NATIONAL COMPANY LAW APPELLATE TRIBUNAL, PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 146 of 2025

[Arising out of Order dated 08.01.2025 passed by the Adjudicating Authority (National Company Law Tribunal), Principal Bench, New Delhi in C.P. (IB) No. 751(PB)/2023]

IN THE MATTER OF:

Sandeep Jain **...Appellant**

Versus

IDBI Trusteeship Services Ltd. & Anr. **...Respondents**

Present:

For Appellant: **Mr. Arun Kathpalia and Ms. Pooja Mehra Saigal Sr. Advocates with Mr. Rajat Joneja and Ms. Sakshi Kapoor, Advocates.**

For Respondents: **Mr. Krishnendu Datta and Mr. Abhijeet Sinha, Sr. Advocates with Mr. Pranjit Bhattacharya, Ms. Salonee Shukla, Mr. Akhil Nene and Mr. Auritro Mukherjee, Advocates for R-1.**
Mr. Abhirup Dasgupta, Advocate for RP/R-2.

J U D G M E N T
(10th February, 2025)

Ashok Bhushan, J.

This Appeal by a Suspended Director of the Corporate Debtor- M/s. Shree Vardhman Infraheights Private Limited has been filed challenging the order dated 08.01.2025 passed by the Adjudicating Authority (National Company Law Tribunal), Principal Bench, New Delhi admitting Section 7 application filed by IDBI Trusteeship Services Limited, the Financial Creditor. The Appellant aggrieved by the impugned order has come up in this Appeal.

2. Brief background facts necessary to be noticed for deciding the Appeal are:-

2.1. A Debenture Trust Deed dated 19.04.2016 was executed between the Company- Shree Vardhman Infraheights Private Limited and Santur Infrastructures Private Limited (a wholly owned subsidiary of the company) and Promoters Sandeep Jain, Sachin Jain, Rishi Gupta, Vivek Aggarwal, Gautam Chaudhary, Tushar Goel and IDBI Trusteeship Services Limited for raising funds by issuing upto 140 number of to be listed, rated, senior, fully secured, redeemable, transferable, interest-bearing non-convertible debentures of face value of Rs.1,00,00,000/- includes Series A and Series B. The first Amended Debenture Trust Deed was on 20.07.2017 and Restated and Amended Debenture Trust Deed dated 27.09.2018. Default having been committed on 30.06.2019, IDBI issued a repayment notice requiring the corporate debtor to repay the outstanding amount. Upon failure of the same, the financial creditor filed a Commercial Suit before the Delhi High Court. During pendency of the suit proceeding before the Delhi High Court, parties entered into the Settlement Agreement on 04.11.2019. On 04.11.2019, a revised repayment schedule was arrived at by the parties which culminated in the parties entering into Restated and Amended Debentures Trust Deed dated 04.11.2019.

2.2. The Restated and Amended Trust Deed dated 04.11.2019 acknowledged that as on 30.09.2019 outstanding principal amount of existing debenture was Rs.125 Crores. Unpaid interest outstanding on the existing debenture was Rs.24,53,04,939/- and Rs.59,70,827/- towards unpaid tax

deducted by the issuer. Parties agreed to re-schedule and restructure the existing debentures and revised the terms of the existing debentures. Company proposed to raise funds by way of issuance of up to amount aggregated to Rs.30 Crores at 'Series D Debentures'. New repayment schedule was also agreed between the parties on the basis of settlement between the parties. The commercial suit pending in the Delhi High Court was decided on 21.11.2019 in terms of the Settlement Agreement dated 04.11.2019. Under the restated settlement dated 04.11.2019, parties agreed for constitution of Project Monitoring Committee (PMC) with respect to development of residential project (Shree Vardhman-Victoria). In the Project Management Committee, three members were to be nominated by financial creditor and two members by the corporate debtor. The Project Management Committee was contemplated to monitor the project. The Corporate Debtor again failed to fulfil its payment obligation. The responsibility of construction, development, marketing and sale of project continued with the corporate debtor including payment obligation. On the request of the Corporate Debtor repayment schedule was again revised on 23.11.2020. Parties again entered into an Amendment to Restated and Amended Debenture Trust Deed on 23.11.2021. As per amendment to restated and amended trust deed dated 23.11.2021, repayment schedule was once again revised.

2.3. The corporate debtor failed to repay the amount on 31.12.2021 even in terms of the revised repayment schedule. On 27.09.2023, default notice was issued by the financial creditor to the corporate debtor. On 30.09.2023, amount of Rs.263,00,46,668/- was due and payable to the corporate debtor.

On 06.12.2023, Section 7 application was filed by the financial creditor seeking initiation of CIRP against the corporate debtor. The corporate debtor filed a reply to the section 7 application on 22.01.2024. IA No.1527 of 2024 was filed by the financial creditor seeking replacement of the proposed IRP. IA No.3961 of 2024 was filed by the financial creditor seeking certain directions. The Adjudicating Authority heard the parties and by impugned order after returning the findings of debt and default has admitted Section 7 application. IA No. 1527 of 2024 was also allowed and disposed of aggrieved by which order this Appeal has been filed.

3. We have heard Shri Arun Kathpalia, Learned Senior Counsel appearing for the Appellant, Shri Krishnendu Datta and Shri Abhijeet Sinha, Learned Senior Counsel for the Financial Creditors and Shri Abhirup Dasgupta, Learned Counsel for the IRP.

4. Shri Arun Kathpalia, Learned Senior Counsel for the Appellant challenging the impugned order submits that the Adjudicating Authority failed to appreciate the evidence and circumstances that unequivocally establish that the financial creditor exercised control over the project actively and it was the financial creditor who orchestrated the alleged default. It is submitted that the financial creditor by virtue of its majority position in the Project Monitoring Committee constituted under a Settlement Agreement dated 04.11.2019, exercised dominant control over the entire project. PMC which was composed of three members nominated by financial creditor and two by the company, had decision making authority over critical aspects of

the project, including but not limited to sales, marketing, finances and vendor/customers negotiations. Financial Creditor having full authority over the funds, leaving the company with no independent control over the project's cash flow, the alleged default was not attributable to the corporate debtor. The Financial Creditor did not act as a financial creditor but as a co-promoter, dictating key decisions and interfering with the project's day-to-day operations. It is submitted that the eight towers in the project were almost complete, however, the Financial Creditor persisted with the decision to carry on construction with three other towers namely J, G1 and G2 which was to be constructed under the additional FAR due to which action the existing eight towers could not be completed and handed over. Completion of eight towers and handing over possession and receiving final instalment from the allottees could have assisted in paying the dues of financial creditors. The financial creditors insisted on simultaneous by starting construction of additional FAR without obtaining RERA approval. Section 7 application was filed by the financial creditor due to disagreement with the company. The debenture holders failed to cure the defects as pointed by Haryana RERA Authority which led to ultimately cancellation of registration of project concerning eight towers. On account of active steps taken by the company, the RERA order dated 20.03.2023 has been set aside by the order dated 29.05.2024 and remitted the authority for fresh decision. Company has already obtained Occupancy Certificate for the eight towers and is only required minor finishing works to be able to handover the units to the buyers. Shri Kathpalia, however, in his submissions did not dispute the debt and

default but contended that debt and default in manner it had occurred could not be a ground of admitting Section 7 application. Financial Creditors itself having become co-promoter in view of the Settlement Agreement dated 04.11.2019 was equally responsible for completion of project and repayment.

5. Shri Krishnendu Dutta, Learned Senior Counsel for the Financial Creditor refuting the submissions of the Counsel for the Appellant submits that the only question to be determined in Section 7 application is debt and default. Adjudicating Authority has to consider whether there is a financial debt and whether there is a default committed in repayment of financial debt. It is submitted that debt and default committed by the corporate debtor is not even disputed. The question of debt and default being admitted fact, no error has been committed by the Adjudicating Authority admitting Section 7 application. Default report from Information Utility is on record which demonstrate that default occurred on 30.06.2023. It is submitted that the debt and default has been acknowledged by the corporate debtor from time to time. Letter dated 23.11.2020, Amendment to the Restated and Amended Debenture Trust Deed dated 23.11.2021 and Financial Statements of the corporate debtor for F.Y. 2021-2022 contained express acknowledgment of the corporate debtor of default. The litigation between the parties which is pending in the Delhi High Court including the proceeding for initiation of arbitration filed by the corporate debtor as well as proceeding filed by the financial creditor for execution of settlement agreement in no manner effect the maintainability or decision on the Section 7 application. Section 7 application is special remedy provided by the Code which has been rightly

invoked by the financial creditor. The Settlement Agreement dated 04.11.2019 cannot be read to mean that it is financial creditor who is controlling the project. The PMC was constituted to monitor the project, to ensure construction and to oversee by financial creditors construction and development. It is however, submitted that Clause 2.6 of the Settlement Agreement itself clarifies that the corporate debtor and promoters were responsible for construction, development, marketing and sale of the project and further repayment of amounts due to the financial creditor. The Settlement Agreement in no manner affected the liability of the corporate debtor to make the repayment of outstanding amount and the mere fact that in the PMC, three members were nominated by financial creditor has no effect and consequence on the clauses of the Settlement Agreement which oblige the corporate debtor and promoters to make the repayment. It is submitted that in fact the PMC was not allowed to function by promoters. With regard to existing FAR which pertaining to eight projects, the financial creditor has made request to the corporate debtor to cure the deficiency identified by Haryana RERA and the defects having not been cured by the corporate debtor, RERA Authority had to pass an order on 20.03.2023 cancelling the project which was subsequently set aside on 29.05.2024. Corporate debtor claiming it to be promoter has made an application before the RERA seeking release of monies from the 70% RERA account. The cash balance in various accounts were insufficient to fulfil the repayment obligation of the corporate debtor. There is no infirmity in the order of the Adjudicating Authority admitting Section 7 application.

6. Shri Abhijeet Sinha, Learned Senior Counsel has supported the submissions advanced by Shri Krishnendu Datta.

7. We have considered the submissions of the Counsel for the parties and perused the record.

8. Section 7 application was filed by the financial creditor on 06.12.2023 claiming default of an amount of Rs.263,00,46,668/- as on 30.09.2023. The issuance of Debenture Trust Deed dated 19.04.2016 and subsequent amendments to Debenture Trust Deed including the amendment dated 23.11.2021 are matter of record. Copy of Section 7 application filed by the financial creditor to initiate CIRP against the corporate debtor has been brought on the record in Volume 10 of the Appeal. Part IV of Section 7 application and amount claimed to be in default mentioned an amount of Rs.263,00,46,668/- as on 30.09.2023 and date of default as 31.12.2021 i.e. failure in repayment as per revised terms of the amendment to third Debenture Trust Deed.

9. Part IV of the application contains necessary pleadings pertaining to debt and default. As per Amendment to the Restated and Amended Debenture Trust Deed dated 23.11.2021, revised terms of repayment on 31.12.2021 was mentioned as revised date of repayment in which the corporate debtor failed. Counsel for the Respondent has referred to Financial Statements of the corporate debtor for F.Y 2021-22 which also clearly mentioned the default. Acknowledgment letter issued by the corporate debtor acknowledging the debt

has been noticed by the Adjudicating Authority dated 23.11.2020 which letter also contained the statement on behalf of the corporate debtor that grant of additional rights to the PMC does not constitute any derogation or waiver of the rights of the debenture holders arising from the Settlement Agreement.

10. As noted above, the debt and default is not even being contested on behalf of the Appellant during the course of submissions. The submission which has been pressed by the Appellant is that after Settlement Agreement dated 04.11.2019, the PMC was constituted which consisted three members of the financial creditors and two members of the company. The Financial Creditor by majority controlled the PMC and default subsequent to constitution of PMC is orchestrated by financial creditor and the said default cannot be basis of any initiation of the CIRP process. Financial creditor cannot be given benefit of its own inaction.

11. The PMC having been constituted as per the Settlement Agreement dated 04.11.2019, we need to notice clauses of the Settlement Agreement dated 04.11.2019. Settlement Agreement dated 04.11.2019 which is brought on the record as Annexure A-7 in the Appeal is between the parties who had executed the Debenture Trust Deed. The promoters were collectively referred to as 'obligors'. It is useful to notice following statement in the Settlement Agreement:-

> *"Promoter 1, Promoter 2, Promoter 3, Promoter 4, Promoter 5 and Promoter 6 are hereinafter collectively referred to as the "Promoters". The Company, the Promoters and Santur are hereinafter individually*

referred as "Obligor" and jointly as the "Obligors". The Company, the Promoters, Santur and the Debenture Trustee are hereinafter individually referred to as a "Party" and jointly as the "Parties".”

12. Clause B of the Settlement Agreement notices the payment default as on 30.06.2019. Clause B of the Settlement Agreement is as follows:-

“B. As per the Initial Subscriber, on 30.06.2019, there was a payment default on the Debentures of Rs. 26,65,67,499/-(Rupees Twenty-Six Crores Sixty-Five Lakhs Sixty-Seven Thousand Four Hundred and Ninety-Nine only) comprising of Interest (including due TDS) of Rs 19,15,67,499/- (Rupees Nineteen Crores Fifteen Lakhs Sixty-Seven Thousand Four Hundred and Ninety-Nine Only) and principal of Rs. 7,50,00,000/- (Rupees Seven Crores and Fifty Lakhs Only). Further, as per the Initial Subscriber as on 30.09.2019 the Principal due on the Debentures is Rs 15,00,00,000/- (Rupees Fifteen Crores Only) and Interest due on the Debentures (including due TDS) is Rs 25,12,75,766/- (Rupees Twenty-Five Crores Twelve Lakhs Seventy-Five Thousand Seven hundred and Sixty-Six Only) aggregating to Rs 40,12,75,766/- (Rupees Forty Crores Twelve Lakhs Seventy-Five Thousand Seven Hundred and Sixty-Six Only). In respect of the above, certain disputes under the Restated and Amended DTD arose between the Parties pursuant to which the Debenture Trustee initiated the Enforcement Actions (as defined hereinafter) against the Obligors;”

13. Settlement Agreement contemplated 'Constitution of Project Monitoring Committee'. Clause 2.1 provides for setting of Project Monitoring Committee which is as follows:-

> *"2.1 The Parties agree that, as part of this settlement, the Company will set up and appoint a Project Monitoring Committee ("PMC") with respect to the residential project being developed by the Company at Sector 70, Gurugram, Haryana under the name of 'Shree Vardhman Victoria', with the Existing FAR ("Project"). The PMC shall comprise of 5 (five) members, 3 (three) of which shall be nominated by the Debenture Trustee (acting on Approved Instructions) and the remaining 2 (two) members shall be nominated by the Promoters. The PMC shall act on the basis of majority decision. The minutes of each meeting of the PMC shall be duly recorded circulated to each of the members within seven (7) days of the date of such meeting. The Debenture Trustee (acting on Approved Instructions) and the Company shall at all time have the authority to replace and remove their respective nominees from the PMC and any such nomination will be effective immediately on written instructions from the nominating Party. The constitution and authority of the PMC will not be modified, rescinded or restricted in any manner whatsoever without prior written consent of the Debenture Trustee."*

14. The purpose of the Project Monitoring Committee has been captured in Clause 2.2 which is to the following effect:-

> *"2.2. The main purpose of the PMC shall be to monitor the Project, to improve the sales and collections from the*

Project and completing the construction of the Project. The rights (not obligation) of the PMC shall include the right to: apply for and obtain any required Project approvals, sell apartment units subject to the terms of this Agreement and develop and construct the Project. Further, the PMC will also have the right (not the obligation) to execute and register builder buyer agreement/ sale deed, as the case may be for Sale of apartments falling in the PMC Inventory, however, PMC shall exercise such right in the event the Company fails to execute or register such required documents within five (5) Business days of written request from the PMC for the same. The PMC would also be entitled to sell any retail units in the Existing FAR of the Project in accordance with the price matrix as may be mutually agreed to between the Company and PMC, at the time of sale of such retail units. It is further clarified that any commercial or institutional area on the Project forming part of the Existing FAR, that may be monetized is within the scope of the PMC and the PMC will sell the units in the said area in accordance with the price matrix as may be mutually agreed to between the Company and PMC, at the time of sale of such units. The PMC shall be authorised to undertake any steps and actions, as may be required to give effect to and achieve its aforesaid authority and purpose. Further, PMC shall, subject to the Applicable Laws, be entitled to take necessary actions and give written directions as are required in respect of the Project to employees, agents, consultants and any other representative and to third parties, including but not limited to sales and marketing agents, real estate brokers, vendors, contractors, service providers,

government authorities, as is required for effective exercise of the PMC's rights, purpose and authority as set out herein. The PMC will have full authority, for and on behalf of the Company and its Board, to exercise and undertake and further authorise any persons it deems fit to take any actions as it has been authorised to undertake in terms of the resolutions constituting the PMC."

15. Clause 2.6 of the Settlement Agreement dated 04.11.2019 contained a clarification that repayment of the amounts due is the obligation of the obligors. Clause 2.6 is as follows:-

"2.6. It is clarified that (i) the responsibility for construction, development, marketing and sale of the Project in accordance with Applicable Laws and (ii) for repayment of the Amounts Due including but not limited to the outstanding and on-going interest and Redemption Amounts of NCDs in accordance with the Revised Repayment Schedules as set forth in this Agreement, is independent of the working of the PMC and is the obligation of the Obligors."

16. We also need to notice Clause 2.22 which again stated that payment of interest and principal in respect of the debentures and New NCDs pursuant to the applicable Revised Repayment Schedule is the obligation of the obligors. Clause 2.22 is as follows:-

"2.22. The payment of interest and principal in respect of the Debentures and New NCDs pursuant to the applicable Revised Repayment Schedule is the obligation

of the Obligors in accordance with the Restated and Amended DTD. The Obligors agree that in the event the Company fails to pay the Interest or principal on or before the scheduled payment date pursuant to Schedule D then it shall be a Payment Default and without any cure period with immediate effect on written notice of the same by the Debenture Trustee to the Company and the terms of the Restated and Amended DTD in case of such default shall apply with immediate effect from date of such notice. The cure periods for any non-payment default shall be as provided in the Restated and Amended DTD."

17. The PMC was constituted for the purpose and object to monitor the project, to improve the sales and collections from the project and completing the construction of the project. PMC was constituted to improve the functioning of company qua the construction of the project. PMC in no manner has undertaken the obligation of the obligors towards repayment which is clearly reflected in Clauses 2.6 and 2.22 as extracted above. We, thus, do not find any substance in the submission of Shri Arun Kathpalia that after constitution of PMC in which there are three members of the financial creditors i.e. majority, blame for non-payment of due amount can be put on the financial creditor itself. The PMC was constituted to assist and improve the operations and construction of the project which in no manner diminish the obligation of the corporate debtor to fulfil its payment obligation. The default in repayment of the obligation by obligors cannot in any manner be put on the financial creditor nor constitution of PMC in any manner affect

the obligation or absolve the corporate debtor from its default for repayment of the debt.

18. Counsel for the Respondent is right in his submission that in Section 7 application the Adjudicating Authority was obliged to determine whether default has occurred or whether debt was due as remained unpaid. The Hon'ble Supreme Court in ***"E.S. Krishnamurthy and Others vs. Bharath Hi-Tech Builders Private Limited- (2022) 3 SCC 161"*** referring to the earlier judgment of the Hon'ble Supreme Court in ***"Innoventive Industries Ltd. vs. ICICI Bank- (2018) 1 SCC 407"*** held following in paragraph 32:-

> *"**32.** In Innoventive Industries [Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407, paras 28 and 30 : (2018) 1 SCC (Civ) 356] , a two-Judge Bench of this Court has explained the ambit of Section 7 IBC, and held that the adjudicating authority only has to determine whether a "default" has occurred i.e. whether the "debt" (which may still be disputed) was due and remained unpaid. If the adjudicating authority is of the opinion that a "default" has occurred, it has to admit the application unless it is incomplete. Speaking through Rohinton F. Nariman, J., the Court has observed : (SCC pp. 438-39, paras 28 & 30)*
>
> > *"28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the Explanation to Section 7(1), a default is in respect of a financial debt owed to [**Ed.** : The word between two asterisks has been emphasised in original.] any [**Ed.** : The word between two*

asterisks has been emphasised in original.] financial creditor of the corporate debtor — it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in Part III, particulars of the financial debt in Part IV and documents, records and evidence of default in Part V. Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application. 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)

19. Subsequent judgment of the Hon'ble Supreme Court in ***"M. Suresh Kumar Reddy vs. Canara Bank and Ors.-(2023) 8 SCC 387"*** also decode

the same proposition. It is useful to extract paragraph 11 of the judgment which is as follows:-

> *"**11.** Thus, once NCLT is satisfied that the default has occurred, there is hardly a discretion left with NCLT to refuse admission of the application under Section 7. "Default" is defined under sub-section (12) of Section 3 IBC which reads thus:*
>
> *"**3. Definitions**.—In this Code, unless the context otherwise requires—*
>
> * * *
>
> *(12) "default" means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not [paid] by the debtor or the corporate debtor, as the case may be;"*
>
> *Thus, even the non-payment of a part of debt when it becomes due and payable will amount to default on the part of a corporate debtor. In such a case, an order of admission under Section 7 IBC must follow. If NCLT finds that there is a debt, but it has not become due and payable, the application under Section 7 can be rejected. Otherwise, there is no ground available to reject the application."*

20. Counsel for the Appellant has also referred to the proceedings initiated by the financial creditor at Delhi High Court for execution of the Settlement Agreement as well as proceedings initiated for arbitration by the corporate debtor in the Delhi High Court. It is well settled proposition that any dispute even pending in the arbitration does not in any manner prohibit the financial creditor to take remedy under Section 7. Counsel for the Appellant has much

emphasised on the fact that the financial creditor has proceeded and utilised the amount for construction with respect to additional FAR towers. The Financial Creditors role was construction and monitoring of the project was only as per PMC constituted. As per the Settlement Agreement dated 04.11.2019, any action taken by the PMC through its members consisting of nominees of the financial creditor can have no consequence or effect on the obligation and liabilities of the obligor to fulfil their obligation of repayment. Adjudicating Authority in the impugned order after considering the submissions of the parties has returned the findings that debt and default has been proved. In paragraph 5(x), following was held:-

> *"x. Therefore, on the basis of arguments advanced and documents on record, the DSA and DTD as amended on 04.11.2019 and 23.11.2021 shall stand as valid and enforceable. That is the underlying factor for the debt and default that remains unpaid. All other interim arrangements basis court proceedings in multiple forums does not vanquish the debt. It lends credence to the continuing default and attempt to extricate but in vain. There are other additional documents like emails."*

21. We do not find any infirmity in the findings returned by the Adjudicating Authority that the financial creditor succeeded in proving the debt and default and the ingredients under Section 7 are fulfilled. In view of the facts brought on the record, it is clearly proved that there is a debt and default which has been acknowledged from time to time by the corporate debtor. Corporate debtor has failed to honour its repayment obligations as per financial

document. Adjudicating Authority after considering all submissions of the parties have rightly returned the finding of debt and default.

22. In view of the foregoing conclusions and discussions, we are of the view that no ground has been made out to interfere with the impugned order dated 08.01.2025 passed by the Adjudicating Authority admitting Section 7 application. There is no merit in the appeal. The Appeal is dismissed.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

[Arun Baroka]
Member (Technical)

New Delhi
Anjali