IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No.02
I.A. (IBC) Nos.1094/2025, 13 & 178/2026
C.P. (IB) No.90/BB/2025

IN THE MATTER OF:

M/s. India Housing Fund	...	Petitioner
Vs.		
M/s. Mustafa Enterprises Pvt. Ltd.	...	Respondent

Petition under Section 7 of IBC, 2016

Order delivered on: 31.07.2026

CORAM:

SHRI SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

COUNSELS PRESENT:

For the Petitioner	:	Ms. Pinaz Mehta with Ms. Deepthi C.R.
For the Respondent	:	Appeared

ORDER

Heard Ld. Counsels for the parties.

1. **I.A.No.178/2026:** Through this Application the Respondent/Corporate Debtor has urged for disposal of I.A.No.1094/2025 prior to and separate from the question of admission of Section 7 of IBC Petition.
2. The Applicant has relied on Order dated 23.02.2026 passed by Hon'ble High Court of Karnataka in W.P.No.6071 of 2026.
3. A perusal of para 5 of the aforesaid Order makes it clear that the Applicant was called upon to make submissions on the present Application and on admission. Accordingly, the arguments were heard in the matter, on behalf of the parties on 17.03.2026.

4. To maintain propriety, we have actually considered and dictated Orders in I.A.No.1094/2025 prior to moving further.
5. The **Application** accordingly stands **satisfied and is disposed of.**

I.A.No.1094/2025: Vide separate Order, the **Application has been dismissed.**

I.A.No.13/2026: In view of the clarificatory order passed by Hon'ble High Court of Karnataka in W.P.No.10289/2026 on 18.06.2026, the **Application is rendered infructuous and is accordingly disposed of.**

C.P.(IB) No.90/BB/2025: Vide separate Order, the **Corporate Debtor has been admitted to CIRP.** IRP has been appointed and moratorium imposed.

List on **28.09.2026 for IRP report.**

-Sd-	**-Sd-**
RADHAKRISHNA SREEPADA	**SUNIL KUMAR AGGARWAL**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

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IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

(Exercising powers of Adjudicating Authority under
The Insolvency and Bankruptcy Code, 2016)
(Through Web-Based Video Conferencing)

IA 1094/2025 in C.P. (IB) No. 90/BB/2025

U/s. 60(5) of the Insolvency and Bankruptcy Code, 2016 read with
Rule 11 of the National Company Law Tribunal Rules, 2016

IN THE MATTER OF:

Gulam Mustafa Enterprises Pvt. Ltd.
No.6, GM Pearl. I Stage, I Phase,
BTM Layout, Bengaluru – 560068 ….. Applicant

Versus

India Housing Fund,
Represented by Investment Manager,
360 One Alternates Asset Management Ltd.
360 One Centre, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai-400 013 …..Respondent No. 1/ Financial Creditor No. 1

India Housing Fund Series 2,
Represented by Investment Manager,
360 One Alternates Asset Management Ltd.
360 One Centre, Kamala Mills Compound,
Senapati Bapat Marg, Lower Parel,
Mumbai-400 013 …..Respondent No. 2/ Financial Creditor No. 2

IN THE MAIN MATTER OF:

India Housing Fund Series and Anr. …..Petitioner/ Financial Creditor

Vs

Gulam Mustafa Enterprises Private Limited … Respondent/ Corporate Debtor

Order Delivered on: 31.07.2026

<u>Coram:</u> Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

<u>O R D E R</u>

1. This Application has been filed under U/s. 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 by Applicant for following reliefs: -

   (a) Seeking a direction to the Financial Creditor to facilitate closure of the dispute by depositing the 'No Objection Certificate' before this Authority in respect of the sale of the secured assets belonging to the Applicant, in the interest of justice and equity.

2. Brief relevant facts of the application are narrated hereunder:

   (a) This Interlocutory Application has been filed for direction to the Respondent/Financial Creditor to issue/deposit the requisite 'No Objection Certificate' before this Authority in respect of the proposed sale of the secured assets belonging to the Applicant, contending that the same would facilitate settlement of the disputes between the parties.

   (b) The Applicant is engaged in the business of construction and development of real estate projects and has undertaken a residential apartment project known as '***Global Techies Town***'. For development of the said project, the Applicant had availed financial assistance under a Debenture Trust Deed dated 20.11.2019 executed with ***IDBI Trusteeship Services Limited*** as Debenture Trustee, which was subsequently amended by an Amended and Restated Debenture Trust Deed dated 28.05.2020. The Respondent claims to be one of the subscribers to the debentures under the said Debenture Trust Deeds.

   (c) Another Company Petition (IB) No.48/BB/2023 has been filed by ***M/s. Piramal Enterprises Limited*** arising out of the same Debenture Trust Deeds. The parties therein had entered into a settlement before the Hon'ble High Court of Karnataka in ***W.P. No.10869/2023***. However, despite the settlement, the said Company Petition was not withdrawn, which, according to the Applicant, adversely affected its ability to raise funds and sell flats in the project.

(d) During the pendency of aforesaid proceedings, the Applicant was admitted into Corporate Insolvency Resolution Process in ***C.P. (IB) No.105/BB/2023***. On settlement of the said dispute C.P. (IB) No.105/BB/2023 came to be disposed of as withdrawn by an order dated 29.01.2025.

(e) The Applicant submits that following withdrawal of C.P. (IB) No.105/BB/2023, the present Company Petition was filed by the Respondent while restoration of C.P. (IB) No.48/BB/2023 was sought by M/s. Piramal Enterprises Limited. Aggrieved by the restoration order passed in C.P. (IB) No.48/BB/2023, the Applicant had approached the Hon'ble High Court of Karnataka in ***W.P. No.17057/2025***, wherein directions were issued to consider the Applicant's grievance in accordance with the provisions of the Code and the Rules framed thereunder.

(f) Thereafter settlement discussions were held between the Applicant, the Respondent and M/s. Piramal Enterprises Limited with a view to resolving all disputes arising under the Debenture Trust Deeds wherein the Applicant had expressed its willingness to settle the claims and informed the parties that it has identified prospective investors willing to purchase certain secured assets of the Applicant.

(g) The assets proposed to be sold are mortgaged in favour of the Respondent and other secured creditors and, therefore, issuance of 'No Objection Certificates' by the secured creditors is necessary to complete the proposed transaction. The Applicant contends that although the Respondent had initially agreed to the proposal, but subsequently refused to issue the requisite 'No Objection Certificate', thereby preventing the proposed sale from being completed.

(h) The Applicant possesses assets of value substantially exceeding the amounts claimed in the present proceedings and sale of a portion of the secured assets would enable it to discharge the dues payable to the Respondent and continue its business operations. The refusal to issue the 'No Objection Certificate' would adversely affect the interests of the Applicant as well as numerous homebuyers whose interests are dependent upon completion of the project.

(i) The proposed transaction would be carried out in a fair and transparent manner under the supervision of this Authority and issuance of the requisite 'No Objection Certificate' would facilitate settlement of the disputes and repayment of the outstanding dues.

(j) Therefore, this Application has been filed.

3. The Respondents have filed objections to the Application contending that:

(a) The Application is not maintainable and is an abuse of the process of law, having been filed solely with the object of delaying the adjudication of the Company Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, which is posted for admission.

(b) It has been filed only a few days prior to the hearing on admission of the Company Petition and is intended to divert the attention of this Authority from the limited issues required to be considered at the pre-admission stage under Section 7 of the Code, namely the existence of financial debt, occurrence of default and completeness of the application.

(c) The Applicant has sought issuance of a 'No Objection Certificate' in respect of mortgaged assets without disclosing any material particulars regarding the proposed transaction. It does not disclose the identity or credentials of the proposed investor, the nature of the proposed transaction, any binding agreement, the consideration agreed upon, or the mechanism and timelines for repayment of the dues to the Financial Creditors.

(d) In the absence of the aforesaid material particulars, the Respondent is not in a position to consider issuance of any 'No Objection Certificate' and that the Application is founded only on vague assurances and speculative proposals without any supporting material.

(e) The Applicant has repeatedly relied upon alleged settlement discussions without placing any binding or concluded settlement before this Authority and has employed the same only as a means to postpone the admission of the Company Petition.

(f) The references to the proceedings involving M/s. Piramal Enterprises Limited are wholly irrelevant to the present proceedings. The Applicant has unnecessarily referred to those proceedings with the intention of alleging collusion between the creditors, which is specifically denied.

(g) The considerations relating to equity, hardship or the interests of homebuyers cannot override the statutory scheme governing admission of an application under Section 7 of the Code. The Applicant, instead of discharging its financial obligations, has chosen to file the present Application to delay the insolvency proceedings.

(h) The Respondent also submits that the Application is devoid of merit, lacks bona fides and deserves to be dismissed with costs, while the Company Petition under Section 7 be proceeded with in accordance with law.

4. We have heard arguments from Ld. Sr. Counsels on behalf of the parties and carefully considered the material on record.

5. The Application seeks a direction to the Respondent/Financial Creditor to issue the requisite 'No Objection Certificate' to enable the Applicant to proceed with the proposed sale of certain secured assets, with a view to monetising such assets and utilising the sale proceeds towards repayment of the outstanding liabilities.

6. The foundation of the present Application appears to rest on two principal grounds. *Firstly*, the settlement discussions that have purportedly taken place between the parties. *Secondly*, the Applicant has identified prospective investors for purchase of certain secured assets and issuance of the requisite 'No Objection Certificate' by the secured creditors alone would enable completion of the proposed transaction. It is asserted by the Applicant that the refusal of the Respondents to issue such 'No Objection Certificate' is arbitrary and frustrates the possibility of settlement while adversely affecting the interests of the stakeholders, including the homebuyers.

7. On examining the relevant parameters however, we are unable to persuade ourselves to accept the aforesaid contention. The relationship between a secured creditor and a borrower is governed by the contractual arrangements creating security interests over the secured assets. The issuance of a 'No Objection Certificate' permitting alienation of secured assets cannot be claimed as a matter of right. Whether such consent ought to be granted or withheld is essentially a commercial decision of the secured creditor, subject to the terms governing the security interest and the applicable law. In the present case, the material placed on record would indicate that the proposal forwarded by the Applicant did not find acceptance by the Respondent. Significantly, there is nothing on record to demonstrate that any binding or concluded settlement has been arrived at between the Applicant, the Respondent and the proposed investor.

8. Though the jurisdiction of this Adjudicating Authority under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 is of wide amplitude, the same cannot be exercised to compel a secured creditor to dilute or relinquish its contractual and proprietary rights over the secured assets merely because the Corporate Debtor proposes an alternate mechanism for repayment. The Respondent has not accepted the proposed mode of resolution or the

commercial terms thereof. Granting the relief sought for would, in effect, amount to compelling the secured creditor to consent to a transaction against its commercial wisdom, which is beyond the scope of the jurisdiction exercised by this Authority under Section 60(5) of the Code read with Rule 11 of the National Company Law Tribunal Rules, 2016.

9. The submission that the proposed transaction would safeguard the interests of homebuyers and other stakeholders cannot, by itself, override the contractual and security rights vested in the secured creditors. Any proposal involving restructuring of liabilities, settlement of claims or monetisation of secured assets necessarily require the concurrence of the secured creditors whose security interests are directly affected. The Adjudicating Authority cannot substitute their commercial decision by issuing a mandatory direction compelling the secured creditors to issue a 'No Objection Certificate'.

10. We are, therefore, of the considered view that the Applicant has failed to make out any case warranting exercise of the jurisdiction of this Adjudicating Authority under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016 for issuance of a direction to the Respondent/Financial Creditor to issue or deposit the requisite 'No Objection Certificate' in respect of the secured assets.

11. Accordingly, **I.A. No.1094/2025** is hereby **dismissed**. No order as to costs.

-Sd-	**-Sd-**
(RADHAKRISHNA SREEPADA)	**(SUNIL KUMAR AGGARWAL)**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**