even upon proof of debt and default, the Adjudicating Authority is not denuded of discretion and must consider the surrounding facts and circumstances before admitting a petition.

54. The Corporate Debtor has relied upon the decision of Hon'ble Supreme Court in Swiss Ribbons Pvt. Ltd. v. Union of India has held that the IBC is a legislation for resolution of insolvency and not a mere recovery mechanism.

Rejoinder

55. Affidavit in rejoinder dated 21.04.2026 was filed by the applicant affirmed by Mr. Shone Thattil., authorized signatory.

56. In rejoinder the applicant has stressed upon the followings :-

- i. It is stated that the Corporate Debtor has not complied the order in IA 5952 of 2025 in totality being the reply was filed with delay and the registered office address has not been updated on the MCA records.
- ii. It is stated that the Respondent has filed Securitization Application 90 of 2026 ("SA") before Hon'ble DRT on 16 January 2026 and served an advance copy to the Petitioner only on 24 February 2026. Even otherwise, the SA has no bearing on the present Petition. Be that as it may, the Corporate Debtor has not made any efforts to clear the defects or have it listed before the Hon'ble DRT. Hence,

the Petitioner need not even deal with the same and all allegations are denied in toto.

- iii. It is also not the case of the Respondent that the debt is lesser than the threshold of Rupees One Crore or that the Corporate Debtor has not defaulted in repaying its dues. Hence, even on this count, it is relevant to note that this is a clear case for the admission of the Petition under Section 7 of the Code.
- iv. The Respondent has alleged that there lies no 'claim' against the Corporate Debtor and that the Petitioner herein is wrongfully trying to gain monies from the Corporate Debtor. It is humbly submitted that the said allegations are not only incorrect but also misleading. The Insolvency and Bankruptcy Code, 2016 ("the Code") defines a 'debt' and 'default' under Section 3(11) and 3(12) respectively. It is stated that in terms of the above definitions, the applicant has a rightful claim against the Corporate Debtor.
- v. In para 10 of the reply, the Respondent has admitted to the sanction and disbursement of the facilities.
- vi. As regards auction and subsequent realization of monies, the Applicant has stated that the allegation is absolutely specious as the Company Petition was filed on 28 July 2025 whereas the auctions were conducted on 20 August 2025 and 10 September 2025. Thus, it is evident that any recovery made was subsequent to the filing of the present Petition. Even as on the date of filing the present Affidavit in Rejoinder, the outstanding amount is still higher than Rupees One Crore. There is no dispute with respect to default committed by the Corporate Debtor i.e. Respondent.

- vii. The Respondent has asserted in that the outstanding amount was not reduced to reflect the recovery under SARFAESI. This assertion is merely an ill-judged attempt at creating a smokescreen in order to conceal their own culpability. It would be evident to any prudent person that the SARFAESI recovery cannot be reflected in the outstanding amount as on the date of filing if it had not occurred at that point of time. On the contrary, the Respondent Corporate Debtor has filed SA 90 before the Hon'ble Debts Recovery Tribunal - Mumbai challenging such SARFAESI action taken by the bank and as such cannot taken contradictory stances before different forums just to take benefit and unlawful advantage. Thus, these allegations are very plainly the Respondent's attempts to mislead the Hon'ble Tribunal and as such do not deserve consideration. Even otherwise, on every occasion of listing, the Applicant has mentioned the details of Auction conducted before the Hon'ble Bench.
- viii. It is submitted that once the Corporate Debtor is put under CIRP, the Petitioner shall file its claim and any amounts recovered through SARFAESI action shall naturally be adjusted and accounted for in order to reflect the current status of outstanding dues. The Interim Resolution Professional would appropriately consider the same while constituting the CoC at the relevant time.
- ix. As regards the parallel proceedings under SARFAESI, applicant has stated that the Respondent has attempted to undermine well-established principles of law by challenging the Petition tiled before Hon'ble NCLT on the grounds that the Petitioner has also proceeded against the Respondent under SARFAESL The Petitioner submits that this information has never been concealed from the outset. In fact, the 13(2) Notice under SARFAESI sent to the Respondent by the

Petitioner on 05 September 2024 forms part of the Petition and has been attached at 'Exhibit 49'.

- x. It is trite law that SARFAESI action does not bar a Financial Creditor from preferring an Application under Section 7 of the Code. The Hon'ble NCLAT, in the case of Punjab National Bank vs. Vindhya Cereals Pvt. Ltd., CA (AT) (TNS) No. 854 of 2019 ("Vindhya Cereals"), has held as under:

"9. In the light of above pronouncement, we are of the considered view that the Financial Creditor can proceed simultaneously under SARFAESI Act, 2002 as well as under I&B Code. Section 238 of I&B Code provides that the provisions of this code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by the virtue of any such law. Thus, the non-obstante clause of the I&B Code will prevail over any other law for the time being in force."

Further in para 12 of the said judgment Hon'ble NCLAT has stated as under:-

"12. In the application under Section 7 of I&B Code Financial Creditor has mentioned that the Corporate Debtor has sent the notice under Section 13 (2) of SARFAESI Act, 2002, thus, the Financial Creditor has not suppressed any material fact. The Financial Creditor has initiated parallel proceedings against the Corporate Debtor in SARFAESI Act as well as I&B Code, only on this ground it cannot be inferred that proceedings against the Corporate Debtor are fraudulent or malicious. "

Based on the above, the applicant contends that present application is maintainable.

- xi. As regards the allegations of undervaluation of properties, the applicant has denied such allegations. It is further stated that respondent have not provided any valuation reports to refute the valuation of the mortgaged properties, neither in their Affidavit in Reply nor in the SA 90 of 2026 filed before Hon'ble DRT. Here, the onus is on the Respondent to show how the properties are undervalued. Thus, this averment only goes to show that there is no merit in the argument and the same is baseless.
- xii. It is submitted that the Petitioner has carried out the auctions of both properties in consonance with the valuation provided in the Expert Valuation Report ("EVR") which was issued by the valuers and reserve prices of the properties to be auctioned were fixed accordingly. The bank has complied and strictly followed the SARFAEST Act, 2002 and the rules framed thereunder.
- xiii. It is also submitted that the Petitioner conducted multiple rounds of auctions in both properties since the year 2025. The Respondent is only now by way of SA 90 of 2026, which too has not been moved for listing, that the Corporate Debtor has raised their objections. This only goes to show that the same is an afterthought. It is also relevant to mention that the properties were owned by the personal guarantors/directors.
- xiv. It is stated by the applicant that they have sold two (2) properties at a value higher than the distress value.
- xv. It is stated that the SA filed before Hon'ble DRT is an unambiguous indication that the Respondent merely wants to exploit the proceedings before Hon'ble DRT to subvert from and stall the proceedings before Hon'ble NCLT. It must also

be noted that the application was filed by the Respondent after they allegedly became aware of the already ongoing proceedings before Hon'ble NCLT.

- xvi. The applicant has thereafter relied upon the decision of Hon'ble Supreme Court in the matter of Innoventive (supra) and also Catalyst Trusteeship Ltd. vs. Ecstasy Realty Pvt. Ltd., (2026) SCC Online SC 300 more particularly para 12 thereof which is reproduced below :-

" 12. In this regard, we may note the settled legal position that for admission of an application under Section 7 of the Code, the adjudicating authority is only required to examine and satisfy itself that a financial debt exists and there is default in relation thereto. ... Thus, the concept of a pre-existing dispute, which may be a stumbling block for admission of an application filed under Section 9 of the Code by an operational creditor, has no bearing on an application filed by a financial creditor under Section 7 of the Code.

- xvii. Thereafter the applicant has relied upon the judgment of Hon'ble Supreme Court in review of Vidharba (supra) and M. Suresh Kumar Reddy v. Canara Bank, Civil Appeal No. 7121 of 2022 more particularly para 13 which is reproduced below:-

"13. Thus, it was clarified by the order in review that the decision in the case of Vidarbha Industries was in the setting of facts of the case before this Court. Hence, the decision in the case of Vidarbha Industries cannot be read and understood as taking a view which is contrary to the view taken in the cases of Innoventive Industries and E.S. Krishnamurthy. The view taken in the case of Innoventive Industries still holds good."

- xviii. It is stated that the claim of the applicant is above the threshold.

xix. Applicant thereafter has requested for admission of the application.

Order dated 27.04.2026

57. This Tribunal vide order dated 27.04.2026 ordered as under :-

57.1. Today, we have partly heard the Applicant and the Respondent. During the course of arguments, Ld. Counsel Ms. Mitali Bhatt, appearing on behalf of the Applicant, states that some of the properties which were mortgaged to the Applicant's Bank were sold during the pendency of this Application.

57.2. Ld. Counsel for the Applicant thereafter states that this fact has not been disclosed on affidavit before this Tribunal by the Applicant.

57.3. She seeks a period of 3 days to put the relevant records before the Tribunal.
Allowed.

57.4. We direct the Applicant to serve a copy of the Additional Affidavit placing on record the entire facts relating to the disposal of the properties including the amount realized, along with a copy of account statement supported by the Bankers' Books Evidence Certificate.

57.5. A copy of the same shall be provided to the Respondent, who is at liberty to file its say on the additional documents within a period from 3 days of the receipt of the Additional Affidavit.

Additional Affidavit of the Applicant and Respondent

58. Pursuant to the said order, Applicant filed an additional affidavit dated 02.05.2026.

58.1. In the additional affidavit the applicant has stated that Property No. 1 being Apartment No: D-1802 having a carpet area of 316.19 sq.mts (approx.) on the 18th Floor of the building named as Adhara, Hadapsar Village, Haveli Taluka, Pune District, owned by Mr. Sameer Abdulhusein Lalani and Mrs. Heena Sameer Lalani was sold for Rs. 5,27,50,000/- (Rupees Five Crores Twenty Seven Lakhs Fifty Thousand only) through an auction conducted on 20.08.2025.

58.2. Applicant has stated that Property No. 2 being Flat No: 4 having a carpet area of 350 sq. ft (approx.) on the 1st Floor of the building known as 'Asiya Manor' Coop. Housing Society Ltd., Bandra Village, Andheri Taluka, Bandra at 67- A, Master Vinayak Cross Road, Bandra(W), Mumb-ai, owned by Mr. Sameer Abdulhusein Lalani was sold for Rs. 1,46,95,000/- (Rupees One Crore Forty Six Lakhs Ninety-Five Thousand only) through an auction conducted on 10.09.2025.

58.3. It is stated that the total amount available out of sale of the two properties was Rs. 6,74,45,000/-.

58.4. Copies of the Sale Certificates in respect of Mortgaged Property 1 and Mortgaged Property 2 are marked as "Annexure-1" and "Annexure-2" respectively.

58.5. Applicant has also attached the bank account statements of the Corporate Debtor and certificate under Bankers Books Evidence Act, as Annexures to the additional affidavit.

58.6. It is stated that out of the sale proceeds, an amount of Rs. 1,54,15,099/- was appropriated towards the housing loan account of Mrs. Heena Lalani and the remaining amount towards the loans of the Corporate Debtor.

58.7. Reply to the additional affidavit of the Applicant was filed by the Corporate Debtor through an affidavit dated 13.05.2026. In reply, the Corporate Debtor contends as under:-

58.7.1. The applicant has incorrectly appropriated the amounts of Rs. 1,54,15,099/- towards the housing loan account of Mrs. Heena Lalani.

58.7.2. The properties sold were undervalued.

58.7.3. A SA is pending before the Hon'ble DRT challenging the SARFEASI sale.

58.7.4. Applicant is using the present forum for recovery which is against the spirit of IBC, 2016.

58.7.5. The calculations given by the applicant are incorrect.

ANALYSIS AND FINDINGS

59. We have heard the learned Counsel for the Applicant. We have perused the materials and documents placed by the Applicant on record of this Tribunal.

60. From the material placed on record, it is evident that the Applicant is a banking company within the meaning of the Banking Regulation Act, 1949, and has extended various credit facilities to the Corporate Debtor from time to time, commencing from the year 2016.

61. The Financial Creditor has produced on record:

- i. Sanction Letters issued from time to time,
- ii. Credit Facility Agreements,
- iii. Demand Promissory Notes,

- iv. Acknowledgements of Debt and Security,
- v. Personal Guarantees executed by the promoters,
- vi. Mortgage documents relating to immovable properties,
- vii. Statements of account duly certified under the Bankers' Books Evidence Act, 1891.

62. The disbursement of funds to the Corporate Debtor has been clearly established through the bank statements and statements of account. The applicant has placed the necessary Certificate under the Bankers Books Evidence Act to authenticate the debt and disbursement.

63. The Applicant has placed on record the NPA Certificate dated 29.07.2024, evidencing that the loan accounts of the Corporate Debtor were classified as Non-Performing Assets on the said date.

64. The Applicant has further issued:

- i. Loan Regularisation Notice dated 06.08.2024,
- ii. Loan Recall Notice dated 14.08.2024,
- iii. Demand Notice under Section 13(2) of the SARFAESI Act, 2002,
- iv. Notices for taking symbolic possession of the secured assets.

65. Despite issuance of the aforesaid notices, the Corporate Debtor failed to regularise the accounts or repay the outstanding dues. The date of default has been specifically stated as 29.07.2024, which stands supported by documentary evidence.

66. In terms of Section 3(12) of the Code, "default" means non-payment of a debt when the whole or any part of the amount has become due and payable and is not paid. In the present case, default is clearly established.

67. The Corporate Debtor in its reply more particularly para 10, has admitted the existence of credit facilities, however it has denied default, quantum and has challenged the subsequent realisations of amounts by the Applicant through SARFEASI sale and its appropriations

68. The total amount claimed to be in default is Rs. 9,95,60,745.61/-, inclusive of interest, with the principal outstanding being Rs. 7,01,55,646/-.

69. Applicant has placed on record through an affidavit dated 02.05.2026 the sale certificates, details of amounts realised pursuant to such sales and the updated account statement of the Corporate Debtor along with Bankers Books Evidence Act Certificate.

70. A perusal of the additional affidavit of the Applicant reveals that they have realized a sum of Rs. 6,74,45,000/- out of the sale of 2 properties. Out of the said amount, a sum of Rs. 1,54,15,099/- was appropriated towards the housing loan of one of the mortgagors Mrs. Heena Lalani and the balance amount of Rs. 5,20,29,901/- was appropriated towards the loan of the corporate debtor. The applicant has attached the account statement of the two loans accounts post appropriation of the amounts realized, which show the aggregative amount outstanding in these two accounts amounting to Rs. 4,94,19,712/- which is well above the minimum threshold prescribed under Section 4 of the Code. **We make it clear that at this stage we are not crystalizing the exact amount of claim of the applicant.**

71. The application has been filed on 28.07.2025, within the period of limitation reckoned from the date of default i.e. 29.07.2024, and is therefore within time.

72. As regards pendency of SA 90/2026 before Hon'ble DRT, we agree with the contentions of the applicant more particularly when they relied upon the decision of Hon'ble NCLAT in the matter of Vindhya Cereals (supra) relevant paragraphs of which

are extracted above that the Financial Creditor can proceed simultaneously under SARFAESI Act, 2002 as well as under I&B Code. Section 238 of I&B Code provides that the provisions of this code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by the virtue of any such law. Thus, the non-obstante clause of the I&B Code will prevail over any other law for the time being in force. Further that parallel proceedings can be carried out by the Financial Creditor under the I&B Code and SARFAESI. It may be noted here that the applicant had duly disclosed the proceedings under SARFAESI in its application by placing the SARFAESI notice at Exhibit – 49 of the application.

73. We also agree with the contentions of the applicant, who has relied upon the judgment in M. Suresh Kumar Reddy (supra) that decision in the case of Vidarbha was in setting of the facts Vidarbha Industries judgement cannot be read and understood as taking a view which is contrary to the view taken in the cases of Innoventive Industries and E.S. Krishnamurthy. The view taken in the case of Innoventive Industries still holds good."

74. We are of the view that the other judgments relied upon by the respondent viz. Innoventive, Swiss Ribbons, Vidharba do not come to the rescue of the respondent in any manner.

75. We rely upon the Hon'ble Supreme Court's judgment in M/s. **Innoventive Industries Ltd. v. ICICI Bank & Anr.** (Judgment dated August 31, 2017 in Civil Appeal Nos. 8337-8338 of 2017) wherein it has been held as follows:

"28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant.It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be

due if it is not payable in law or in fact. **The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete**, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be.

30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. **It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.**" (Emphasis Supplied)

77. Upon perusal of the records and hearing the submissions by the Applicant, this Tribunal is satisfied that a financial debt, exceeding the threshold of Rs. One Crore as per Section 4 of IBC, 2016, exists there has been a default in repayment, the application is within limitation, Application is complete as all the required documents have been attached along with the Application, all procedural requirements under Section 7 of the IBC, 2016 and Rule 4 of the Adjudicating Authority Rules are satisfied.

78. Further, the Applicant has proposed the name of CA Siddhant Vinod Agrawal, registration no. **IBBI/IPA-001/IP-P-02832/2023-2024/14370** to be appointed as the IRP, applicant has attached his consent in Form 2 and from the said Form 2 it is observed that there is no disciplinary proceeding pending against the proposed IRP. Perusal of the IBBI site reveals that AFA of the proposed IRP is valid till 31.12.2026.

79. In view of the above, we are of the view that the Application filed by the Applicant herein deserves to be admitted.

80. We make it clear that at this stage, we have not crystalized the amount as claimed in this application, the same is left to be collated by the IRP.

81. In view of above, we pass the following order:

ORDER

- i. The Corporate Debtor- **Royal Dry Fruits Private Limited** [CIN: U51101MH2011PTC220314], is admitted into the Corporate Insolvency Resolution Process under Section 7(5) of the Code.
- ii. As a consequence, thereof, moratorium under Section 14 of 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 Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
 - d. the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor;

- 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 the Corporate Debtor.
- iii. The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33 of the IBC, 2016, as the case may be.
- iv. It is further directed that the supply of essential goods/services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period as per provisions of sub-sections (2) and (2A) of Section 14 of IBC, 2016.
- v. We hereby appoint **CA Siddhant Vinod Agrawal**, an Insolvency Professional having (Email: ip.siddhantagrwal.com) registration no. **IBBI/IPA-001/IP-P-02832/2023-2024/14370**, as the Interim Resolution Professional ('IRP') of the Corporate Debtor.
- vi. The Financial Creditor is directed to pay an advance of **Rs. 3,00,000/-** (Rupees Three Lakhs Only) to the above-named IRP within a period of 7 days from the date of this order **to meet the cost of CIRP** arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- vii. The IRP shall perform all his functions as contemplated, inter-alia, under Sections 17, 18, 20 & 21 of the IBC, 2016. 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 under section 19 of the IBC, 2016 for extending assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

- viii. This Adjudicating Authority directs the IRP to make a public announcement for the initiation of CIRP and call for the submission of claims under Section 15, as required by section 13(1)(b) of the IBC, 2016.
- ix. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever.
- x. The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority periodical reports with regard to the progress of the CIRP in respect of the Corporate Debtor.
- xi. The IRP shall be under duty to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern, to the extent possible, as a part of obligation imposed by Section 20 of the IBC, 2016.
- xii. The IRP is directed to issue notice of admission upon all the Statuary Authorities of the Corporate Debtor without fail.

- xiii. The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the IRP and the concerned Registrar of Companies, after completion of necessary formalities on the same day and upload the same on the website immediately after the pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specifically mentioning regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.
- xiv. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.
- xv. **Accordingly, CP (IB)/818(MB)2025 stands admitted.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

**Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)**

**Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)**