IN THE NATIONAL COMPANY LAW TRIBUNAL
COURT-V, NEW DELHI

CP IB NO. 231/(ND)/2026

An Application 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 BANK
A Bank constituted under the
Banking Companies Acquisition & Transfer of Undertakings Act, 1970
Registered Office at: 66, Rajaji Salai, Chennai, 600001;
And having one of the branches at Indian Bank, SAM Branch-Delhi,
Having Office at First Floor, 17,
Parliament Street, New Delhi-110001,
Through its Chief Manager

...Applicant/Financial Creditor

Versus

M/S AMAN HOSPITALITY PVT. LTD.
Having its Registered Office At
L-4, Green Park Extension,
New Delhi-110016

...Respondent/Corporate Debtor

Order Delivered on: 01.10.2026

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,
HON'BLE MEMBER (JUDICIAL)

MS. REENA SINHA PURI,
HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Applicant : Gautam Awasthi, Ayush Choudhary, Devanshu Yadav, Advs.

For the Respondent : Adv. V Anush Rajan, Adv. Pradyumn Yadav

ORDER

1. This Application has been filed by the Indian Bank, Financial Creditor, under Section 7 of IBC[1] read with Rule 4 of the Insolvency and Bankruptcy Rules[2], seeking initiation of CIRP[3] against M/s Aman Hospitality Pvt. Ltd., the Corporate Debtor.

2. The application states a total default of Rs. 69,42,62,294 as on 08.04.2026, comprising a book balance of Rs. 20,36,51,674 and Memorandum of Interest (MOI) of Rs. 49,06,10,620. The date of default is stated with reference to classification of the account as NPA on 31.03.2018, retrospectively with effect from 27.12.2014.

3. The Corporate Debtor's registered office is at L-4, Green Park Extension, New Delhi–110016; accordingly, this Bench has territorial jurisdiction.

4. The Corporate Debtor opposes admission. It contends that this is the third successive Section 7 petition, that the Bank has placed materially different figures before different fora, and that the enhanced interest component is not supported by a coherent, contemporaneous statement of account. It relies in particular upon the Rs 35.15 crore deposited pursuant to this Authority's order dated 28.04.2025, together with accrued interest, and gives its consent

[1] Insolvency and Bankruptcy Code, 2016.
[2] Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.
[3] Corporate Insolvency Resolution Process.

to release of that deposit to the Bank, subject to final adjudication by the Debts Recovery Tribunal (DRT).

5. The Bank sanctioned a term loan of Rs 50 crore on 03.10.2009 and a further term loan of Rs 20 crore in 2011. The facilities formed part of a consortium arrangement led by Jammu & Kashmir Bank. The account was restructured in December 2014; the record also refers to a funded interest term loan (FITL) of approximately Rs 14.16 crore.

6. Under the Strategic Debt Restructuring (SDR) mechanism approved by the consortium in 2017, part of the lenders' debt was converted into equity. The Bank states that Rs 55.088646 crore was converted into equity, representing about 4.22% of the Corporate Debtor's equity. The Bank itself treats the residual loan liability separately from the equity holding. An amount of approximately Rs 23.73 crore is stated to have remained after conversion, later reflected as Rs 20.36 crore after adjustment of fixed-deposit proceeds.

7. At this stage it is relevant to refer to the earlier proceedings between the parties. In CP (IB) No. 494/2023, the Bank claimed Rs 90.23 crore, including the Rs 55.08 crore equity component. The Corporate Debtor paid approximately Rs 3.06 crore upfront and proposed a one-time settlement (OTS) of Rs 33 crore; the petition was closed on 09.10.2023 after recording that the 'settlement proposal is in progress', with liberty to file afresh. Though the upfront amount was encashed, the OTS came to be rejected by the Bank on 30.01.2024.

In CP (IB) No. 220/2024, the Bank claimed Rs 35.15 crore, comprising a book balance of Rs 20.36 crore and Memorandum of Interest (MOI) of Rs 14.79 crore. The Corporate Debtor's cheque/offer of Rs 32.064 crore dated 27.05.2024 was not accepted. Subsequently, the Bank sought amendment through IA No. 4394/2024 to enhance the claim to Rs 50.87 crore as on 31.01.2024, by invoking a Memorandum of Changes (MOC)/correction of Rs. 12.07 crore, stated to have arisen from a technical error.

9. By order dated 28.04.2025, the Corporate Debtor was permitted to deposit Rs 35.15 crore in an interest-bearing account with SBI, CGO Complex, with payment to be made only under an order of the Adjudicating Authority. The deposit was made on 08.05.2025 and compliance was recorded on 28.05.2025.

10. Then on 12.01.2026, petition CP (IB) No. 220/2024 was disposed of with liberty to file a claim before the IRP, because CP (IB) No. 276/2025 filed by Bank of India had been admitted into CIRP. On 22.01.2026, the Hon'ble NCLAT, in Company Appeal (AT) (Insolvency) No. 94 of 2026, set aside the admission, after the Corporate Debtor undertook to pay the full amount claimed in Part IV of that application, subject to final determination in the pending DRT proceeding and refund of excess, if any.

11. In the present CP (IB) No. 231/2026, the Bank claims Rs 69.42 crore, comprising the same book balance of Rs 20.36 crore (as in CP (IB) No. 220/2024), and enhanced MOI of Rs 49.06 crore.

12. The Bank submits that the existence of financial debt and default is established by the facility documents, the classification of the account as NPA, the certified statements and the record of default. It argues that the Corporate Debtor disputes only the exact quantum, whereas admission under Section 7 does not require final adjudication of every component of interest.

13. It is stated that Rs 35.15 crore represented the claim (stated in the earlier petition, CP (IB) No. 220/2024) only up to March 2023. According to the Bank, the deposit of that amount was made by the Corporate Debtor under an interim order dated 28.04.2025, which was never released to it, and in any case, it cannot discharge interest accruing thereafter. It is maintained by the Bank that the interim order merged in the final disposal of the earlier petition CP (IB) No. 220/2024, and gives the Corporate Debtor no defence to the present application.

14. As to the enhancement of the debt claims, the Bank relies on a Memorandum of Changes (MOC) of Rs 12,07,23,622.60. It says the amount corrects a technical omission in closure balances and that the revised claim is supported by its current statement and Auditor Report. It further points out that, even if the impugned correction is excluded, an amount above the statutory threshold remains unpaid.

15. The Bank relies upon *Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407*, and *Power Trust v. Bhuvan Madan, Civil Appeal No. 2211 of 2024*, to submit that the Adjudicating Authority is concerned with debt and default,

not the Corporate Debtor's commercial solvency or its ability to pay. It therefore submits that the application must be admitted.

Submissions of the Corporate Debtor

16. On the other hand, the Corporate Debtor submits that the figures advanced by the Bank have moved from Rs 72.81 crore in OA[4] No. 61/2021, to Rs 90.23 crore in the Section 7 first petition[5] (which included the equity component), to Rs 35.15 crore in the second petition[6], to Rs 50.87 crore in the amended application[7], to Rs 38.34 crore in the amended[8] OA, and finally to Rs 69.42 crore in the present petition[9]. It is stated that these are not minor arithmetical variations but inconsistent, inflated, exaggerated and unreliable basis for the insolvency process.

17. The Corporate Debtor contends that the current MOI is charged at interest rates ranging from 14.75% to 18.35% per annum[10] on the Term Loan Account, which is in excess of the contractually fixed rate of MCLR + 1.55% spread (approximately 10.15%) and also in contradiction to the Bank's disclosure to SEBI showing MCLR in the range of 7.35% to 9% per annum.

18. The Corporate Debtor contests the veracity of the statement of Memorandum of Interest filed by the Bank. Reference is made to the enhancement of claim by Rs 12.07 crore, made by the Bank on account of previous 'technical error',

[4] OA No. 61/2021 filed before DRT filed on 19.01.2021
[5] CP (IB) No. 494/2023 filed on 19.05.2023
[6] CP (IB) No. 220/2024 filed on 23.02.2024
[7] IA No. 4394/2024 filed on in July 2024
[8] Amendment to OA No. 61/2021 on 25.11.2025
[9] CP (IB) No. 231/2026 filed on 27.04.2026
[10] Written submissions of Corporate Debtor -Page 4, Para 9

whereby the 'requisite correction pursuant to the MOC issued by the Statutory Auditor was not carried out', resulting in the closing balance being short by Rs 12.07 crore. Mention is also made to a debit entry of Rs 19,83,414.68 dated 20.03.2021, appearing in the Statement of Account filed with an Affidavit with the previous petition[11], but which is absent from the Statement of Account filed with the current petition[12]. It is contended that both the Statement of Accounts stand certified under the Banker's Books Evidence Act, 1891, whereas both cannot be correct. Thus, according to the Corporate Debtor, in the absence of adequate reconciliation of the several sworn figures, the statement of account prepared and altered at will / convenience of the Bank is unreliable.

19. The Corporate Debtor also relies upon the concern recorded by this Authority in the order[13] dated 01.12.2025, during the earlier proceedings, where it was observed:

> *Further, a suspicion arises w.r.t. the amount of Rs. 12.07 Crores approximately (Rupees Twelve Crore and Seven Lakh Only) as mentioned at Annexure-88 of the Rejoinder, which shows the aforesaid amount as an entry on 16.10.2024. If that be the case, how could the amendment be sought by way of this application dated 26.07.2024, when this statement of account was not even properly corrected? Whether the bank is entitled to create a manual statement to create debt & default is also a question that needs to be answered.*

[11] CP (IB) No. 220/2024
[12] Page 754, Annexure 71, Volume V
[13] Annexure 87, Volume VII of the petition

20. The Corporate Debtor further states that it is commercially viable and has settled or secured the claims of other lenders. It relies upon *Reliance Commercial Finance Ltd. v. Darode Jog Builder Pvt. Ltd.*[14], referred in its order dated 22.01.2026 in *Raj Singh Gehlot v. Anup Kumar*[15], to submit that CIRP should not be used as a recovery mechanism when the claimed amount is already made available, subject to adjudication of the true balance by the DRT.

21. During the course of proceedings, reliance was placed by the Corporate Debtor on decision of Hon'ble NCLAT in *Anchal Kumar Jindal (Member of the Suspended Board of Directors Sulojay Realty Pvt. Ltd.) vs. Sanjay Kumar Bhuwalka & Ors.*[16] wherein it was held that continuation of CIRP against the Corporate Debtor, who has deposited the amount claimed by the Financial Creditor pursuant to the orders of the Court, would amount to abuse of process of law.

22. Accordingly, the Corporate Debtor seeks rejection of the petition, release of Rs 35.15 crore with accrued interest to Indian Bank, and preservation of the parties' rights in OA No. 61/2021. It has also alleged abuse of process and invoked Section 65 of the Code.

Analysis & Decision

23. Considering the above, the following issues arise:

[14] 2022 SCC OnLine NCLAT 3659
[15] Company Appeal (AT) (Insolvency) No. 94 of 2026
[16] Company Appeal (AT) (Ins.) No. 2341 of 2024

a. Whether the Corporate Debtor's asserted solvency or ability to pay is relevant under Section 7 proceedings;

b. Whether the Bank has established, through reliable and internally consistent material, a presently subsisting default for the debt amount asserted in Part IV of the present application; and

c. What consequence should follow from the Rs 35.15 crore already deposited under this Authority's order.

24. Under Sections 7(4) and 7(5) of the IBC, the Adjudicating Authority must ascertain the existence of a default from the records of an information utility or on the basis of other reliable evidence furnished by the financial creditor. Therefore, Corporate Debtor's mere assertion of solvency or ability to pay is not relevant to the proceedings under Section 7.

25. However, we are mindful of various significant facts here. We note the deposit of Rs 35.15 crore made by the Corporate Debtor on 08.05.2025 an in interest-bearing account with SBI, CGO Complex, basis our order dated 28.04.2025. We note that the Corporate Debtor has consented for release of Rs 35.15 crore to the Bank along with the accrued interest, subject to final adjudication of the debt by the DRT in the pending OA No. 61 of 2021, where too the Bank amended its claim on 25.11.2025 to Rs 38.34 crore from Rs 72.81 crore claimed earlier on 19.01.2021. We also note that in the matter relating to the Personal Guarantors (CP IB 217/2024 and CP IB 257/2024), filed in March 2024, the Bank has claimed Rs 39.68 crore. We note the multiple reporting of inconsistent figures of debt in the applications filed before us. We find that the most stable figures are the book balance of Rs 20,36,51,674 and the

earlier sworn MOI of approximately Rs 14.79 crore, which aggregate to Rs 35.15 crore, the sum deposited in an interest-bearing account with consent for release to the Bank.

26. The Hon'ble NCLAT in a connected matter of *Raj Singh Gehlot v. Anup Kumar, IRP of Aman Hospitality Pvt. Ltd. & Anr.*[17] referred to its decision in *Reliance Commercial Finance Ltd. v. Darode Jog Builder P. Ltd*[18] to observe that CIRP cannot be initiated where the Corporate Debtor has offered to deposit the entire amount before the Adjudicating Authority. The relevant extract of the decision relied upon is as follows:

> *14. In event, in consequence of the order of the Adjudicating Authority, the corporate debtor deposits the entire defaulted amount whether still the Adjudicating Authority was required to necessarily admit the section 7 application. The answer would be obviously no.* ***When the corporate debtor has complied to deposit the entire defaulted amount of the financial creditor as permitted by the Adjudicating Authority, no purpose and occasion shall survive to still proceed with the insolvency resolution of the corporate debtor.*** *The proceedings under section 7 are proceeding for resolution of the insolvency of the corporate debtor. We do not find any error in the course adopted by the Adjudicating Authority to ascertain as to whether the corporate debtor can comply to deposit the entire defaulted amount in the bank account of the financial creditor.*
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> (emphasis supplied)

27. We are conscious that Part IV of the application under consideration refers to the claim of Rs 69.42 crore, comprising the same Rs 20.36 crore book balance, but enhanced MOI of Rs 49.06 crore from the previously reported figure of of approximately Rs 14.79 crore. The substantial enhancement by

[17] Company Appeal (AT) (Insolvency) No. 94 of 2026
[18] 2022 SCC OnLine NCLAT 3659

the Bank in the interest component is characterized as interest accrual after March 2023 and balance Rs 12.07 crore as correction of a 'technical' omission in closure balances, through a MOC.

28. We examine the issue of enhancement of interest by Rs 12.07 crore. As per the Bank, a 'technical fault' caused Rs 12,07,23,622.60 of interest in loan account 6298110077, to be 'force capitalised' on 21.03.2021, without any actual recovery. It is claimed that the said 'technical fault' was detected by the Branch Auditor and communicated to the Statutory Central Auditor of the Bank, by a Report dated 26.04.2021, containing a Memorandum of Changes (MOC). This, as per the Bank, led to correction of the loan-account entry on 24.06.2021, but it failed to make the corresponding entry in its Memorandum of Interest (MOI), resulting in understatement of its claim. It is stated that the Bank discovered the omission while recalculating the dues, following the order of this Authority dated 05.06.2024, leading in turn to debit of Rs 12.07 crore as increased interest claim on 16.10.2024.

29. In support of these contentions, the Bank has relied on copy of a Branch Auditor Report[19] dated 26.04.2021, placed at pages 1120-1125, Annexure 84, Volume VII of the petition. The Report refers in Para 10 (b) to inconsistency in the aggregate amount of advance reported in the Balance sheet and the balance reflected in the NPA work sheet. However, we note that there is no specific mention of the Corporate Debtor's loan account in the Branch Auditor Report.

[19] Pages 1120 – 1125, Annexure 84, Volume VII of the Petition

30. The Bank has claimed page 1126 of Annexure 84, Volume VII of the petition, as part of the Branch Auditor's Report. This is a one page 'print screen' document, titled 'DATA ENTRY FOR ANNEXURE - B C E' with disclaimer that 'figures reflect data entered by branch so far'. Unlike the Branch Auditor Report, this document refers to accounts of the Corporate Debtor, but it does not bear the signature or stamp of the Auditor. Clearly therefore, the stand-alone print, one page document is not a part of the Auditor Report, though claimed to be so by the Bank.

31. The Bank has further claimed that Pages 1127-1132 of Annexure 84, Volume VII of the petition are 'Calculation of Claim' in respect of 2 loans accounts, alluded to in the Branch Auditor Report. The print outs refer to two loan accounts as on 31.01.2024. One is a loan account 6298114378, with total dues of Rs 22,35,49,826, comprising of principal amount Rs 10,19,37,784, Interest Rs 10,07,21,766 and Penal Interest Rs 2,08,90,276. The other is loan account 6298110077, with total dues of Rs 28,51,53,276, comprising of principal amount Rs 10,17,13,540, Interest Rs 15,22,17,948 and Penal Interest Rs 3,12,21,788. These calculations of claims are manually prepared print out sheets. This document too does not bear the signature or stamp of the Auditor. Clearly therefore, the print outs of claim calculations are not a part of the Auditor Report.

32. We have also examined the Statement of Account filed with this petition and the previous one. We note that there are serious discrepancies[20] between the

[20] Page 754-755, Annexure 71, Volume V, this petition & Annexure 88, Rejoinder by the Bank in IA 4394/2024

two Statement of Account for the period 20.03.2021 – 17.10.2024, whereas both stand certified under the Banker's Books Evidence Act, 1891. That the Branch Auditor detected the 'wrong' credit of interest of Rs 12.07 crore on 21.03.2021, but which was reversed only on 16.10.2024, after more than 3.5 years, is specifically telling. Further, it is also bizarre that the Bank filed IA 4394/2024 in July 2024 to amend the previous petition CP IB 220/2024 on the grounds of interest reversal of Rs 12.07 crore, whereas the said reversal itself was carried out after 3 months, only on 16.10.2024. These irreconcilable inconsistencies and discrepancies raise grave question on the veracity of the enhanced claims made by the Bank.

33. Thus, on the material placed before us, we are not satisfied that a presently subsisting default, beyond the amount already secured by the deposit of Rs 35.15 crore in an interest-bearing account with SBI, has been proved by any reliable and internally consistent evidence by the Bank. We find *Reliance Commercial Finance Ltd. v. Darode Jog Builder P. Ltd*[21], discussed in para 25 above, to be aptly applicable to the case.

34. We are further of a view that the decision in *Anchal Kumar Jindal (Member of the Suspended Board of Directors Sulojay Realty Pvt. Ltd.) vs. Sanjay Kumar Bhuwalka & Ors.* (*supra*) is squarely applicable to the present matter as the amount in question was deposited by the Corporate Debtor pursuant to the orders of the Principal Bench in the SBI, CGO Complex Branch. In view of

[21] 2022 SCC OnLine NCLAT 3659

this, initiation of the CIRP against the Corporate Debtor would result in abuse of the objectives of the Code.

35. Therefore, considering the facts of the case, the evidence on record and without prejudicing final adjudication of accounts by the DRT, the petition seeking initiation of CIRP is rejected under Section 7(5)(b) of the IBC, with the following directions:

a. State Bank of India, CGO Complex Branch, Lodhi Road, New Delhi-110003 shall within seven working days of receipt of a certified copy of this order and subject to verification of account particulars, remit to Indian Bank, SAM Branch, First Floor, 17, Parliament Street, New Delhi-110001, the principal deposit of Rs. 35,15,00,000 together with all interest accrued thereon, from the Current Account No. 44071112159 created pursuant to our order dated 28.04.2025.

b. Indian Bank shall receive and appropriate the remitted amount without prejudice to OA No. 61/2021 and shall place a statement of appropriation before the DRT.

c. All pending interlocutory applications, if any, stand disposed of.

36. The Registry shall communicate a copy of this order to the parties and also to State Bank of India, CGO Complex Branch, Lodhi Road, New Delhi-110003 for compliance.

Accordingly, **CP IB No. 231/ND/2026** stands dismissed. No order as to costs.

SD/-
(REENA SINHA PURI)
MEMBER (TECHNICAL)

SD/-
(MANNI SANKARIAH SHANMUGA SUNDARAM)
MEMBER (JUDICIAL)