



IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-VI

CP (IB) No.230/MB/2025

[Under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016]

IN THE MATTER OF:

MR. AJAY SANADHYA S/o SHRI M.L. SANADHYA

[Nominated Person authorised by 136 Financial Creditors]

C-93, Shriyantra Nagar, Near
Sanwariya Kirana and Dudh Bhandar,
Khandwa Road
Indore – 452020, Madhya Pradesh.

...Financial Creditor/Applicant

V/s

M/S VATSALYA BUILDERS AND DEVELOPERS PRIVATE LIMITED

[CIN: U45200MH2000PTC128402]

201/202, Second Floor, Ganesh Chamber
Mehadia Square opp. Yashwani Stadium
Dhantoli
Nagpur- 440012, Maharashtra.

...Corporate Debtor

Pronounced: 13.02.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

Financial Creditor: Adv. Prashant Upadhyay a/w Adv. Kush Gala, Ajay Sandhya
(authorized Representative)

Corporate Debtor: Adv. Mr. Mustafa Doctor, Adv. Mr. Vishal Phal, Adv. Mr. Aoly
Kunal Kanoongo, Adv. Mr. Bhupendra Dave i/b Naavick Legal



ORDER

[PER: BENCH]

1. BACKGROUND

- 1.1 This is an Application bearing C.P. (IB) No.230/MB/2025 filed on 21.02.2025 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”), read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “the AAA Rules”), by Mr. Ajay Sanadhya (Nominated Person authorised by 136 Financial Creditor), for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) in respect of M/s Vatsalya Builders and Developers Private Limited, the Corporate Debtor (CD).
- 1.2 The Application has been filed by 136 allottees in a real-estate project named the Shiv Residency Phase II jointly with Applicant acting as a nominated person authorised by the allottees in the said real-estate project to act on their behalf as prescribed under Section 7 sub-section 1 proviso 2 of the Code. The CD represented themselves as developers and owners of a residential real-estate project named “Shiv Residency II”.
- 1.3 The Applicant has proposed the name of Mr. Mangesh Vitthal Kekre, to act as an IRP and has given consent letter in Form-2 and valid AFA.
- 1.4 The Applicant has relied on the following documents:
- i. Copy of list of Names of the Applicant/Financial Creditors with Details
 - ii. Copy of Compilation of Letter of Authority in favour of person authorised to file application on behalf of the financial creditors.
 - iii. Copy of Details about the Project Shiv Residency II
 - iv. Copy of MCA Master Data of the Corporate Debtor
 - v. Copy of Published Brochure and Advertisements



- vi. Copy of Compilation of Copies of Agreements to Sale executed between the allottees and the Corporate Debtor along with payment receipts.
- vii. Copy of a detailed statement for amount paid by every allottees to the Corporate Debtor in the said project
- viii. Copies of Letters dated 15.10.2010, 31.07.2016, 16.02.2016, 19.01.2023 and 20.05.2023
- ix. A copy of the order passed by NCLAT in the matter of Mist Avenue Pvt. Ltd. and Ors. Vs. Nitin Batra and Ors Company Appeal (AT) (Insolvency) No. 127 of 2023
- x. Copy of Sale Deed No. MP179092023A 11774264 dated 27.04.2023 registered in favour of the Third Party
- xi. A copy of the order dated 19.07.2021 vide case no.-F-3/121/2013/32 passed by the Urban Housing and Development Authority of Madhya Pradesh
- xii. Copy of Compilation of Correspondence with various Financial Creditors sent by the Corporate Debtor
- xiii. Copy of Form-2 Consent to act as IRP along with Letter of Appointment, registration Certificates and AFA

2. AVERMENTS OF THE APPLICANT

2.1 As per Part-IV of the Application the total amount claimed to be in default by the Applicant is Rs. 8,88,86,452/- (Eight Crore Eighty-Eight Lakh Eighty-Six Thousand Four Hundred and Fifty-Two Rupees) excluding the interest component.

2.2 It is submitted that the CD entered into an Agreement to Sell and Registration of Sale Deed in favour of the respective allottees in relation to a real-estate project named "SHIV RESIDENCY PHASE II" and allotments of plots were made after payments of the amount equivalent to the value of their respective allotments.



2.3 Further, the amount paid by 136 number of allottees for sale or purchase agreement under a real estate project have the commercial effect of a borrowing in accordance with the definition of “Financial Debt” defined under Section 5 sub-section 8 clause (f) of the Code. Subsequently, through the effect of the definition of Financial Debt provided under Section 5 sub-section 8 clause (f) of the Code the said amount was transformed into a Financial Debt.

2.4 This Tribunal *vide* interim order dated 25.08.2025 has recorded the following:

“5. Ld. Counsel for the Respondent states that the total dues as claimed in the application of around 136 allottees constitute a sum of Rs. 8,88,86,452/-. He further states that his clients are ready and willing to deposit the entire payment as claimed in the present application within a period of 4 weeks by way of demand drafts.

“6. The same is objected by the Applicant’s Counsel, who states that the allottees have invested the amounts sometime in the year 2009-2014 and Respondents have not delivered the promised dwellings till now.

7. Ld. Counsel for the Applicant states that it will be a travesty of justice if the Respondent pays only the principal amount at this stage.

8. Ld. Counsel for the Respondent agrees to put forth the point of the Applicant’s Counsel before his clients regarding payment of some interest. He further states that some suit has been filed for cancellation of all the deeds in 2020, by the Respondent, which is pending.

9. Ld. Counsel for the Respondent states that besides these 136 applicants, there were several other people who were also allottees and have since been paid back the principal amount by the Respondents.

10. Considering the submissions made by the Respondent’s Counsel across the bar today, this Tribunal deems it fit to permit the Respondent herein to deposit the entire amount as claimed in this application by way of demand drafts in favour of the individual applicants, within a period of 2 weeks from the date of this order.”

2.5 Further, this Tribunal’s interim order dated 13.10.2025 is recorded as:

“1. At the hearing held on 25.08.2025, Ld. Counsel for the Respondent stated that his client was ready and willing to deposit the entire amount claimed in the Application within a period of four weeks, by way of demand drafts. Pursuant to the same



Respondent has filed an Additional Affidavit which is dated 08.09.2025 along with which 136 demand drafts in original for amount totalling to Rs.8.65 Crore were tendered across the bar today.

2. Ld. Counsel states that out of total no. of 137 Applicants, one Applicant has already accepted the demand draft and has entered into a cancellation deed with the Respondent and, therefore, 136 demand drafts in respect of the remaining Applicants are being tendered.

3. Learned Counsel for the Applicant states that this Application has been filed for initiation of insolvency due to default committed by the Respondent in handing over the plots of land to the allottees, and that refund is not acceptable to his clients.

4. Since the Applicants are not willing to accept the demand drafts offered by the Respondent, the original demand drafts are returned to the learned Counsel for the Respondent present at the hearing.

5. We direct the learned Counsel for the Applicant to file an affidavit stating the stand of his clients as stated at the time of the hearing today.

6. A copy of the said affidavit shall be furnished to the learned Counsel for the Respondent.

7. Thereafter, a reply can be filed by the Respondent within a period of two weeks and rejoinder may be filed by the Applicant within 10 days thereafter.”

2.6 In compliance of the above order, the Applicant filed an Additional Affidavit dated 15.10.2025 and the CD e-filed reply to the Additional Affidavit on 27.11.2025. The CD had offered to pay the Applicants the principal amount as claimed in the Application. However, the Applicants have denied to accept the offer as they had deposited money in the project for allotment of plot.

2.7 The date of default is mentioned as continuing wrong as per Section 22 of the Limitation Act, 1963 i.e. from the year 2012 (as per the Agreement to Sell of individuals having different date of execution).



3. CONTENTIONS OF CORPORATE DEBTOR

- 3.1 The CD filed Affidavit-in-Reply dated 26.05.2025 which is affirmed by Mr. Prafulla Gadge – Director of the CD.
- 3.2 In reply, the CD submits that the Application is barred by limitation and hit by the provisions of Section 238-A of the Code, as the Application is based on the agreements executed in the year 2009-2010-2011-2012 and the provisions of Limitation Act provides the period of 3 years to prefer any proceeding pertaining to such agreements. The Applicant has not explained as to when the cause of action accrued and how the claim can be adjudicated beyond the period of 16 years.
- 3.3 The CD submits that neither the CD nor the Applicant can be termed as Corporate Debtor and Creditor respectively, under the definition provided in Section 3(8) and Section 3(10) of the Code and therefore, the Application is not maintainable.
- 3.4 It is the settled law laid down by Hon'ble Supreme Court of India as well as by Hon'ble Bombay High Court that mere agreement does not create any right in the property and the bare perusal of the agreement would clearly show that the respondent had never entered into the so-called agreements but all the said agreements were entered into with one Manvendra Nanigopal Mujumdar who had posed himself to be the Power of Attorney of the CD whereas, the CD had never conferred any right or power upon him to enter into any agreement of sale and thus, none of the agreements are binding upon the CD and the Application is liable to be rejected on this count.
- 3.5 The Applicants have not brought to the notice of this Tribunal as to how they had behaved earlier by approaching all the Authorities viz. the Police Authorities, the Executive Authorities such as the Learned Collector of Indore and other competent Authorities and have obstructed the development of the property without paying the amount as per the terms of the agreement and have also suppressed the substantive



fact that the CD, though had absolutely no liability and duty to pay any amount, had shown its bonafides by sending the Demand Drafts to Applicant and others of their amount by a letter under Registered Post accompanying the respective Demand Drafts to the Applicant and others at their respective known addresses but for the reasons best known to them, neither they had accepted the said letters consisting Demand Drafts nor they had ever approached the CD to receive the same.

3.6 The CD submits that during joint meetings held at the office of the Learned District Collector, Indore, a WhatsApp group comprising all the Applicants was formed, wherein due intimation was given regarding the Demand Drafts and requests were made to the concerned persons to collect the same. Pursuant thereto, several persons collected their respective Demand Drafts. However, 90 Applicants, despite delivery of the envelopes containing the Demand Drafts, have failed and neglected to accept the same. This material fact has been deliberately suppressed, as its disclosure would disentitle them from seeking relief under the Code and would also render the present Application incompetent for want of the requisite number of Applicants. The CD has thus established that it is neither insolvent nor bankrupt and reiterates that it has never withheld any amount payable to any person.

3.7 The Application is not legally maintainable, as the documents annexed, styled as affidavits and “Letters of Authority,” do not comply with the mandatory requirements of law, including the provisions of the Power of Attorney Act and the Oaths Act. This defect strikes at the root of the Applicants’ claim. Notably, the Applicant, Mr. Ajay Sanadhya, has purportedly authorized himself to institute and prosecute the proceedings, which is impermissible in law. Further, the affidavits are verbatim identical, reflecting a mechanical “copy-paste” exercise, and the application has been presented solely under the signature of Mr. Ajay Sanadhya, rendering it incompetent



and liable to rejection on this ground alone. Additionally, neither the application nor the affidavits disclose that Mr. Ajay Sanadhya has personal knowledge of the transactions or the factual matrix of the other Applicants so as to competently plead on their behalf.

- 3.8 It is submitted that the CD never authorized Mr. Manvendra Mujumdar to deal with the subject property or to receive any amount from any person. Upon learning of his fraudulent and deceitful acts, including forgery, fabrication of documents, and misappropriation of funds, the CD immediately lodged a police complaint against Mr. Manvendra Mujumdar and his accomplice, Mr. Sandeep Yadav. The pre-arrest bail application of Mr. Manvendra Mujumdar was rejected by the Hon'ble Sessions Court, Nagpur, and he has since been absconding. Inasmuch as the Applicants admittedly entered into agreements with Mr. Manvendra Mujumdar and have failed to implead him as a party, the present application is liable to be rejected for non-joinder of a necessary party.

4. REJOINDER

- 4.1 The Applicant filed the Rejoinder on 09.06.2025 affirmed by Mr. Ajay Sanadhya – authorised by 136 allottees in the real-estate project.
- 4.2 The Applicant submits that it is a settled position of law that while considering an application filed under Section 7 of the Code, the Adjudicating Authority is required to be satisfied only on three essential parameters: (i) that a financial debt is due and payable, (ii) that a default has occurred, and (iii) that the application is complete in all respects with no disciplinary proceedings pending against the proposed Resolution Professional and relied on the judgment of Hon'ble Supreme Court in Innoventive Industries Ltd. v. ICICI Bank and Anr, (2018) 1 SCC 407.
- 4.3 In the present case, the payments made by the Applicants were towards consideration for allotment of plots/units in the real estate project known as the Shiv Residency II



being developed by the Corporate Debtor. These payments are in the nature of financial debt as defined under Section 5(8)(f) of the Code, which includes any amount raised from an allottee under a real estate project as having the commercial effect of a borrowing. The Hon'ble Supreme Court in Pioneer Urban Land and Infrastructure Ltd. & Anr. v. Union of India & Ors., 2019 SCC OnLine SC 1005, has conclusively held that the deeming fiction introduced in the Explanation to Section 5(8)(f) of the Code is clarificatory in nature and was always implicit in the statutory framework.

- 4.4 The objection of the CD with regard to the letter of authority, the Applicant submits that the application was filed in Form I as prescribed under the Rules, and all material particulars were duly filled and verified.
- 4.5 The Applicant states that in terms of Section 5(8)(f) of the Code read with the Explanation thereto, any amount raised from an allottee under a real estate project is deemed to have the commercial effect of borrowing, thereby qualifying as a 'financial debt'. Consequently, each of the 136 applicants, being allottees under the same real estate project, is a 'financial creditor' within the meaning of Section 5(7) of the Code. Further, the expressions "allottee" and "real estate project" have been defined under clauses (d) and (zn) respectively of Section 2 of the Real Estate (Regulation and Development) Act, 2016.
- 4.6 It is submitted that an application must be filed jointly by not less than 100 such allottees or not less than ten percent of the total number of allottees under the same real estate project, whichever is less. As the total number of allottees in the present project is 502, the numerical threshold would be 51. The present application, being filed by 136 allottees, is therefore well above both statutory thresholds.
- 4.7 The Applicant submits that the cause of action arises from a continuous breach of the contractual obligations undertaken by the CD, thereby constituting a continuing wrong



under Section 22 of the Limitation Act, 1963. This legal position has been upheld by the Hon'ble NCLAT in *Mist Avenue Pvt. Ltd. & Ors. vs. Nitin Batra, & Ors.*, Company Appeal (AT) (Insolvency) No. 127 of 2023.

- 4.8 The allegation of "copy-paste" is frivolous and misconstrued; rather, the contents of the Letters of Authority were duly prepared with the assistance of legal counsel, considering the fact that the majority of the allottees are laypersons with limited familiarity with legal procedures. In a matter involving a large group of similarly placed individuals, consistency in form and content of authorization documents is both logical and efficient. Each Letter of Authority has been genuinely executed by the respective allottees and bears their true signatures, which were duly attested before the competent authority solely for the limited and specific purpose stated therein—i.e., to authorize Mr. Ajay Sanadhya to represent them in the proceedings before this Tribunal.

5. WRITTEN SUBMISSIONS OF CORPORATE DEBTOR

5.1 The CD has relied on the following judgments:

- i. Hon'ble Supreme Court in *B.K. Educational Services (P) Ltd. v. Parag Gupta & Associates*, (2019) 11 SCC 633.
- ii. Hon'ble Supreme Court in *Sesh Nath Singh v. Baidyabati Sheoraphuli Coop. Bank Ltd.*, (2021) 7 SCC 313.

6. ANALYSIS AND FINDINGS

6.1 We have heard the Ld. Counsels for the Applicant and the CD and have perused the records as placed before us. Our findings in the matter are as under: -

6.2 The CD was a developer and owner of the residential real-estate project named Shiv Residency II and had represented that the project had luxurious amenities and



facilities (power backup, underground drainage, club house, swimming pool, overhead water tanks etc.). The Applicant along with 136 allottees deposited amounts for their respective allotments and the CD has acknowledged the same and executed Agreement to Sell between the allottees and the CD. The same can be seen from the Agreements to Sell and the receipts attached thereto to the agreements in the Application from page nos. 738-2893.

6.3 As per the various Agreement to Sell executed between the parties, the CD had promised to start the development work within 24 months and in case any delay then the CD was liable to pay interest at the prevailing bank rate on the total deposited amount by the Applicants. The relevant portion under the agreement is reproduced as under:

“7) The development work will be executed within the stipulated (24 months) time. In case if any such delay as a result of an error on the part of the VENDOR, the VENDOR shall be liable to pay interest at the prevailing bank rate on the total deposited amount.”

6.4 The Applicant submits that a total of 502 allotments were made and the present Application is jointly filed by 136 allottees of the same real estate project for a total amount of Rs. 8,88,86,452. Provisio to Section 7(1) of the Code, which is relevant here, is reproduced as under,

"Section 7(1)

A financial creditor either by itself or jointly with 1[other financial creditors, or any other person on behalf of the financial creditor, as may be notified by the Central Government] may, file an application for initiating corporate insolvency resolution process against a corporate debtor before the Adjudicating Authority when a default has occurred.

Provided further that for, financial creditors who are allottees under a real estate project, an application for initiating corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one



hundred of such allottees under the same real estate project or not less than ten per cent. of the total number of such allottees under the same real estate project, whichever is less:"

6.5 The Applicant submits that as the total number of allottees are 502, the threshold to file the Application will be 51 as per the provisions of the Code, and that the present Application is filed by 136 allottees which fulfils the requisite number to file the Application.

6.6 The CD has raised the following objections:

- i. the Application is barred by limitation
- ii. the Applicant is not a Financial Creditor
- iii. agreements are not entered between the Applicants and CD but with Manvendra Nanigopal Majumdar
- iv. the Applicant approached other authorities
- v. Applicants did not accept the demand drafts
- vi. Letter of Authority is not maintainable

6.7 The Applicant has placed reliance on Section 22 of the Limitation Act, 1963 and Hon'ble NCLAT judgment in Mist Avenue (supra) where the court had given a finding on limitation, that records as below:

"35. Learned Counsel for the allottees have relied on Judgment of Hon'ble Supreme Court in 2022 4 SCC 103, Samruddhi Cooperation Housing Society Ltd. Vs Mumbai Mahalaxmi Construction Pvt. Ltd. In the above case, the Hon'ble Supreme Court had occasion to examine the question of limitation with regard to complaint under Consumer Protection Act, 1986. Hon'ble Supreme Court had referred to Section 22 of the Limitation Act in the above case, Section 22 of the Limitation Act provides as follows:

"22. Continuing breaches and torts.—In the case of a continuing breach of contract or in the case of a continuing tort, a fresh period of limitation begins to run at every moment of the time during which the breach or the tort, as the case may be, continues."



*36. In paragraph 13 and 18 of the Judgment, following was laid down:
Section 22 of the Limitation Act 1963 provides for the computation of limitation in the case of a continuing breach of contract or tort. It provides that in case of a continuing breach of contract, a fresh period of limitation begins to run at every moment of time during which the breach continues. This Court in Balakrishna Savalram Pujari Waghmare v. Shree Dhaneshwar Maharai Sansthan elaborated on when a continuous cause of action arises.*

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18. A continuing wrong occurs when a party continuously breaches an obligation imposed by law or agreement. Section 3 of the MOFA imposes certain general obligations on a promoter. These obligations inter alia include making disclosures on the nature of title to the land, encumbrances on the land, fixtures, fittings and amenities to be provided, and to not grant possession of a fiat until a completion certificate is given by the local authority. The responsibility to obtain the occupancy certificate from the local authority has also been imposed under the agreement to sell between the members of the appellant and the respondent on the latter.

37. The above judgment also supports the submission of allottees that Appellants are in continuing the breach of the contract which was entered with the allottees and it cannot be said that applications filed by 18 allottees were barred by Limitation and they should not be included in the computation of number of 100 allottees.

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47. In view of the fore-going discussions, we are satisfied that no error has been committed by the Adjudicating Authority in holding that application under Section 7 filed by the Respondents allottees is maintainable. We thus do not find any grounds raised in these Appeals to interfere with the Impugned Order dated 21st October, 2022 passed by the Adjudicating Authority, in result, all the Appeals are dismissed.”

6.8 It is seen that the Applicants have issued letters dated 15.10.2010, 31.07.2016, 16.02.2016, 19.01.2023 and 20.05.2023 reminding the CD to hand over the allotted plots. The CD had not replied to these letters nor informed the Applicants about the progress of the Project. It is clear that the CD had continued the breach by not handing over the plots allotted to the Applicants for more than 13 years. Therefore, relying on the judgment and facts, we are of the view that there is a continuing breach and thus, the Application is not barred by limitation.



6.9 In the B.K Educational Services judgment (supra) cited by the CD, Hon'ble Supreme Court has upheld the Application of Limitation Act in regard to the Applications filed under IBC, however as has been stated above the Application filed by the Applicants in this case is maintainable in view of the judgment of Hon'ble NCLAT in the Mist Avenue matter as there has been a continuous breach of the contractual obligations by the CD thereby constituting a continuing wrong under Section 22 of the Limitation Act. Another judgment cited by the CD i.e. the Seshnath Singh judgment (supra) is not applicable in this matter as in the said judgment Hon'ble Supreme Court has considered the applicability of Section 14 of the Limitation Act. In this matter there is no filing of an Application before a wrong forum and therefore, the said judgment would not apply to the facts of this case.

6.10 The issue as to whether the amounts paid by the Applicants to the CD towards consideration for allotment of flats/plots constitute a "financial debt" within the meaning of Section 5(8)(f) of the Code, thereby entitling the Applicants to be treated as "Financial Creditors" under Section 5(7) of the Code, is no longer res integra.

6.11 The Hon'ble Supreme Court, while interpreting the scope and ambit of the residuary clause under Section 5(8)(f) of the Code in *Pioneer Urban Land & Infrastructure Ltd. & Anr. v. Union of India & Ors. (2019 SCC OnLine SC 1005)*, has categorically held that even prior to the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018, the said provision inherently encompassed amounts raised from allottees of real estate projects. In terms of the Explanation appended to Section 5(8)(f) of the Code, any amount raised from an allottee under a real estate project is deemed to be an amount having the commercial effect of a borrowing. Applying the aforesaid legal position to the facts of the present case, it is evident that the upfront amounts paid by the Applicants to the CD were utilized for financing and development of the Project



and, therefore, possess the commercial effect of borrowing and qualify as “financial debt” within the meaning of Section 5(8)(f) of the Code. Consequently, the Applicants, being allottees in a real estate project, are entitled in law to be classified and treated as Financial Creditors under Section 5(7) of the Code.

6.12 The issue that the Applicants had approached the different authorities i.e. the Police Authorities, executive Authorities such as the Ld. Collector of the Indore and other competent authorities and had obstructed the development of the property without paying the amount as per the terms of the agreements is not tenable in view of the fact that there is no supporting documents attached and also because the same does not affect the right of the Applicants to file an application under the provisions of Section 7 of the Code.

6.13 The contention of the CD that the Applicants did not accept the Demand Drafts Is also not relevant for the purpose of this Application as the Applicants state that they had paid for allotment of the plots and payment of only the principal amount after expiry of more than 13 years without any interest was not acceptable to them.

6.14 The issue raised by the CD in regard to the Letter of Authority in favour of Mr. Ajay Sanadhya is not maintainable considering that each letter of authority is genuinely executed by the respective allottees and bears their signatures which were duly notarised.

6.15 The other issues raised by the CD including the execution of agreements by the said Manvendra Nanigopal Majumdar are held to be misplaced as the CD has acknowledged the debt and had offered the Applicants the Demand Drafts as recorded in the interim order dated 13.10.2025 (as reproduced above in this order) which was rejected by the Applicants.



- 6.16 The Applicant has relied on the judgment of the **Hon'ble Supreme Court in *Innoventive Industries Ltd. v. ICICI Bank (2018) 1 SCC 407*** wherein the Hon'ble Supreme Court held that, once the debt and default are established than the Adjudicating Authority must admit the petition. We hold that the reliance placed by the Applicant on the above-mentioned judgment is relevant and appropriate.
- 6.17 The Applicant has proposed the name of Mr. Mangesh Vitthal Kekre to act as the Interim Resolution Professional (IRP) and has given his declaration in Form 2, *inter alia*, stating that no disciplinary proceeding is pending against him. On perusal of the IBBI website, AFA of the IRP is valid till 31.12.2026.
- 6.18 Thus, it is clear from perusal of the record that an amount more than the threshold limit of Rs.1 Crore under Section 4 of the Code was due and payable by the CD to the Applicant. Hence, we find that the Applicant has been able to substantiate the existence of a financial debt due and payable by the CD, which remained unpaid and in default. The debt so owed by the CD to the Applicant falls within the definition of "financial debt" under Section 5(8) of the Code.
- 6.19 In view of the above, we find that requisite conditions necessary to trigger CIRP in respect of the CD are fulfilled, the Application is complete as all the relevant documents have been attached by the Applicant along with the Application. As a result, the matter deserves to be admitted under Section 7 of the Code.
- 6.20 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.

ORDER

In view of the aforesaid findings, Application bearing C.P.(IB) No.230/MB/2025 filed under Section 7 of the Code by Mr. Ajay Sanadhya, the Applicant, for initiating



CIRP in respect of **Vatsalya Builders and Developers Pvt. Ltd**, the Corporate Debtor is hereby **admitted**.

We further declare moratorium under Section 14 of the Code with consequential directions as mentioned below: -

- I. We prohibit-
 - a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - b) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
 - c) any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
 - d) the recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
- II. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
- III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under Section 31(1) of the Code or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.



- IV. That the public announcement of the CIRP shall be made in immediately as specified under Section 13 of the Code read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.
- V. That this Bench hereby appoints **Mr. Mangesh Vitthal Kekre** a registered Insolvency Professional having Registration Number **IBBI/IPA-001/IP-P00539/2017-2018/10964** and e-mail address ca.mangesh@gmail.com having valid Authorisation for Assignment up to 31.12.2026 as the IRP to carry out the functions under the Code.
- VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.
- VII. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of the Code. The officers and managers of the Corporate Debtor are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. Coercive steps will follow against them under the provisions of the Code read with Rule 11 of the NCLT Rules for any violation of law.
- VIII. That the IRP/IP shall submit to this Tribunal monthly reports with regard to the progress of the CIRP in respect of the Corporate Debtor.
- IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Applicant is directed to deposit a sum of Rs.3,00,000/- (Rupees Three Lakh) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims,



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etc. The amount so deposited shall be interim finance and paid back to the Applicant on priority upon the funds available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.

- X. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai for updating the Master Data of the Corporate Debtor.
- XI. The IRP is directed to issue notice of admission upon all the statutory authorities of the Corporate Debtor without fail within a period of 7 days from the date of this order.
- XII. The IRP is directed to place the Form-A on the project site and the Registered Office of the CD on a flex board of appropriate size.
- XIII. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.
- XIV. The Registry is directed to immediately communicate this Order to the Applicant, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.
- XV. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-

**SAMEER KAKAR
MEMBER (TECHNICAL)**

//VM//

Sd/-

**NILESH SHARMA
MEMBER (JUDICIAL)**