

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT VI

Item No. P2.

C.P. (IB)/914(MB)2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **08.07.2026**

NAME OF THE PARTIES: **Resurgent India Special Situations Fund**

Vs

Future Consumer 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)

//VM//

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-VI

CP (IB) No.914/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:

RESURGENT INDIA SPECIAL SITUATIONS FUND

(A special situations fund, Category I Alternative Investment Fund
represented through its investment manager,
Resurgent Asset Management LLP)

[IN/AIFundefined/24-25/1494]

Unit No. 903, Tower-C, Unitech Business Zone
Sector-50
Gurugram-122018, Haryana.

...Financial Creditor/Applicant

V/s

FUTURE CONSUMER LIMITED

[CIN: L52602MH1996PLC192090]

Knowledge House, Shyam Nagar
Off Jogeshwari Vikhroli Link Road
Jogeshwari (East)
Mumbai - 400060, Maharashtra.

...Corporate Debtor

Pronounced: 08.07.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

Financial Creditor: Adv. Mr. Akshay Petkar a/w Adv. Ms. Trisha George i/b
Avyaan Legal

Corporate Debtor: Adv. Mr. Shyam Kapadia a/w Ms. Petrushka Dasgupta,
Krishna Baruah, Adv. Mr. Ankita Yadav, Adv. Mr.
Devdatta Uchhil i/b Link Legal.

ORDER

[PER: BENCH]

1. **BACKGROUND**

- 1.1 This is an Application bearing C.P. (IB) No.914/MB/2025 filed on 20.08.2025 by Resurgent India Special Situations Fund, the Applicant (Financial Creditor) 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”) through Mr. Manish Kedia – Authorised Signatory of the Applicant *vide* Board Resolution dated 18.08.2025 for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) in respect of Future Consumer Limited, the Corporate Debtor (CD).
- 1.2 The Applicant is a special situations fund registered as a Category I Alternative Investment Fund under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, bearing registration no. IN/AIFundefined/24-25/1494 and is represented through its Investment Manager, Resurgent Asset Management LLP. The CD is a listed entity of the Future Group and is engaged in the business of sourcing, manufacturing, branding, marketing, and distribution of FMCG, food and processed food products across urban and rural India.
- 1.3 The Applicant has proposed the name of Aegis Resolution Services Private Limited, having registration no. IBBI/IPE-0118/IPA-1/2022-23/50041, to act as an IRP along with the written communication in Form-2 and valid AFA till 30.06.2026. On perusal of

the IBBI website, it is observed that the AFA of the proposed IRP is valid till 30.06.2027.

1.4 The Applicant has relied on the following documents:

- i. Copy of Certificate of Incorporation of the Applicant, along with the Investment Management Agreement authorising the LLP.
- ii. Copy of Board Resolution dated 18.08.2025
- iii. Copy of master data of CD from Ministry of Corporate Affairs website
- iv. Copy of Form 2 Communication, Registration Certificate and Authorization for Assignment of Interim Resolution Professional
- v. Copy of the Term Sheet dated 13.02.2018
- vi. Copy of the Debenture Trustee Appointment Agreement dated 13.02.2018
- vii. Copy of Debenture Trust Deed dated 13.02.2018.
- viii. Copy of Mortgage by way of deposit of title deeds dated 30.07.2018.
- ix. Copy of Deed of Hypothecation dated 13.02.2018.
- x. Copy of Final Term Sheet dated 10.10.2018.
- xi. Copy of Unattested share pledge agreement dated 30.04.2022 (Corporate Debtor as pledgor and Axis Trustee as pledgee).
- xii. Copy of Unattested share pledge agreement dated 30.04.2022 (FCL Tradevest as pledgor, Corporate Debtor and Axis Trustee as pledgee)
- xiii. Copies of Letter dated 04.09.2023, 06.12.2024, 31.01.2024, 28.03.2024 and 03.04.2024 from the Debenture Trustee to the Corporate Debtor
- xiv. Copies of Notice of Acceleration dated 07.03.2024 and 24.04.2024
- xv. Copy of Debenture Purchase Agreement dated 18.03.2025
- xvi. Copy of Notice dated 07.07.2025 along with acknowledgement dated 10.07.2025

- xvii. Copy of Letter dated 12.08.2025, from Corporate Debtor to Debenture Trustee
- xviii. Computation of outstanding amount due and payable by Corporate Debtor
- xix. Acknowledgement of Form C submitted with NeSL (National e-Governance Services Limited)

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. 263,77,00,000/- (Two Hundred and Sixty-Three Crore Seventy-Seven Lakh Rupees) as on 30.06.2025.

2.2 It is submitted that pursuant to the final term sheet dated 13.02.2018 signed and executed between CDC Emerging Markets Limited (Original Debenture Holder), the CD had proposed to, for the purpose of business activities of the CD, issue up to 2,000 senior, fully secured, redeemable, transferable and interest bearing non-convertible debentures having a face value of INR 1,00,000 each for an aggregate amount of up to INR 200,00,00,000 in one or more tranches on the terms and conditions as stipulated in the Term Sheet. Copy of the Term Sheet is annexed as Exhibit-5 to the Application.

2.3 Pursuant to the aforesaid and the authorization vide i) a special resolution of the shareholders of the CD dated 07.10.2014 under Section 180(1)(c) of the Companies Act 2013 ("Companies Act"); ii) a special resolution of the shareholders of the CD dated 17.02.2017 as required under Section 42 of the Companies Act read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, to offer the Debentures for subscription by way of private placement; and iii) a resolution of the board of directors of the CD dated 08.02.2018 under Section 179(3) of the Companies Act, to enter into, perform and deliver all documents and take all steps as

may be necessary in relation to the issue of the Debentures including, without limitation, to duly issue and allot the Debentures and duly create Security Interest (as defined therein) over the relevant Secured Assets (as defined therein), the CD issued and allotted and the Original Debenture Holder subscribed to the Debentures being 2,000 senior, fully secured, redeemable, transferable and interest bearing non-convertible debentures having a face value of INR 1,00,000 each for an aggregate amount of up to INR 200,00,00,000.

2.4 The Applicant submits that pursuant to an agreement dated 13.02.2018 ("DT Appointment Agreement"), the CD had appointed Catalyst Trusteeship Limited to act as the trustee for and on behalf of and for the benefit of the Original Debenture Holders ("Debenture Trustee"). A copy of the DT Appointment Agreement is annexed as Exhibit 6 to the Application.

2.5 The CD and the Debenture Trustee entered into Debenture Trust Deed dated 13.02.2018 to record the terms and conditions and stipulations of the Debentures as well as of the CD's obligations in respect of the Debentures. Copy of the Debenture Trust Deed is annexed as Exhibit 7 to the Application.

2.6 It is submitted that for the purpose of securing the issuance of the Debentures, following security interest were created in favour of the Debenture Trustee:

a. Mortgage by way of deposit of title deeds dated 30.07.2018 by Integrated Food Park Private Limited ("Mortgagor" or "IFPPL") in favour of the Debenture Trustee ("MoE") on the following properties:

i. All the piece and parcel of land known as several Survey No. 91P, situated in Kemapana Dodderi Village, Kora Hobli, in the Vasanthnarasapura Industrial Area, 3rd Phase, Tumkur Taluk, Tumkur admeasuring 3 acres 04 guntas or thereabouts;

- ii. All the piece and parcel of land known as several Survey No.18, 20 & 26/3A, situated in Bathsandara Village, Kora, Hobli, in the Vasanthnarasapura Industrial Area, 3rd Phase, Tumkur Taluk, Tumkur admeasuring 10 acres 13 guntas or thereabouts;
- iii. All the piece and parcel of land known as several Survey No. 89/3, 93/1, 93/2 and 93/3, situated in Kemapana Dodderi Village, Kora Hobli, in the Vasanthnarasapura Industrial Area 3rd Phase and Survey No. 22/A of Bathsandara, Village, Kora Hobli, Tumkur, Tumkur Taluk aggregating 16 acres 23 guntas of undeveloped land or thereabouts;
- iv. All the piece and parcel of land known as several Survey No. 92/1, 92/2, 89/1, 89/2 and 88, admeasuring 29 acres 17 guntas situated in Kemapana Dodderi Village, Kora Hobli and Survey No. 22/1B, 22/2, 23, 24, 21.16 and 23 admeasuring 54 acres 28 guntas in Bathsandara, in the Industrial Area, Kora Hobli, Tumkur Taluk or thereabouts (including the rights, title and interest of the Mortgagor over the aforesaid lands)/(including the leasehold rights and interest of the Mortgagor over the aforesaid lands); and
- v. together with all buildings, erections, structures and constructions of every description which are standing, erected or attached or shall at any time hereafter during the continuance of the security by erected, standing or attached to the aforesaid lands and premises or any part thereof and all plant and machinery attached to the earth, or permanently fastened to anything to earth/together with all undivided proportionate share of interest in the common areas and amenities,

parking space, all furniture and fixtures and electrical installations and all other fixtures constructed or installed thereon.

- b. Hypothecation by way of first ranking exclusive charge over the Brand Assets namely Golden Harvest, a brand owned by the CD, in favour of the Debenture Trustee for the benefit of the Original Debenture Holders to secure the Secured Obligations (as defined therein). Copy of the Deed of Hypothecation dated 13.02.2018 executed by the CD in favour of the Debenture Trustee is annexed as Exhibit 9 to the Application.
- c. Non-Disposal and non-encumbrance undertaking in favour of the Debenture Trustee over the equity shares of IFPPL owned by the CD.
- d. Personal Guarantee dated 01.03.2018 ("Guarantee") in favour of the Debenture Trustee issued by Mr. Kishore Biyani.

2.7 Pursuant to the Debenture Trust Deed, the Company allotted the first tranche, and the Original Debenture Holders subscribed to 1,500 senior, fully secured, redeemable, transferable and interest bearing nonconvertible debentures having a face value of INR 1,00,000 each for an aggregate amount of up to INR 150,00,00,000 ("First Tranche").

2.8 Subsequently, *vide* final term sheet dated 10.10.2018, the CD proposed and the Original Debenture Holders agreed to subscribe to the residual 500 senior, fully secured, redeemable, transferable and interest bearing non-convertible debentures having a face value of INR 1,00,000 each for an aggregate amount of up to INR 50,00,00,000. Accordingly, the CD allotted and the Original Debenture Holders subscribed to the residual 500 senior, fully secured, redeemable, transferable and interest bearing non-convertible debentures having a face value of INR 1,00,000 each

for an aggregate amount of up to INR 50,00,00,000 ("Second Tranche"). Copy of the final term sheet dated 10.10.2018 is attached as Exhibit 10 to the Application.

2.9 The Applicant submits that subsequently, the said Debentures were further secured by way of an (i) unattested share pledge agreement dated 30.04.2022 entered into between the Corporate Debtor (as pledger) and Axis Trustee (as pledgee), pursuant to which the CD has *inter alia* created a pledge over the shares/securities of FCL Tradevest Private Limited ("FCL Tradevest") and (ii) unattested share pledge agreement dated 30.04.2022 entered into between FCL Tradevest (as pledger), the Corporate Debtor and Axis Trustee (as pledgee) wherein FCL Tradevest has *inter alia* created pledge over the shares/securities of IFPPL that are held by FCL Tradevest, from time to time. It is submitted that the said documents were executed on behalf of the Original Debenture Holders and are presently held in trust by the Trustee for and on behalf of the said Debenture Holders. Copy of the (i) unattested share pledge agreement dated 30.04.2022 entered into between the Corporate Debtor (as pledger) and Axis Trustee (as pledgee), and (ii) unattested share pledge agreement dated 30.04.2022 entered into between FCL Tradevest (as pledger), the CD and Axis Trustee (as pledgee) are annexed as Exhibit 11-A and Exhibit 11-B to the Application.

2.10 It is submitted that at the request of the CD based on the discussion and email correspondence between the CD and Original Debenture Holders wherein it was requested to conditionally extend the timelines for making payment of the Secured Obligations (as defined in the Debenture Trust Deed) being a gross amount of Rs.51,99,05,745/- for periods ending on 15.05.2022 and 15.08.2022 and to that extent waive the existing default in payment of the Secured Obligations which were due and payable on 15.05.2022 and 15.08.2022, the Debenture Trustee *vide* letter dated 04.09.2023, agreed to waive the CD's existing default in the payment due and payable

under the Debenture Trust Deed for periods ending on 15.05.2022 and 15.08.2022, subject to paragraph 5 of the said letter and payment by the CD on or prior to 01.12.2023. Copy of the letter dated 04.12.2023 is annexed as Exhibit 12 to the Application.

2.11 Subsequently, at the request of the CD based on the discussion and email correspondence between the CD and Original Debenture Holders wherein it was requested to conditionally extend the timelines for making payment of the Secured Obligations (as defined in the Debenture Trust Deed) being a gross amount of Rs.84,38,31,225/- for periods ending on 15.05.2022, 15.08.2022, 15.11.2022 and 15.02.2023 and to that extent waive the existing default in payment of the Secured Obligations which were due and payable on 15.05.2022, 15.08.2022, 15.11.2022 and 15.02.2023, the Debenture Trustee *vide* letter dated 06.12.2023, agreed to waive the CD's existing default in the payment due and payable under the Debenture Trust Deed for periods ending on 15.05.2022, 15.08.2022, 15.11.2022 and 15.02.2023, subject to paragraph 5 of the said letter and payment by the CD on or prior to 01.04.2024. Copy of the letter dated 06.12.2023 is annexed as Exhibit 13 to the Application.

2.12 That in a bid to protect to the security interest in the Foodpark Secured Assets, the Debenture Trustee *vide* letter 31.01.2024 requested the CD to forthwith create a first ranking exclusive charge on the entire shareholding of the Integrated Food Park. Copy of the letter dated 31.01.2024 is annexed as Exhibit 14 to the Application.

2.13 In view of the aforesaid continuing defaults, the Debenture Trustee *vide* notice of acceleration dated 07.03.2024: -

- a. declared a sum of Rs. 209,25,61,720/- including the amounts to extent of Rs. 64,64,05,882.29/- for defaults for the period ending on 15.05.2023, 15.08.2023,

15.11.2023, and 15.02.2024, as being immediately due and payable as on 29.02.2024;

b. demanded due and immediate payment of Rs. 209,25,61,720/-

c. declared that the Security Interest created in favour of the Debenture Trustee and for the benefit of the Original Debenture Holders stood enforceable. Copy of the letter dated 07.03.2024 is annexed as Exhibit 15 to the Application.

2.14 At the request of the CD based on the discussion and email correspondence between the CD and Original Debenture Holders wherein it was requested to conditionally extend the timelines for making payment of the Secured Obligations (as defined in the Debenture Trust Deed) being an amount equal to Rs. 84,38,31,225/- for period 31.03.2024, the Debenture Trustee *vide* letter dated 28.03.2024, agreed to waive the CD's existing default in the payment, due and payable under the Debenture Trust Deed for period 31.03.2024, subject to paragraph 5 of the said letter and payment by the CD on or prior to 15.04.2025. Copy of the letter dated 28.03.2024 is annexed as Exhibit 16 to the Application.

2.15 Further, the CD based on the discussion and email correspondence between the CD and Original Debenture Holders wherein it was requested to conditionally extend the timelines for making payment of the Secured Obligations (as defined in the Debenture Trust Deed) being an amount equal to Rs. 100,43,48,888 comprising of Rs. 16,05,17,663 due and payable under the Debenture Trust Deed on 15.05.2023 and Rs. 84,38,31,225/- due and payable under the Debenture Trust Deed for period 31.03.2024, the Debenture Trustee *vide* letter dated 03.04.2024, agreed to waive the CD's existing default in the payment, due and payable under the Debenture Trust Deed, subject to paragraph 5 of the said letter and payment by the CD on or prior to

15.04.2025. Copy of the letter dated 03.04.2024 is annexed as Exhibit 17 to the Application.

2.16 In view of the aforesaid continuing defaults, the Debenture Trustee, vide notice of acceleration dated 24.04.2024: -

- a. declared a sum of Rs. 217,68,62,638/- as being immediately due and payable;
- b. demanded due and immediate payment of Rs. 217,68,62,638/-
- c. declared that the Security Interest created in favour of the Debenture Trustee and for the benefit of the Original Debenture Holders stood enforceable. Copy of the letter dated 24.04.2024 is annexed as Exhibit 18 to the Application.

2.17 The Applicant has *vide* a Debenture Purchase Agreement dated 18.03.2025, had purchased the said Debentures issued by the CD allotted to Original Debenture Holders and thus the Original Debenture Holders have sold, transferred, assigned and conveyed and RISSF(the Applicant herein) has purchased and acquired from the Original Debenture Holders, the legal and beneficial ownership of the Debentures held by the Original Debenture Holders, together with all the outstanding amounts if any, and rights and interest of any nature, accruing or attached to the Debentures (including all benefits to the underlying security and guarantee). Copy of the Debenture Purchase Agreement dated 18.03.2025 is annexed as Exhibit 19 to the Application.

2.18 It was noted that the CD had deliberately failed and neglected to pay the amount due and payable under the Debenture Trust Deed. In this regard, a sum of Rs. 263,77,00,000/- as on 30.06.2025 is due and payable by the Company.

2.19 *Vide* notice dated 07.07.2025, the Applicant called upon the CD and demanded to make immediate payment of the Outstanding Amounts including Default Interest from the date of the original default, in accordance with paragraph 8.1 of Schedule 2 of the Debenture Trust Deed in relation to the Debentures within a period of 2 days from the

date of this notice. However, the CD has failed to pay the Outstanding Amounts due and payable under the Debenture Trust Deed. The CD was in receipt of the said notice on 10.07.2025. Copy of the notice dated 07.07.2025 along with its acknowledgement on 10.07.2025 is annexed as Exhibit 20 to the Application.

2.20 A sum of Rs. 263,77,00,000/- has been acknowledged by the CD *vide* letter dated 12.08.2025. Copy of the said letter is annexed as Exhibit 21 to the Application.

2.21 The date of default is mentioned as 12.07.2025.

3. CONTENTIONS OF CORPORATE DEBTOR

3.1 The CD filed Affidavit-in-Reply dated 07.10.2025, which is affirmed by Mr. Rajendra Bajaj – Authorised Representative and Chief Financial Officer of the CD authorised *vide* Board Resolution dated 14.02.2025.

3.2 The CD is a future group company and is a listed company engaged in the business of sourcing, manufacturing, branding, marketing and distribution of FMCG, food and processed food products in urban and rural India. The Company's product categories include food, home care and personal care and beauty. The Company's product category consists of Tasty Treat, Golden Harvest and Golden Harvest Premium, Karmiq, Ektaa, Mother Earth, Desi Atta, Fresh & Pure, Sangi's Kitchen, Nilgiris, Sunskit, Prim, Pratha and Mysst. It's personal care and beauty brands include Think Skin, Kara and TS.

3.3 It is submitted by the CD that the business of the CD was impacted due to the Covid-19 pandemic and therefore, Future Group of Companies, in order to salvage the business and meet out all obligations explored all possible options to raise money to ensure that the continuity of business can be maintained. Hence, the CD entered into an agreement with Reliance Retail Ventures Limited and its wholly owned subsidiary company for sale of the retail business undertaking after consolidating businesses in

all Future Group entities and in addition Reliance Group committing to equity subscription to the extent of Rs. 2800 cr. in the resultant entity under the scheme of arrangement ("Scheme").

3.4 The CD states that as the said Scheme was providing a complete solution to all the stakeholders of all the companies involved in the Scheme, the Future Group had accepted the Reliance Group Offer and further got the requisite approvals from Competition Commission of India (CCI) and Securities and Exchange Board of India (SEBI) through Stock Exchanges. Subsequently, the Scheme was filed with NCLT for direction to convene the meetings of shareholders and creditors. However, the said direction from NCLT took considerable time due to ongoing litigation by Amazon.com NV Investment Holdings LLC (Amazon) before various forums including intervention before NCLT as well. The Scheme got the approval of shareholders and unsecured creditors. However, the secured creditors had voted against the Scheme and therefore, the Scheme could not be implemented.

3.5 The CD is making all efforts to repay its obligations, in fact, the group is also aggressively pursuing an Arbitration against its JV partner which may result in recovery of an substantial amount and therefore, it is submitted that the CD is a running entity having employees and therefore no fruitful purpose would be served if the same is subjected to CIRP.

ADDITIONAL AFFIDAVIT DATED 11.11.2025

3.6 The CD filed an Additional Affidavit dated 11.11.2025 to bring on record certain facts with regard to the ongoing arbitration case between the CD and one erstwhile partner in J.V. The same is taken on record *vide* interim order dated 10.12.2025. The facts of the same are as follows:

- i. It is stated that there is an ongoing Arbitration between the CD and Aussee Oats Milling Private Limited (a joint venture between Corporate Debtor and SVA India) and SVA India Limited before the Ld. Sole Arbitrator, Hon'ble Justice (Retd.) Sanjay V Gangapurwala, arising out of the non-payment of the outstanding principal amount and interest terms of the Inter-Corporate Deposit Loan Agreement ("ICD Loan Agreements") extended by the CD to Aussee Oats Milling Private Limited in terms of the joint venture agreement. The CD had granted an ICD Loan of a principal amount of Rs. 50,94,38,086.37/- to the joint venture entity, Aussee Oats Milling Private Limited, a company incorporated in Sri Lanka.
- ii. The CD filed an Application under Section 17 of the Arbitration and Conciliation Act, 1996 seeking to furnish security in the nature of Bank Guarantee or otherwise to the tune of the outstanding principal amount of Rs. 50,94,38,086.37/- along with 12% rate of interest. The same is pending for orders by the Arbitration Tribunal.
- iii. In view of the above, the CD is anticipating an influx funds through this ongoing arbitration, which can be utilized by the CD in its best interest.

ADDITIONAL AFFIDAVIT DATED 06.03.2026

3.7 This Tribunal *vide* interim order dated 23.02.2026 had directed the parties to file audited balance sheets for the last 3 years of the CD. In compliance of the said order, the CD filed Additional Affidavit dated 06.03.2026 attaching the copies of audited financial statements for FY 2022-23; FY 2023-24 and FY 2024-25.

ADDITIONAL AFFIDAVIT DATED 15.04.2026

3.8 Further, this Tribunal *vide* order dated 17.03.2026, directed the CD to clarify as to whether there was a legal requirement to register the company as an NBFC with RBI, as majority of its assets are consisting of only financial assets and also clarify as to whether there was any communication received from the RBI in this regard or any observations made by the Auditors of the CD in their Auditor's Report.

3.9 The CD filed an Additional Affidavit dated 15.04.2026 clarifying the above question by stating the following:

i. The CD was incorporated in 1996 and has since been engaged in the business of sourcing, manufacturing, branding, marketing, and distribution of FMCG, Food and Processed Food Products as its primary business activity in accordance with its 'Memorandum of Association'. The same is evident from the audited financial statements attached to the Additional Affidavit dated 06.03.2026.

ii. The CD has relied on the definition of NBFC under Section 45-I(f) and Section 45-I(c) of the Reserve Bank of India Act, 1934 (RBI Act),

"(f) "non-banking financial company" means— (i) a financial institution which is a company; (ii) a non-banking institution which is a company and which has as its principal business the receiving of deposits, under any scheme or arrangement or in any other manner, or lending in any manner; (iii) such other non-banking institution or class of such institutions, as the Bank may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

(c) "financial institution" means any non-banking institution which carries on as its business or part of its business any of the following activities, namely:— (i) the financing, whether by way of making loans or advances or otherwise, of any activity other than its own; (ii) the acquisition of shares, stock, bonds, debentures or securities issued by a Government or local authority or other marketable securities of a like nature; (iii) letting or delivering of any goods to a hirer under a hire-purchase agreement as defined in clause (c) of section 2 of

the Hire-Purchase Act, 1972 (26 of 1972); (iv) the carrying on of any class of insurance business; (v) managing, conducting or supervising, as foreman, agent or in any other capacity, of chits or kuries as defined in any law which is for the time being in force in any State, or any business, which is similar thereto; (vi) collecting, for any purpose or under any scheme or arrangement by whatever name called, monies in lump sum or otherwise, by way of subscriptions or by sale of units, or other instruments or in any other manner and awarding prizes or gifts, whether in cash or king, or disbursing monies in any other way, to persons from whom monies are collected or to any other person, [but does not include any institution, which carries on as its principal business,— (a) agricultural operations; or (aa) industrial activity; or] (b) the purchase, or sale of any goods (other than securities) or the providing of any services; or (c) the purchase, construction or sale of immovable property, so, however, that no portion of the income of the institution is derived from the financing of purchases, constructions or sales of immovable property by other persons;”

- iii. From the above, the CD submits that it is not engaged in the principal business of lending or financing acquisition of shares, stocks, bonds or debentures as a primary activity; hire-purchase or leasing operations; or chit fund or investment business. The substantive business activity of the CD has always been in the FMCG and food sector.
- iv. It is submitted that such incidental transactions such as temporary deployment of surplus funds, trade advances, inter-corporate deposits, advances to group entities, or operational borrowings do not, by themselves, amount to the carrying on of the business of a nonbanking financial institution within the meaning of Section 45-I(c) read with Section 45-I(f) of the RBI Act.
- v. The CD has not accepted public deposits, does not maintain any customer interface for financial services, and has never held itself out or represented itself as an NBFC before any regulator, stakeholder or member of the public.

- vi. Additionally, the RBI *vide* Press Release No. 1998-99/1269 dated 08.04.1999, clarified the "principal business" criteria for determining whether a company is to be regarded as an NBFC. The said clarification provides that a company would ordinarily be regarded as an NBFC only when both of the following conditions are satisfied: (a) financial assets constitute more than 50% of total assets (net of intangible assets); and (b) income from financial assets constitutes more than 50% of gross income.
- vii. In the facts of the present case, the audited financial statements of the CD for FY 2024-25 clearly show that neither of the above referred criteria's to meet the principal business requirement for an NBFC classification is satisfied. The CD has given a computation of the assets at page nos. 5 and 6 of the Additional Affidavit stating that under the head "Financial Assets", only Loans, Investments, and interest accrued on deposits have been considered for the purpose of the Financial Asset Test. The remaining components under this head have been excluded because they primarily consist of trade and other receivables, security deposits, and advances that arise in the ordinary course of the CD's core manufacturing and trading activities. These items are operational in nature and do not represent assets deployed in the business of lending or financing activities. Accordingly, only the adjusted loans and advances together with interest accrued on deposits have been taken into account.
- viii. In so far, the income from financial assets is concerned, the relevant computation is as under,

Particulars	As per Profit and Loss (Gross)
Inter corporate deposits	310.68
Bank Deposits	10.64
Income from financial assets (A)	321.32
Total Income as per Profit and loss A/c	1,343.42
Less: Net gain on financial assets measured at FVTPL	489.50
Gross Income (Year ended 31st March 2025) (B)	853.92
% of Adjusted Financial Income to Total Income (A/B)	38%

- ix. As can be seen from the above table, even the income from financial assets does not constitute more than 50% of the gross income. It is submitted that any interest income recognised under the Fair Value Through Profit and Loss (FVTPL) category is purely notional in nature (arising from fair valuation adjustments) and does not represent actual realized income from financial assets. Based on the audited financial statements of the Company for FY 2024-25, the aforesaid thresholds prescribed by the RBI under the Principal Business Criteria and (50-50 Test) are not satisfied. The advances were therefore made purely as an internal group support mechanism to ensure continuity of operational activities and not with the objective of earning interest income or carrying on any financial business.

4. REJOINDER

- 4.1 The Applicant states that he does not wishes to file any Rejoinder to the Reply of the CD and accordingly, this Tribunal forfeited the right of the Applicant to file any Rejoinder. The same is recorded *vide* interim order dated 08.10.2025.

5. WRITTEN SUBMISSIONS OF THE APPLICANT AND THE CORPORATE DEBTOR

5.1 The Applicant has filed written submissions reiterating briefly the facts as in the Application. The same are not reproduced for the sake of brevity.

5.2 The CD has filed the written submissions and relied on the following judgments:

- i. Hon'ble Supreme Court in Shankar Khandelwal v Omkara Asset Reconstruction Pvt. Ltd. and Anr. (Civil Appeal Nos. 13158-13159 of 2025)
- ii. Hon'ble Supreme Court in Asset Reconstruction Company (India) Limited v Bishal Jaiswal and Another [(2021) 6 Supreme Court Cases 366]
- iii. Ld. NCLT, Indore in Small Industries Development Bank of India through RP, Megha Jain v Krishnakant Bagree (CP (IB) 62 (MP)/ 2023)

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 It is not disputed fact that pursuant to the Term Sheet dated 13.02.2018 and subsequent transaction documents, the CD issued 2,000 Senior, Fully Secured, Redeemable, Transferable and Interest Bearing Non-Convertible Debentures aggregating to Rs.200 Crores. The issuance was duly authorized by the shareholders and Board of Directors of the CD. The Debentures were subscribed by CDC Emerging Markets Limited ("original Debenture Holder") and governed by the Debenture Trust Deed dated 13.02.2018 executed in favour of Catalyst Trusteeship Limited acting as Debenture Trustee.

- 6.3 The Debentures carried an obligation of repayment along with interest and were secured through mortgage, hypothecation, pledge of shares and personal guarantee. Subsequently, vide Final Term Sheet dated 10.10.2018, the Original Debenture Holders agreed to subscribe to the residual 500 senior, fully secured, redeemable, transferable and interest bearing NCD having face value of INR 1,00,000/- each aggregating to INR 50,00,00,000/-. The amount raised through subscription of debentures clearly falls within the ambit of Section 5(8)(c) of the Code as money raised pursuant to issuance of bonds, notes, debentures or similar instruments constitutes a Financial Debt.
- 6.4 The material on record further reveals that despite various waivers, extensions and restructuring accommodations granted by the Debenture Holders through communications dated 04.09.2023, 06.12.2023, 28.03.2024 and 03.04.2024, the CD failed to honour its repayment obligations.
- 6.5 Consequently, the Debenture Trustee issued Acceleration Notices dated 07.03.2024 and 24.04.2024 declaring the entire outstanding amount immediately due and payable and enforcing the security interests created in favour of the Debenture Holders.
- 6.6 The Applicant has further placed on record the Debenture Purchase Agreement dated 18.03.2025 evidencing acquisition of the debentures together with all underlying rights, interests and securities from the Original Debenture Holders. Thus, the Applicant stepped into the shoes of the original lender and became entitled to enforce the debt.
- 6.7 The Applicant has also produced the demand notice dated 07.07.2025 and acknowledgment thereof by the CD, demanding to pay the outstanding amount.

- 6.8 Most significantly, the CD, *vide* acknowledgment letter dated 12.08.2025, admitted and acknowledged an outstanding liability. The acknowledgment of liability by the CD itself constitutes a clear admission of debt and default. The audited financial statements of the CD produced before this Tribunal further disclose borrowings arising from the debenture transactions.
- 6.9 The CD submits that its financial distress arose due to the unprecedented impact of the COVID-19 pandemic and the failure of the proposed scheme involving Reliance Retail Ventures Limited owing to litigation initiated by Amazon and consequent non-implementation of the scheme. The scheme of the Code is well settled that while adjudicating a petition under Section 7, the Adjudicating Authority is only required to ascertain the existence of a financial debt and occurrence of default.
- 6.10 It is to be noted that financial difficulties, market conditions, business reverses, commercial failures, regulatory impediments or failed restructuring efforts do not extinguish the debt nor can they defeat the statutory remedy available to a Financial Creditor under Section 7. Accordingly, this contention of the CD is rejected.
- 6.11 The CD has contended that it is a going concern, has employees and continues to undertake business operations. Therefore, initiation of CIRP would serve no useful purpose. The said contention is equally untenable as the commencement of CIRP does not result in closure of business. Rather, the CD continues as a going concern under the management of the Resolution Professional.
- 6.12 Further, the CD relied upon pending arbitration proceedings against Aussee Oats Milling Private Limited and SVA India Limited and submits that it expects substantial recoveries in future which may enable it to discharge its liabilities. A mere possibility of future recovery cannot negate an existing and admitted default. Accordingly, the

pendency of arbitration proceedings does not constitute a legal defence against admission of the present Application.

6.13 Pursuant to directions of this Tribunal, the Corporate Debtor filed an affidavit clarifying that it is not required to obtain registration as a Non-Banking Financial Company under the RBI Act. The question regarding NBFC registration was examined only to understand the nature of the assets reflected in the balance sheets.

6.14 We reproduce Section 3(17) and 3(18) of the Code,

“3(17) “financial service provider” means a person engaged in the business of providing financial services in terms of authorisation issued or registration granted by a financial sector regulator;

3(18) “financial sector regulator” means an authority or body constituted under any law for the time being in force to regulate services or transactions of financial sector and includes the Reserve Bank of India, the Securities and Exchange Board of India, the Insurance Regulatory and Development Authority of India, the Pension Fund Regulatory Authority and such other regulatory authorities as may be notified by the Central Government;”

6.15 It is noticed that despite opportunity, the CD has not placed before us any authorisation registration issued by financial sector regulator to establish that the CD is engaged in the business of the financial sector services. As such in our view CD is not a regulated entity and this Tribunal has powers to order commencement of CIRP on the CD.

6.16 Further, the CD contends that the Application is barred by limitation as the first default occurred on 15.05.2022 as per the pleadings of the Applicant. Even if the first default is considered to be on 15.05.2022, the Application is within limitation period as the audited balance sheet produced by the CD vide Additional Affidavit dated 06.03.2026 for the FY 2022-23, 2023-24 and 2024-25 shows the CD has defaulted in making the

outstanding payments to the Applicant. Therefore, considering the acknowledgement of debt by the CD in its audited balance sheets it is safe to say that the limitation period to file the Application gets extended as these acknowledgements are before the expiration of the original limitation period and hence, the Application filed on 20.08.2025 by the Applicant is well within limitation period. The CD has relied upon the judgments of Hon'ble Supreme Court in *Shankar Khandelwal vs Omkara Asset Reconstruction Pvt Ltd. (Civil Appeal Nos. 13158-13159 of 2025)*, *Asset Reconstruction Company (India) Ltd. V Bishal Jaiswal and Anr. (2021) 6 SCC* and *Ld. NCLT, Indore in Small Industries Development Bank of India through RP, Megha Jain v Krishnakant Bagree (CP (IB) 62 (MP)/ 2023)*, stating that acknowledgement of debt must be made before the expiration of the limitation period as per Section 18 of the Limitation Act, 1963. The said judgments, however, do not favour the CD as in the case of *Shankar Khandelwal (supra)* the issue was in regards to acknowledgment of the claim admitted by the RP and limitation thereto, whereas in the present case there is no admission of claim by the RP. Further, in the cases of *Asset Reconstruction (supra)* and *Small Industries Development Bank of India (supra)* the judgments do not favour the CD, as in the present case there are written acknowledgments by the CD on various occasions and also the balance sheet provides information with regard to the outstanding payments. Hence, the judgments relied upon by the CD, are misplaced.

- 6.17 Subsequently, the Applicant has stated the date of default as 12.07.2025. This date is as per the notice dated 07.07.2025 issued by the Applicant to the CD calling upon the CD to make immediate payment of the outstanding amounts including default interest within 2 days from the date of the said notice. It is seen that the CD received the notice on 10.07.2025. However, the CD did not pay the outstanding amount as

demanding by the Applicant in the notice (within 2 days). Therefore, the Applicant ascertained the date of default as 12.07.2025. Hence, the Application filed on 20.08.2025 is well within the limitation period. Further, it is also seen that the CD *vide* letter dated 12.08.2025 has acknowledged the debt and default.

- 6.18 The Applicant has placed on record the NeSL record of default in Form D, which reflects the Status of Authentication of default as 'Deemed to be Authenticated' and the total outstanding amount as Rs. 263,77,00,000/- and date of default as 12.07.2025.
- 6.19 The Applicant has proposed the name of Aegis Resolution Services Private Limited (IPE) to act as the Interim Resolution Professional (IRP) and has given the declaration in Form 2, *inter alia*, stating that no disciplinary proceeding is pending against the IPE. The Applicant has attached valid AFA in Form B of the IPE which is valid till 30.06.2026. On perusal of the IBBI website, it is observed that the AFA of the proposed IRP is valid till 30.06.2027.
- 6.20 This Tribunal places reliance on the judgment of ***Hon'ble Supreme Court in Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan, IRP of Hiranmaye Energy Ltd. and Ors. [Civil Appeal No(s). 2211/2024 decided on 18.02.2026]*** while examining the validity of the admission of the Corporate Debtor to CIRP has laid down as under :-

"B. Validity of CIRP Admission

28. The other aspect on which the Appellant has heavily relied is the acceptance of various sums of money paid by the Corporate Debtor purportedly under the 1st and 2nd restructuring proposals, which according to them amounts to deemed approval of such proposal. As discussed earlier, such argument flies in the face of the fact that the 2nd Respondent had resolutely maintained and rightly so, that the restructuring proposals were underpinned on pre-implementation conditions which the Corporate Debtor had failed to fulfil. Under such circumstances, receipt of various sums of money would not amount to acceptance of the restructuring proposals, thereby novating the earlier loan agreement. Neither would such part

payments constitute full satisfaction of the existing debt so as to render the Section 7 application inadmissible.

29. It has also been vociferously contended that the Corporate Debtor is an ongoing concern and does not lack the ability to repay the debt. It has a subsisting PPA for 25 years with WSEDCL, and has raised bills of Rs. 906 crore from 01.11.2024 to 31.03.2025. It also has a continuous fuel supply arrangement with Mahanadi Coalfields Ltd. under the SHAKTI scheme and had earned EBIDTA of Rs. 20 crore per month during the CIRP. These facts though attractive at first blush, do not yield either legal or factual justification to rebut the admission of the Section 7 application.

*30. On the legal score, one must bear in mind the scope and purpose for which IBC was promulgated. The main objective of its enactment was to create a complete code for easy, prompt and seamless resolution of insolvency process and thereby ensure that the net worth of the corporate debtor is not dissipated and the entity is salvaged from corporate death through a viable resolution plan accepted by its CoC. The Code prescribes whenever a corporate debtor defaults on a debt that is due and payable, an insolvency process may be initiated. Section 3(12) defines “default” as non payment of a debt which has become due and payable, and includes default in respect of a part or instalment thereof. Such insolvency process may be initiated either by the corporate debtor itself, or by its creditors who are classified as financial creditor or operational creditor. “Financial creditor” is defined as any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned.²⁶ A “financial debt” means a debt along with interest if any, which is disbursed against the consideration for time value of money and includes money borrowed against payment of interest.²⁷ “Operational creditor” is defined as a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned.²⁸ “Operational debt” is a claim in respect of the provision of goods or services including employment or a debt in respect of payment of dues arising under any law for the time being in force and payable to the Central or State government, or any local authority.²⁹ 31. In *Swiss Ribbons (P) Ltd. v. Union of India* [(2019) ibclaw.in 03 SC],³⁰ such classification of creditors as financial creditors and operational creditors has been held to be constitutionally valid. The Bench underscored the essential differences between a financial creditor and operational creditor and held that financial creditors were mostly secured creditors like banks and financial institutions who extended finance to enable a corporate debtor to set up and/or operate its business. Such credit is extended to a corporate debtor under well-defined loan agreements having specified repayment schedules and reserving rights to recall the loan in case of default or restructure the same enabling a corporate debtor to tide over unforeseen financial stress. On the contrary, operational creditors are mostly unsecured creditors and their claims are relatable to supply of goods and services in the operation of the business. Ordinarily, operational debts are not based on admitted documents and the possibility of genuine disputes with regard to such debts is much higher compared to financial debts.*

32. In light of such classification, the Code makes a distinction in the manner in which an insolvency process may be initiated by a financial creditor under Section 7, IBC in contradistinction to an operational creditor under Section 8 and 9, IBC. Unlike an operational creditor, a financial creditor may trigger an insolvency process under Section 7 in respect of default of any financial debt, whether owed to itself or to any other financial creditor. While the financial creditor may directly file an application under Section 7 setting out the particulars of the financial debt and evidence of default, the operational creditor, on the occurrence of a default, is to first deliver a demand notice of the unpaid debt to a corporate debtor and the latter may within 10 days of receipt of such demand notice bring to the notice of the operational creditor the existence of a dispute or record the pendency of a pre-existing suit or arbitration proceeding in respect of such debt. Once a corporate debtor demonstrates a dispute regarding the existence of the debt, the insolvency process stands aborted vis-à-vis the operational creditor. But when the financial creditor initiates the insolvency process for the purposes of admission, the Adjudicating Authority is only to ascertain the existence of a default from the records of the information utility or the evidence furnished by the financial creditor within fourteen days from the receipt of such application. At this stage, neither is a corporate debtor entitled nor is the Adjudicating Authority required to examine any dispute regarding the existence of such debt. This significantly reduces the scope of enquiry at the stage of a time-bound admission of an insolvency process by a financial creditor which has been succinctly summed up in Innoventive (supra):

“30..... 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.”

33. Reiterating the ratio in Innoventive (supra), this Court in ES Krishnamurthy v. Bharath Hi-Tech Builders (P) Ltd. [(2021) ibclaw.in 173 SC]32 held as follows: “34. The adjudicating authority has clearly acted outside the terms of its jurisdiction under Section 7(5) IBC. The adjudicating authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the adjudicating authority must then either admit or reject an application, respectively. These are the only two courses of action which are open to the adjudicating authority in accordance with Section 7(5). The adjudicating authority cannot compel a party to the proceedings before it to settle a dispute.”

34. In a similar vein, the Adjudicating Authority is not required to go into the inability of a corporate debtor to pay its debt. This is a clear departure from the scheme of winding up envisaged under Section 433(e) of the erstwhile Companies Act, 1956 which required the Adjudicating Authority to come to a finding with regard to the inability of the company to pay the debt and thereby arrive at a requisite satisfaction whether it is just and equitable to wind up the company.

The Code restricts the scope of enquiry for admission of an insolvency process by a financial creditor merely to the existence of default of a debt due and payable and nothing more. The legislative intent behind such prompt and summary intervention is “to ensure revival and continuation of the corporate debtor by protecting the corporate debtor from its own management and from a corporate death by liquidation.”

35. The Appellant has heavily relied on *Vidarbha (supra)* to argue that the Adjudicating Authority has ample discretion to apply its mind to relevant factors including the feasibility of initiation of insolvency process notwithstanding the existence of default on a debt due and payable by the Corporate Debtor. In *Vidarbha (supra)*, this Court observed:-

“61. In our view, the Appellate Authority (NCLAT) erred in holding that the adjudicating authority (NCLT) was only required to see whether there had been a debt and the corporate debtor had defaulted in making repayment of the debt, and that these two aspects, if satisfied, would trigger the CIRP. The existence of a financial debt and default in payment thereof only gave the financial creditor the right to apply for initiation of CIRP. The adjudicating authority (NCLT) was required to apply its mind to relevant factors including the feasibility of initiation of CIRP, against an electricity generating company operated under statutory control, the impact of MERC’s appeal, pending in this Court, order of Aptel referred to above and the overall financial health and viability of the corporate debtor under its existing management.

.....

90. We are clearly of the view that the adjudicating authority (NCLT) as also the Appellate Tribunal (NCLAT) fell in error in holding that once it was found that a debt existed and a corporate debtor was in default in payment of the debt there would be no option to the adjudicating authority (NCLT) but to admit the petition under Section 7 IBC.”

36. However, in review, this Court clarified that observations made in Paragraph 90 are restricted to the facts of *Vidarbha (supra)*:-

“6. The elucidation in para 90 and other paragraphs [of the judgment under review] were made in the context of the case at hand. It is well settled that judgments and observations in judgments are not to be read as provisions of statute. Judicial utterances and/or pronouncements are in the setting of the facts of a particular case.”

37. Finally, the apparent dichotomy between *Innoventive (supra)* and *Vidarbha (supra)* was set at rest in *M. Suresh Kumar Reddy (supra)*, wherein this Court observed: “14. Thus, it was clarified by the order in review that the decision in *Vidarbha Industries* was in the setting of facts of the case before this Court. Hence, the decision in *Vidarbha Industries* cannot be read and understood as taking a view which is contrary to the view taken in *Innoventive Industries* and *E.S. Krishnamurthy*. The view taken in *Innoventive Industries* still holds good.”

38. *In light of the ratio in M. Suresh Kumar Reddy (supra) there is no cavil that the ratio in Innoventive (supra) lays down the correct proposition of law and the observations in Vidarbha (supra) were made in the facts of the case and do not operate as binding precedent.*

39. *Even otherwise on facts, Vidarbha (supra) does not come to the aid of the Appellant. In Vidarbha (supra), this Court had taken note of an award passed by APTEL in favour of the corporate debtor which far exceeded the claim of the financial creditor, and held in the setting of such facts, initiation of CIRP was unwarranted. In the present case, Appellant's contention regarding Corporate Debtor's viability is highly dubious. Though the Corporate Debtor strenuously demonstrates its commercial viability, the NCLAT has noted that the extent of outstanding liability as on 02.01.2024 was Rs. 3103.31 crore, which far exceeds the bills raised on WBSedcl to the tune of Rs 906 crore and EBITDA of Rs. 20 crore per month during the CIRP.*

40. *For these reasons, we are of the opinion the admission of the Section 7 application was lawful and does not call for interference."*

(emphasis wherever required supplied)

6.21 To summarize the above judgment, we observe as under: -

- a. The Code prescribes whenever a corporate debtor defaults on a debt that is due and payable, an insolvency process must be initiated. Section 3(12) defines "default" as non-payment of a debt which has become due and payable, and includes default in respect of a part or instalment thereof.
- b. When the financial creditor initiates the insolvency process for the purposes of admission, the Adjudicating Authority is only to ascertain the existence of a default from the records of the information utility or the evidence furnished by the financial creditor within fourteen days from the receipt of such application. At this stage, neither is a corporate debtor entitled nor is the Adjudicating Authority required to examine any dispute regarding the existence of such debt. This significantly reduces the scope of enquiry at the stage of a time-bound admission of an insolvency process by a financial creditor.

- c. The adjudicating authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the adjudicating authority must then either admit or reject an application, respectively. These are the only two courses of action which are open to the adjudicating authority in accordance with Section 7(5).
- d. The Adjudicating Authority is not required to go into the inability of a corporate debtor to pay its debt.
- e. The Code restricts the scope of enquiry for admission of an insolvency process by a financial creditor merely to the existence of default of a debt due and payable and nothing more.

6.22 Thus, it is clear from perusal of the record that an amount of 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. The debt so owed by the CD to the Applicant falls within the definition of “financial debt” under Section 5(8) of the Code.

6.23 We are of the view that considering the judgment of Power Trust (supra) the judgment relied upon by the CD i.e.,

- i. Hon’ble Supreme Court in Shankar Khandelwal v Omkara Asset Reconstruction Pvt. Ltd. and Anr. (Civil Appeal Nos. 13158-13159 of 2025)
- ii. Hon’ble Supreme Court in Asset Reconstruction Company (India) Limited v Bishal Jaiswal and Another [(2021) 6 Supreme Court Cases 366]

- iii. Small Industries Development Bank of India through RP, Megha Jain
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do not come to the rescue of the CD.

6.24 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.

6.25 We make it clear that at this stage we are not quantifying the exact amount under default, which the IRP will do. We are satisfied that there exists a debt which is in default in excess of Rs. 1 Crore.

ORDER

In view of the aforesaid findings, Application bearing C.P.(IB) No.914/MB/2025 filed under Section 7 of the Code by Resurgent India Special Situations Fund, the Applicant, for initiating CIRP in respect of **Future Consumer Limited**, 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 **Aegis Resolution Services Private Limited**, a registered Insolvency Professional Entity having Registration Number **IBBI/IPE-0118/IPA-1/2022-23/50041** and e-mail address avil@caavil.com having valid Authorisation for Assignment up to 30.06.2027 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.5,00,000/- (Rupees Five Lakh) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, 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.

- XII. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.
- XIII. 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.
- XIV. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-

**NILESH SHARMA
MEMBER (JUDICIAL)**

//VM//

Sd/-

**SAMEER KAKAR
MEMBER (TECHNICAL)**