



IN THE NATIONAL COMPANY LAW TRIBUNAL

PRINCIPAL BENCH, NEW DELHI

CP (IB) – 159(ND)/2026

Order 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:

Indian Overseas Bank

...Financial Creditor

Versus

Mhow Ghatabill Toll Roads Pvt. Ltd.

... Corporate Debtor

Order Pronounced On: 09.07.2026

CORAM:

**JUSTICE ANUPINDER SINGH GREWAL
HON'BLE PRESIDENT**

**SHRI RAVINDRA CHATURVEDI
HON'BLE MEMBER (TECHNICAL)**

APPEARANCES:

For the Financial Creditor : Mr. Kartik Malhotra, Advocate along with Mr. S. Santanam Swaminadhan, Mr. Akhil Sarathy, Advocates

For the Corporate Debtor : None



ORDER

1. The present petition is filed by Indian Overseas Bank (“**Financial Creditors**”/“**FC**”/“**Petitioners**”), before this Adjudicating Authority on 01.04.2026 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“**Code**”), r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating the Corporate Insolvency Resolution Process (“**CIRP**”), declaring moratorium and for appointment of Interim Resolution Professional (“**IRP**”), against M/s Mhow Ghatabill Toll Road Private Limited the Corporate Debtor (“**CD**”).

Brief facts of the case as stated in the application:

2. M/s Mhow Ghatabill Toll Roads Private Limited (previously known as Essel Mhow Ghatabill Toll Roads Pvt. Ltd.) bearing CIN: U45203DL2011PTC223896 was incorporated on 18.08.2011 under the provisions of the Companies Act, 1956. The registered address of the Corporate Debtor is Essel House, B-10, Lawrence Road, Industrial Area, New Delhi – 110035, and it is engaged in the business of developing infrastructure projects, particularly a four-lane toll road from Mhow to Ghatabillod in the State of Madhya Pradesh.
3. IL&FS Financial Services Limited (the Original Creditor) sanctioned a term loan of Rs. 217.00 Crores under the Loan Agreement dated 02.03.2012 to the Corporate Debtor for the four-laning of the Mhow–Ghatabillod section in the state of Madhya Pradesh.
4. Pursuant to the Novation Notice dated 01.10.2012, a portion of this debt amounting to INR 70 Crores was assigned to Indian Overseas Bank, the financial creditor herein, in lieu of the sanction letter dated 24.08.2012, which was duly accepted by the Corporate Debtor through its Board Resolution dated 27.09.2012. Further, for securing the aforesaid financial assistance, the Corporate Debtor executed various documents in favour of the lenders during October and November 2012.



5. However, the Corporate Debtor failed to adhere to the repayment obligations and was classified as a Non-Performing Asset (**NPA**) on 29.06.2019. Consequently, a demand notice dated 19.08.2019, followed by a loan recall notice dated 30.06.2020, was issued to the CD, calling upon it to make the outstanding payments.
6. The Corporate Debtor has time and again acknowledged its outstanding dues payable to the Indian Overseas Bank in its audited financial statements for the years 2021-22, 2022-23, and 2023-24, wherein the outstanding amount stands at Rs. 66,08,64,090/-.
7. However, as the outstanding debt remains unpaid, the Corporate Debtor is liable to refund to the financial creditors an amount to the tune of Rs. 1,17,74,94,044.88 (Rupees One Hundred Seventeen Crore Seventy-Four Lakh Ninety-Four Thousand Forty-Four Rupees and Eighty-Eight Paise Only) inclusive of interest @ 11% p.a. and penal interest @ 2% p.a. as on 20.11.2025.
8. The petitioners have stated that they have successfully established the two factors required u/s 7 of the Code, i.e., a debt which has become due and payable, and that a default has been committed in respect of such debt.
9. The matter was first listed on 08.04.2026, when this Adjudicating Authority directed the issuance of notice to the Respondent through all modes. The relevant extract of the Order is reproduced below:



ORDER

1. The present application/petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, has been filed by Indian Overseas Bank, seeking initiation of CIRP against M/s. Mhow Ghatabill Toll Road Pvt. Ltd., the Corporate Debtor herein, for an alleged default of Rs. 1,17,74,94,044.88 (One Hundred Seventeen Crore Seventy-Four Lakh Ninety Four Thousand Forty-Foul Rupees and Eighty-Eight Paise Only).
2. Heard, Mr. Kartik Malhotra, Ld. Counsel appearing on behalf of the Petitioner.

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3. Issue notice to Respondent(s) through all mode(s) returnable by **12.05.2026**.
 4. The petitioner is directed to serve the notice on the Respondent(s) by all modes and file proof of service and affidavit of service within one week. Reply shall be filed within one week from the date of receipt of notice.
 5. List the matter on **12.05.2026**.
10. In compliance with the said Order, the Petitioner has filed an Affidavit of Service on the DMS e-portal on 03.06.2026, indicating that notice, along with a copy of the Order dated 08.04.2026 and the Company Petition, was dispatched to the Respondent by Registered Post Acknowledgement Due (RPAD) on 23.04.2026. The postal article was returned to the sender with the remark, "Addressee Left without Instruction." It is further stated that notice was also served upon the Respondent through its known email address on 23.04.2026.



11. Further, on 09.06.2026, the following order was passed:

1. Neither has any response been filed nor has anyone put in appearance on behalf of the Respondent. It would be in the interest of justice, if the respondent is granted an opportunity to appear in the matter.
2. List **on 11.06.2026.**

12. Again, on 11.06.2026, none appeared on behalf of the respondent, and accordingly, the following order was passed by this Adjudicating Authority:

1. Although the Respondent(s) have been duly served, no one has entered appearance on their behalf. Even on the last date of hearing, i.e., 09.06.2026, none appeared for the Respondent(s). In the interest of justice, a last opportunity was granted to the Respondent(s) to enter appearance.
2. We have heard, Mr. Kartik Malhotra, Ld. Counsel for the Petitioner.
Order reserved.
3. Petitioner is directed to file brief written submission not exceeding of two pages within two days.

-Sd/-

In compliance with the said Order, the Financial Creditor filed a brief note through the DMS e-portal on 12.06.2026.

Analysis and findings

13. The present petition has been filed under Section 7 of the IBC by the Financial Creditors seeking initiation of CIRP against the Corporate Debtor. The scope of inquiry under Section 7 of the Code is limited to examining whether there exists a financial debt and whether a default has occurred in respect thereof. Before proceeding to examine the issues raised, it would be apposite to refer here to the relevant provisions of the Code.



Section 5

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(8) “financial debt” means a debt alongwith interest, if any, which is disbursed against the consideration for the time value of money and includes—

(a) money borrowed against the payment of interest;

(b) any amount raised by acceptance under any acceptance credit facility or its de-materialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;

(e) receivables sold or discounted other than any receivables sold on non-recourse basis;

(f) any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;

[Explanation. - For the purposes of this sub-clause,-

(i) **any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing; and**

(ii) the expressions, "allottee" and "real estate project" shall have the meanings respectively assigned to them in clauses (d) and (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016;]

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account;



(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;

(i) the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clauses (a) to (h) of this clause;

Section 6. *Where any corporate debtor commits a default, a financial creditor, an operational creditor or the corporate debtor itself may initiate corporate insolvency resolution process in respect of such corporate debtor in the manner as provided under this Chapter*

Section 7. (1) *A financial creditor either by itself or jointly with other financial creditors may file an application for initiating corporate insolvency resolution process against a corporate debtor before the Adjudicating Authority when a default has occurred.*

[Provided that for the financial creditors, referred to in clauses (a) and (b) of sub-section (6A) of section 21, an application for initiating corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one hundred of such creditors in the same class or not less than ten per cent. of the total number of such creditors in the same class, whichever is less:

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:

Provided also that where an application for initiating the corporate insolvency resolution process against a corporate debtor has been filed



by a financial creditor referred to in the first and second provisos and has not been admitted by the Adjudicating Authority before the commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2020, such application shall be modified to comply with the requirements of the first or second proviso within thirty days of the commencement of the said Act, failing which the application shall be deemed to be withdrawn before its admission.]

Explanation.—For the purposes of this sub-section, a default includes a default in respect of a financial debt owed not only to the applicant financial creditor but to any other financial creditor of the corporate debtor.

(2) The financial creditor shall make an application under sub-section (1) in such form and manner and accompanied with such fee as may be prescribed.

(3) The financial creditor shall, along with the application furnish—
(a) record of the default recorded with the information utility or such other record or evidence of default as may be specified;
(b) the name of the resolution professional proposed to act as an interim resolution professional; and
(c) any other information as may be specified by the Board.

(4) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), ascertain the existence of a default from the records of an information utility or on the basis of other evidence furnished by the financial creditor under sub-section (3)

(5) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), by an order—



(a) admit the application, if it is satisfied that a default has occurred and the application under sub-section (2) is complete, and there is no disciplinary proceeding pending against the proposed resolution professional; or

(b) reject the application, if it is satisfied that a default has not occurred or the application under sub-section (2) is incomplete or a disciplinary proceeding is pending against the proposed resolution professional:

Provided that the Adjudicating Authority shall, before rejecting the application under clause (b), give a notice to the applicant to rectify the defect in his application within seven days from the date of receipt of such notice from the Adjudicating Authority:

Provided further that if the Adjudicating Authority has not passed an order under this sub-section within a period of fourteen days from the date of receipt of the application under sub-section (2), it shall record the reasons for such delay in writing.

Explanation I.—For the purposes of this sub-section, it is hereby clarified that where the requirements under clause (a) have been complied with, no other ground shall be considered to reject an application filed under this section.

Explanation II.—For the removal of doubts, it is hereby clarified that where a record of default in respect of a financial debt owed to a financial institution recorded with the information utility has been furnished along with the application filed by such financial institution under this section, such record shall be considered sufficient for the Adjudicating Authority to ascertain the existence of default under this section.]



(6) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (5).

(7) The Adjudicating Authority shall communicate—

(a) the order under clause (a) of sub-section (5) to the financial creditor and the corporate debtor;

(b) the order under clause (b) of sub-section (5) to the financial creditor, within seven days of admission or rejection of such application, as the case may be.

14. An application under section 7 of the Code may be initiated by a FC either by himself or jointly with other FC's for initiation of Corporate Insolvency Resolution Process (CIRP) against CD, where there exist a 'debt' and a 'default', meaning, when a debt becomes due and is not paid, the FC under section 7 has a right to file an application under Section 7 of the Code. Under Section 7(2) of The Code read with The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (in short '**AA' Rules, 2016**), a FC is required to apply in the Form 1 (*as provided in Rule 4 of 'AA' Rules, 2016*) accompanied with documents and records as specified in the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations, 2016 (in short "**CIRP Regulations,**") The Form-1 comprises Parts 1 to V, where Parts IV and V require particulars of '**Financial Debt**' and the '**Date of Default**'.
15. It is pertinent to note that the jurisdiction of this Adjudicating Authority under Section 7 of the IBC is limited to examining whether there exists a "financial debt" and whether a "default" has occurred in respect thereof. The Hon'ble Supreme Court in *Innoventive Industries Ltd. v. ICICI Bank* (2018) 1 SCC 407 has categorically held that once the Adjudicating Authority is satisfied that a default has occurred, the application shall be admitted unless it is incomplete. The relevant portion of the judgment is attached below for perusal:



“29. The scheme of Section 7 stands in contrast with the scheme under Section 8 where an operational creditor is, on the occurrence of a default, to first deliver a demand notice of the unpaid debt to the operational debtor in the manner provided in Section 8(1) of the Code. Under Section 8(2), the corporate debtor can, within a period of 10 days of receipt of the demand notice or copy of the invoice mentioned in sub-section (1), bring to the notice of the operational creditor the existence of a dispute or the record of the pendency of a suit or arbitration proceedings, which is pre-existing – i.e. before such notice or invoice was received by the corporate debtor. The moment there is existence of such a dispute, the operational creditor gets out of the clutches of the Code.

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.”

From the documents placed on record, it is evident that IL&FS Financial Services Limited had sanctioned a term loan in favour of the Corporate Debtor, and a portion of the said debt amounting to Rs. 70 Crores stood assigned to the present Financial Creditor. Accordingly, the amount claimed by the Applicant clearly falls within the definition of 'financial debt' under Section 5(8) of the Code

16. The record further reveals that the Corporate Debtor committed a default in servicing the debt, and the loan account was classified as an NPA on 29.06.2019. The occurrence of default stands substantiated from the NeSL Certificate placed on record at Exhibit “CC” of the Application. The Financial Creditor has also placed on record the demand notice dated



19.08.2019 and the loan recall notice dated 30.06.2020. As on 20.11.2025, an amount of Rs. 1,17,74,94,044.88, inclusive of contractual interest and penal interest, remains due and payable by the Corporate Debtor. Thus, the default amount is well above the threshold prescribed under Section 4 of the Code.

17. We have also considered the issue of limitation. The date of default is stated to be 29.06.2019, and the present Application has been filed on 01.04.2026. The Financial Creditor has relied upon various acknowledgements of liability made by the Corporate Debtor in its audited financial statements for the years 2021-22, 2022-23 and 2023-24. Such acknowledgements, being in writing and duly signed by the authorised directors of the Corporate Debtor, constitute acknowledgements of liability within the meaning of Section 18 of the Limitation Act, 1963 and have the effect of extending the period of limitation. The acknowledgements contained in the audited financial statements unequivocally admit the subsisting liability towards the Financial Creditor and indicate that the debt has not been disputed by the Corporate Debtor.
18. The Hon'ble Supreme Court in *Asset Reconstruction Company (India) Limited v. Bishal Jaiswal & Anr.*, (2021) 6 SCC 366 has held that acknowledgements of debt contained in duly signed balance sheets and financial statements constitute valid acknowledgements under Section 18 of the Limitation Act and can be relied upon for extending the limitation period in proceedings under the Code. Applying the said principle, we are satisfied that the present Application has been filed within the prescribed period of limitation.
19. It is also pertinent to note that despite service of notice and granting sufficient opportunity, none appeared on behalf of the Corporate Debtor to controvert the averments made in the Application or dispute the debt and default. The documentary evidence placed on record by the Financial Creditor thus remains unrebutted.



20. Upon consideration of the pleadings and documents placed on record, this Adjudicating Authority is satisfied that (i) a financial debt exists between the parties, (ii) the Corporate Debtor has committed default in repayment of the said debt, (iii) the Application is within limitation, and (iv) the Application is complete in all material particulars as required under Section 7 of the Code read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Further, no disciplinary proceedings are stated to be pending against the proposed Interim Resolution Professional.
21. Accordingly, this Adjudicating Authority is satisfied that the conditions stipulated under Section 7(5)(a) of the Code stand fulfilled and the present Application deserves to be admitted. Thus, we admit the present petition and pass the following order:

ORDER

Having regard to the conspectus of the present case (as discussed above) we are inclined to **ADMIT** the present petition bearing No. CP (IB) 159(ND)/2026 under Section 7 of IBC, 2016. Accordingly, the petition bearing No. (IB)-159ND)/2026 filed by Petitioner under Section 7 of the IBC, 2016 for initiating CIRP against Corporate Debtor, i.e. Mhow Ghatabill Toll Roads Pvt. Ltd. is hereby admitted, and the Adjudicating Authority orders the commencement of the Corporate Insolvency Resolution Process, which shall ordinarily be completed within the timelines stipulated in the Code, 2016 (as amended), reckoning from the date on which this order is passed.

- i. As a consequence thereof, the petition being admitted in terms of Section 7 of the IBC, 2016, the moratorium as envisaged under the provisions of Section 14(1) of the IBC, 2016 shall follow in relation to the Corporate Debtor as per clauses (a) to (d). However, during the pendency of the moratorium period, the terms of Section 14(2) to Section 14 (3) of the IBC, 2016 shall come into force. The order of



moratorium shall 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 Code, as the case may be.

- ii. The FC has proposed the name of Mavent Restructuring Services LLP, having registration no. IBBI/IPE-0154/IPA-3/2023-24/50058 as the IRP. The proposed IRP has given his written communication in Form-2 as required under Rule 9 (1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016, which has been annexed as Exhibit “E” of the application. Therefore, this Adjudicating Authority appoints Mavent Restructuring Services LLP as the Interim Resolution Professional for the Corporate Debtor. The details of the IRP are as under:

Name- Mavent Restructuring Services LLP

Registration No.- IBBI/IPE-0154/IPA-3/2023-24/50058

Email Id- caakhilahu.ja@gmail.com

Address- 803, 8th floor, Chandak Cornerstone, David S Barretto Road, Upper Worli, Worli, Mumbai, Maharashtra - 400018

- iii. In pursuance of Section 13 (2) of the IBC, 2016, we direct the IRP to make a public announcement immediately with regard to the admission of this application under Section 7 of the Code. The expression immediately means within three days, as clarified by the Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- iv. During the CIRP period, the management of the Corporate Debtor shall vest in the IRP/RP, in terms of Section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this Order, in default of which coercive steps will follow. There shall be no further opportunity given in this regard.



- v. The IRP is expected to take full charge of the Corporate Debtor's assets and documents without any delay whatsoever. He is also free to take police assistance, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- vi. The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority a periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor and the action taken in compliance of Sections 17, 18, 20 and 25 of the Code and Regulation 3A & 4 of the IBBI (CIRP) Regulations, 2016.
- vii. The FC shall deposit a sum of Rs. 5,00,000/- (Rupees Five Lakhs Only) with the IRP to meet the expenses arising out of issuing a public notice and inviting claims. These expenses are subject to the approval of the Committee of Creditors (CoC). This amount shall be adjusted towards the fees and expenses payable to the IRP/RP.
- viii. The Registry is hereby directed to communicate a copy of the order to the FC, the Corporate Debtor, the IRP and the Registrar of Companies, NCR, New Delhi, by Speed Post and by email, at the earliest but not later than seven days from today, and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update its website by updating the status of the Corporate Debtor, and specific mention regarding the admission of this petition must be notified.
- ix. The Registry is further directed to send a copy of the order to the IBBI also for their record.
- x. The IRP shall also serve a copy of this order to the various departments, such as Income Tax, GST (centre), State Trade Tax, Provident Fund, etc., who are likely to have their claim against the Corporate Debtor, as well as to the trade unions/employees associations so that they are timely informed of the initiation of CIRP against the Corporate Debtor;



- xi. A certified copy of the order may be issued to all the concerned parties, if applied for, upon compliance with all requisite formalities. IRP to report compliance within four weeks.

Sd/-
(ANUPINDER SINGH GREWAL)
PRESIDENT

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)