IN THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

IA-2409/2026 &
IB NO.181(PB)/2026

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

IN THE MATTER OF IB No.181(PB)/2026:

Akkme Food Craft Limited

Having its Registered Office at:
LP- 11 D, Pitampura Delhi- 110034

...APPLICANT/FINANCIAL CREDITOR

VERSUS

Regal Enterprises Limited
Having its Registered Office at:
Shop No. G-2 Plot No. 5,
Kohli Plaza Block-CU Market,
Pitampura, Delhi-110034

...RESPONDENT/CORPORATE DEBTOR

AND IN THE MATTER OF IA-2409(PB)/2026:

Akkme Food Craft Limited

...APPLICANT/FINANCIAL CREDITOR

VERSUS

Regal Enterprises Limited

...RESPONDENT/CORPORATE DEBTOR

Order Pronounced On: 09.07.2026

CORAM:

JUSTICE ANUPINDER SINGH GREWAL
(HON'BLE PRESIDENT)

SHRI RAVINDRA CHATURVEDI
(HON'BLE MEMBER TECHNICAL)

Present

For the Applicant : Mr. Mukesh Sukhija, Mr. Milind Gautam, Advocates.

For the Respondent : Mr. Sumit Kaushal, Mr. Shailender Kumar, Advocates.

ORDER

1. The present Application has been filed by " **M/s. AKKME FOOD CRAFT LIMITED" ('Financial Creditor')** through its authorised representative **Mr. Prateek Sharma, Director (DIN: 06993581)**, duly authorised vide Board Resolution dated 06.03.2026, 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, seeking initiation of Corporate Insolvency Resolution Process (CIRP) against "**M/s. Regal Enterprises Limited" ('Corporate Debtor')**, along with consequential reliefs including declaration of moratorium and appointment of Interim Resolution Professional, on account of an alleged financial default of Rs.1,05,74,726/- (Rupees One Crore Five Lakh Seventy Four Thousand Seven Hundred and Twenty Six Only) as on 31.01.2026.

BRIEF FACTS:

2. The Financial Creditor (FC) herein is M/s. AKKME FOOD CRAFT LIMITED (CIN: U56102DL2025PLC446841) having its registered office at LP-11D, Pitampura, Maurya Enclave, North West Delhi, Delhi – 110034. The Financial Creditor was incorporated under the provisions of the Companies Act, 2013 and is a public company limited by shares with an Authorised Share Capital of Rs.10,00,000/- (Rupees Ten Lakh Only) and Paid-up Share Capital of Rs.10,00,000/- (Rupees Ten Lakh Only), as per the Master Data of the Company annexed as Annexure P-2 at Page 34 of the Application.

3. The '**Corporate Debtor**' (Respondent) herein is M/s. REGAL ENTERPRISES LIMITED (CIN: L73100DL1989PLC269075) having its registered office at Shop No. G-2, Plot No. 5, Kohli Plaza, Pitampura, New Delhi – 110034. The Corporate Debtor was incorporated on 06.11.1989 under the provisions of the Companies Act, 1956, and is a public company limited by shares with an Authorised Share Capital of Rs.3,50,00,000/- (Rupees Three Crore Fifty Lakh Only) and Paid-up Share Capital of Rs.3,16,48,000/- (Rupees Three Crore Sixteen Lakh Forty-Eight Thousand Only), as per the Master Data of the Company annexed as Annexure P-4 at Page 37 of the Application.

4. Since the registered office of the Corporate Debtor is situated within the territorial jurisdiction of this Bench, this Adjudicating Authority has jurisdiction to entertain and adjudicate the present Application.

Submissions by the Applicant:

5. The Financial Creditor is engaged in the business of operating cloud kitchens, Quick Service Restaurants (QSR), and allied activities. The Corporate Debtor was supplying dry fruits and grocery items to the Financial Creditor. During the course of such business dealings, the Corporate Debtor approached the Financial Creditor in July 2025, seeking financial assistance by way of an Inter-Corporate Deposit (ICD) for its working capital requirements and festive season inventory.

6. Pursuant thereto, the Financial Creditor agreed to grant an ICD of Rs.1,00,00,000/- (Rupees One Crore Only) carrying interest @ 15% per annum, repayable along with principal upon maturity. Accordingly, the Financial Creditor disbursed the said amount in three tranches, i.e., Rs.20,00,000/- on 28.07.2025, Rs.20,00,000/- on 29.07.2025 and Rs.60,00,000/- on 14.10.2025. The Corporate Debtor acknowledged receipt of the said amounts by issuance of Inter-Corporate Deposit Receipts and agreed to repay the maturity amount on or before 31.01.2026. The Financial Creditor has placed on record the copies of

ICD Receipts (Annexure P-5), Bank Statement evidencing transfer of the ICD amount (Annexure P-6) and Ledger Account of the Corporate Debtor in the books of the Financial Creditor (Annexure P-7) in support of disbursement and existence of the financial debt.

7. Upon maturity of the ICD, the Financial Creditor, vide email dated 24.01.2026, called upon the Corporate Debtor to remit the maturity proceeds. In response thereto, the Corporate Debtor issued two cheques drawn on Kotak Mahindra Bank, Pitampura Branch, Delhi, bearing Cheque Nos. 000076 and 000077 dated 10.02.2026 for amounts of Rs.50,00,000/- (Rupees Fifty Lakh Only) and Rs.54,49,754/- (Rupees Fifty Four Lakh Forty Nine Thousand Seven Hundred Fifty Four Only), respectively, in favour of the Financial Creditor towards repayment of the maturity amount of the ICD.

8. Thereafter, the Corporate Debtor, vide email dated 09.02.2026, requested the Financial Creditor to present the cheques on 16.02.2026 and subsequently, vide email dated 16.02.2026, requested presentation on 20.02.2026. However, upon presentation, both cheques were returned unpaid vide cheque return memos dated 24.02.2026 with the remarks "Funds Insufficient". The Financial Creditor has placed on record the email communications (Annexure P-10), copies of the cheques issued by the Corporate Debtor (Annexure P-8), and cheque return memos evidencing dishonour of the cheques (Annexure P-9).

9. Accordingly, the Financial Creditor has alleged that the Corporate Debtor defaulted in repayment of the Financial Debt (maturity proceeds of the ICD) amounting to Rs.1,05,74,726/- (Rupees One Crore Five Lakh Seventy-Four Thousand Seven Hundred Twenty-Six Only), and has filed the present Application under Section 7 of the Insolvency and Bankruptcy Code, 2016. The total amount claimed to be in default is shown in Part IV of the petition, as extracted below:

PART-IV
PARTICULARS OF FINANCIAL DEBT

1.	TOTAL AMOUNT OF DEBT GRANTED DATE(S) OF DISBURSEMENT	Rs. 1,00,00,000/- (Rupees One Crore only) Maturity amount Rs. 1,05,74,726/- (Rupees One Crore Five Lakh Seventy Four Thousand Seven Hundred and Twenty Six Only). **Details of the Transactions:** 1. The Financial Creditor is a Company incorporated under the provisions of the Companies Act 2013.

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		2. That the Corporate Debtor REGAL ENTERPRISES LIMITED is a company incorporated under the provisions of the Companies Act, 1956 having CIN: L73100DL1989PLC269075. 3. The Corporate Debtor is engaged in the business of Trading of various goods. 4. That the Corporate Debtor was a vendor of dry fruits/groceries to the Financial Creditor. 5. That Board of Directors of the Financial Creditor agreed to provide Inter Corporate Deposit (ICD) upto an aggregate amount of Rs.1,00,00,000/- (Rupees One Crore only) at an interest rate of 15% per annum payable alongwith with the principle at the time of maturity. The amount of loan was paid by the Financial

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		Creditor in three tranches as under: a. Rs. 20,00,000/- on 28th July, 2025. b. Rs. 20,00,000/- on 29th July, 2025. c. Rs. 60,00,000/- on 14th Oct. 2025. The Copies of ICD receipts issued by the Corporate Debtor are enclosed herewith and marked as **Annexure P5 (Colly)** 6. The maturity date for the ICD alongwith interest due thereon was agreed upon by the Corporate Debtor as 31st January, 2026. 7. That on 24th January, 2026 the Financial Creditor requested the Corporate debtor vide e-mail to transfer the maturity proceeds of the Inter Corporate Deposit in its bank account maintained with Indian Bank, Pitampura, Delhi Branch.

		8. That in response to the e-mail of the Financial Creditor dated 24/01/2026, the Corporate Debtor issued two cheques dated 10/02/2026 drawn on Kotak Mahindra Bank, Pitampura, Branch, Delhi, bearing numbers 000076 and 000077 for amounts of Rs. 50,00,000/- (Rupees Fifty lakhs only) and Rs. 54,49,754/- (Rupees Fifty Four Lakh Forty Nine Thousand Seven Hundred Fifty Four Only) respectively, in favour of the Financial Creditor towards repayment of the maturity amount of the Inter Corporate Deposit and requested the Financial Creditor to collect the same from its office on 03rd February 2026. 9. That the Financial Creditor collected the above mentioned cheques no. 000076 and 000077 dated 10/02/2026 drawn on Kotak Mahindra Bank, Pitampura Branch, Delhi. However, vide e-

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		mail dated 9th February 2026, the Corporate Debtor requested the Financial creditor to present the said cheques for encashment only on 16th February 2026. 10. That on 16th February 2026, the Financial Creditor received an e-mail to hold the said cheques and to present the said cheques for encashment only on 20th February 2026. 11. That the Financial Creditor presented both the above mentioned cheques issued by the Corporate Debtor for payment of the maturity proceeds of the Inter Corporate Deposit, for encashment with its Banker Indian Bank, Pitampura Branch, Delhi, however, the same returned dishonoured vide cheque return memos dated 24/02/2026 for the reason "**funds insufficient**".

		12. That the Corporate Debtor is liable to pay to the Financial Creditor a sum of Rs. 1,05,74,726/- (Rupees One Crore Five Lakh Seventy Four Thousand Seven Hundred and Twenty Six Only) towards the maturity proceeds of the Inter Corporate Deposit of the Financial Creditor.
2.	AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED	**Amount Claimed to be in default:** The liability of the Corporate Debtor amounts to Rs. 1,05,74,726/- (Rupees One Crore Five Lakh Seventy Four Thousand Seven Hundred and Twenty Six Only) towards the payment of the maturity proceeds of the Inter-Corporate Deposit (loan) as on 31st January, 2026. Date of Default: 24/02/2026

10. The petition was listed for the first time on 20.04.2026, wherein the Adjudicating Authority passed the following order:

ORDER

1. Heard, Mr. Mukesh Sukhija, Ld. Counsel appearing on behalf of the Petitioner.
2. Issue notice to Respondent(s).
3. Mr. Summit Kaushal, Ld. Counsel appears through VC and accepts notice on behalf of the Respondent(s). Service of notice is dispensed with. Reply shall be filed within one weeks. Petitioner is at liberty to file rejoinder, if any, within a week thereafter. The petitioner is directed to file hardcopy of the petition before the next date of hearing.
4. List the matter on **20.05.2026**.

11. In compliance with the order dated 20.04.2026, the Respondent has failed to file its reply within the stipulated period of one week.

12. On 20.05.2026, the Adjudicating Authority passed the following order:

ORDER

1. Ld. Counsel Mr. Shailender Kumar for the Respondent submits that he has filed the reply yesterday evening only; however, the same is not available on record.

2. List **on 10.06.2026.**

Accordingly, the reply was uploaded on the DMS e-portal by the Respondent on 02.06.2026.

Submissions by the Respondent:

13. In compliance with the order dated 20.05.2026, the Respondent filed its reply on 02.06.2026 and raised the following objections seeking rejection of the present Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016:

i. The Financial Creditor has not placed true and correct facts before this Hon'ble Tribunal and has suppressed material facts, rendering the Application liable to be dismissed on this ground alone.

ii. The Respondent is a solvent and going concern engaged in regular business activities, and the present Section 7 Application has been filed only to pressurize and coerce the Respondent.

iii. The Application under Section 7 of the IBC is not maintainable as it has been filed for recovery purposes and not for initiation of a genuine insolvency resolution process, which is contrary to the objective of the IBC, 2016.

iv. The initiation of proceedings under Section 7 is a harsh measure and ought to be invoked only in cases of clear and undisputed default, and not in the present facts where repayment arrangements were under consideration.

v. It was mutually agreed between the parties that the outstanding amount would be repaid in instalments commencing from September 2026, which was not adhered to by the Financial Creditor.

vi. The Financial Creditor has failed to annex the certificate of default as mandated under Section 7(3)(a) of the IBC, and no record of default from an Information Utility or other admissible evidence has been placed on record.

vii. The issuance and dishonour of cheques does not, by itself, amount to admission of financial debt or default under the Code.

viii. The alleged ICD receipts are unilateral in nature and do not establish a legally enforceable financial debt in absence of any loan agreement or repayment mechanism.

ix. The Corporate Debtor denies all allegations and contentions not specifically admitted herein.

14. We have heard the Ld. Counsel for both parties, perused the documents submitted, and record our analysis as follows:

Findings and Analysis:

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

"Section 5

……

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

(a) money borrowed against the payment of interest;

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

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

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

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

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

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

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

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

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

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

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

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

"Section7. *(1) A financial creditor either by itself or jointly with other financial creditors may file an application for initiating corporate insolvency resolution process against a corporate debtor before the Adjudicating Authority when a default has occurred.*

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

Provided further that for financial creditors who are allottees under a real estate project, an application for initiating corporate insolvency resolution process against the corporate debtor shall be filed jointly by not less than one hundred of such allottees under the same real estate project or not less than ten per cent. of the total number of such allottees under the same real estate project, whichever is less:

Provided also that where an application for initiating the corporate insolvency resolution process against a corporate debtor has been filed by a financial creditor referred to in the first and second provisos and has not been admitted by the Adjudicating Authority before the commencement of the Insolvency and Bankruptcy Code (Amendment) Act, 2020, such application shall be modified to comply with the requirements of the first or second proviso within thirty days of the commencement of the said Act, failing which the application shall be deemed to be withdrawn before its admission.]

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

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

(3) The financial creditor shall, along with the application furnish—

(a) record of the default recorded with the information utility or such other record or evidence of default as may be specified;

(b) the name of the resolution professional proposed to act as an interim resolution professional; and

(c) any other information as may be specified by the Board.

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

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

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

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

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

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

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

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

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

(7) The Adjudicating Authority shall communicate—

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

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

16. An application under section 7 of the Code may be initiated by a FC either by himself or jointly with other FC's for initiation of CIRP against CD, where there exist a 'debt' and a 'default', meaning, when a debt becomes due and is not paid, the FC under section 7 has a right to file an application under Section 7 of the Code. Under Section 7(2) of The Code read with The Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (in short ***'AA' Rules, 2016***), a FC is required to apply in the Form 1 (*as provided in Rule 4 of 'AA' Rules, 2016*) accompanied with documents and records as specified in the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for

Corporate Persons), Regulations, 2016 (in short ***" CIRP Regulations,"***). The Form-1 comprises Part 1 to V, where Parts IV and V require particulars of '***Financial Debt***' and the '***Date of Default'***. The Particulars of the Date of Default mentioned under Form 1, Part IV, of the present application is **24.02.2026.**

17. It is pertinent to note that the jurisdiction of this Adjudicating Authority under Section 7 of the IBC is limited to examining whether there exists a "financial debt" and whether a "default" has occurred in respect thereof. The Hon'ble Supreme Court in ***Innoventive Industries Ltd. v. ICICI Bank*** **(2018) 1 SCC 407** has categorically held that once the Adjudicating Authority is satisfied that a default has occurred, the application shall be admitted unless it is incomplete. The relevant portion of the judgment is attached below for perusal:

> *"29. The scheme of Section 7 stands in contrast with the scheme under Section 8 where an operational creditor is, on the occurrence of a default, to first deliver a demand notice of the unpaid debt to the operational debtor in the manner provided in Section 8(1) of the Code. Under Section 8(2), the corporate debtor can, within a period of 10 days of receipt of the demand notice or copy of the invoice mentioned in sub-section (1), bring to the notice of the operational creditor the existence of a dispute or the record of the pendency of a suit or arbitration proceedings, which is pre-existing – i.e. before such notice or invoice was received by the corporate debtor. The moment there is existence of such a dispute, the operational creditor gets out of the clutches of the Code.*
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> *30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a*

default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise."

18. It is pertinent here to mention the relevant provisions for registration of record of debt with the Information Utility.

"Section 215. Procedure for submission, etc. of financial information. –

(1) Any person who intends to submit financial information to the information utility or access the information from the information utility shall pay such fee and submit information in such form and manner as may be specified by regulations.

(2) A financial creditor shall submit financial information and information relating to assets in relation to which any security interest has been created, in such form and manner as may be specified by regulations.

(3) An operational creditor may submit financial information to the information utility in such form and manner as may be specified."

19. Further Regulation 20 and 21 of the IBBI (Information Utilities) Regulations, 2016 read as follows:

"20. Acceptance and receipt of information*.*

An information utility shall accept information submitted by a user in Form C of the Schedule.

[(1A) Before filing an application to initiate corporate insolvency resolution process under section 7 or 9, as the case may be, the creditor shall file the information of default, with the information

utility and the information utility shall process the information for the purpose of issuing record of default in accordance with regulation 21.

(2) On receipt of the information submitted under sub-regulation (1) [or sub regulation (1A), as the case may be], the information utility shall-

(a) assign a unique identifier to the information, including records of debt;

(b) acknowledge its receipt, and notify the user of- (I) (ii) (iii)

(i) the unique identifier of the information;

(ii) the terms and conditions of authentication and verification of information; and

(iii) the manner in which the information may be accessed by other parties."

"21. Authentication of default.

(1) An information utility shall expeditiously undertake the process of authentication and verification of information of default as soon as it is received.

(2) For the purpose of sub-regulation (1), the information utility shall-

(a) deliver the information of default to the debtor seeking confirmation of the same within[seven days];

(b) remind the debtor at least three times for confirmation of information of default, in case the debtor does not respond, allow [seven days] each time for the debtor to respond;

(c) deliver the information of default or the reminder, as the case may be, to the debtor either by hand, post or electronic means at the postal or e-mail address of the debtor-

(i) registered with the information utility by him, failing which,

(ii) recorded with MCA 21 and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) registry as repositories or any other statutory repository as approved by the Board, failing which,

[(iii) submitted in Form C of the Schedule:

(A) by a financial creditor, which is a bank included in the second schedule of the Reserve Bank of India Act, 1934;

(B) by any other creditor, in respect of a debtor other than the corporate debtor as defined in section 3(8) of the Code.

[(3) On completion of the process under sub-regulation (2), the information utility shall record the status of authentication of information of default as indicated in the following Tables.…"

20. It is to be noted that once a Section 7 application is filed before this Adjudicating Authority, the application has to accompany the record of default or any other record or evidence of default as may be specified as per Section 7(3)(a) of the Code. Regulation 2A of the CIRP Regulations, 2016 is extracted below:

***"2A. Record or evidence of default by financial creditor**.*

For the purposes of clause (a) of sub-section (3) of section 7 of the Code, the financial creditor may furnish any of the following record or evidence of default, namely:-

(a) certified copy of entries in the relevant account in the bankers' book as defined in clause (3) of section 2 of the Bankers' Books Evidence Act, 1891 (18 of 1891);

(b) an order of a court or tribunal that has adjudicated upon the non-payment of a debt, where the period of appeal against such order has expired.]"

Perusal of the same postulates that for a Section 7 application, the creditor can furnish and rely upon other records or evidence of default as well. Regulation 20(1A) cannot be read to mean that an application filed under Section 7 which is not supported by information of default of information utility is to be rejected. If the FC has filed other evidence to prove default which is contemplated by the AA Rules, 2016 and the CIRP, Regulations 2016, the said application has to be considered.

21. As regards the objection raised by the Corporate Debtor that the Financial Creditor had failed to annex the certificate/record of default as contemplated under Section 7(3)(a) of the Insolvency and Bankruptcy Code, 2016, it is observed from an examination of statutory scheme, Rules and Regulations, it is clear that Regulation 20(1A) cannot be read to mean that after the said amendment brought in regulation w.e.f 14.06.2022 an application filed under Section 7 which is not supported by information of default from an information utility is to be rejected and if the Financial Creditor has filed other evidence to prove default which is contemplated by the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, the said application has not to be considered. We, thus, are of the considered view that even after amendment of Regulation 20 by insertion of Regulation 20(1A) w.e.f 14.06.2022, Financial Creditor is entitled to file evidence of record of default as contemplated by Regulation 2A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

22. The National Company Law Appellate Tribunal, in **Vijay Kumar Singhania v. Bank of Baroda & Anr. (Company Appeal (AT) (Ins.) No. 604 of 2023 and connected matters**), has authoritatively held that although Regulation 20(1A) of the IBBI (Information Utilities) Regulations, 2017 was inserted with effect from 14.06.2022, there is no corresponding amendment either to Section 7 (or Section 9) of the IBC, or to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, or to the CIRP Regulations, making a Record of Default from an Information Utility the sole or mandatory mode of proving default; that the statutory scheme contemplates furnishing of a Record of Default with the Information Utility “or such other record or

evidence of default as may be specified"; and that a regulation framed under Section 240(1) of the Code, being subordinate legislation, must be consistent with, and cannot override, the provisions of the parent Code and the Rules made thereunder. This decision of the NCLAT was carried in appeal, and the Supreme Court, by order dated 29.08.2024, declined to interfere with the same.

23. Similarly, it has been held in Assets Care & Reconstruction Enterprise Ltd. and other decisions that furnishing of information to NeSL/Information Utility is not mandatory for ascertainment of default of the Corporate Debtor, but is only directory in nature, and that an operational creditor may rely upon invoices, purchase orders, agreements, ledgers, demand notices and postal acknowledgements to establish debt and default.

24. Further, it is observed that during the pendency of the present Petition, the Financial Creditor has filed **IA No. 2409/2026** seeking to place on record the Record of Default (Form D) issued by the National E-Governance Services Limited (NESL), an Information Utility. The said application has been taken on record and the requisite Record of Default now forms part of the record. In view thereof, the defect pointed out by the Corporate Debtor stands duly cured. Consequently, the objection regarding non-filing of the Record of Default at the time of institution of the Petition does not survive for consideration and is accordingly rejected.

25. Further, it is stated by the CD that the present company is a solvent and going concern engaged in regular business activities. However, it is observed that apart from such bare assertion, the Corporate Debtor has failed to place on record any cogent material to demonstrate its financial soundness, such as audited financial statements, balance sheets, cash-

flow records, or any other corroborative documentary evidence. Further, the plea concerning the issuance of security cheques and the alleged mutual understanding for repayment by instalments commencing from September 2026, per se, does not establish the solvency of the Corporate Debtor. The said contention, in substance, pertains to the alleged non-existence of default and cannot be construed as proof of financial capability or capacity to discharge the instant financial debt.

26. In the absence of any supporting documentary proof, the plea of the Corporate Debtor being a solvent and going concern cannot be accepted merely on the basis of unsubstantiated averments. Accordingly, the plea of the Corporate Debtor being a solvent and going concern cannot be accepted solely on the basis of averments and requires support from cogent material placed on record.

27. We have also considered the issue of limitation. The date of default is stated to be 24.02.2026, and the present Application has been filed on 10.04.2026 i.e. well within the limitation period.

28. Upon consideration of the pleadings and documents placed on record, this Adjudicating Authority is satisfied that (i) a financial debt exists between the parties, (ii) the Corporate Debtor has committed default in repayment of the said debt, (iii) the Application is within limitation, and (iv) the Application is complete in all material particulars as required under Section 7 of the Code read with the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Further, no disciplinary proceedings are stated to be pending against the proposed Interim Resolution Professional.

29. Accordingly, this Adjudicating Authority is satisfied that the conditions stipulated under Section 7(5)(a) of the Code stand fulfilled and the

present Application deserves to be admitted. Thus, we admit the present petition and pass the following order:

Accordingly, we order,

30. Having regard to the conspectus of the present case (as discussed above) we are inclined to **ADMIT** the present petition bearing No. **CP (IB) 181(ND)/2026** under Section 7 of IBC, 2016. Accordingly, the petition bearing No. (IB)-181(ND)/2026 filed by Applicant under Section 7 of the IBC, 2016 for initiating CIRP against Corporate Debtor, i.e. Regal Enterprises Ltd. is hereby **ADMITTED**. This Adjudicating Authority therefore orders the commencement of the Corporate Insolvency Resolution Process qua the Corporate Debtor (Regal Enterprises Ltd.), which shall ordinarily be completed within the timelines stipulated in the Code, 2016 (as amended), reckoning from the date on which this order is passed.

(i) As a consequence, thereof, the petition being admitted in terms of Section 7 of the IBC, 2016, the moratorium as envisaged under the provisions of Section 14(1) of the IBC, 2016 shall follow in relation of the Corporate Debtor as per clauses (a) to (d). However, during the pendency of the moratorium period, terms of Section 14(2) to Section 14 (3) of the IBC, 2016 shall come into force. The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or as the case may be. Moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall come into effect from the date of this order.

(ii) The Financial Creditor has proposed the name of Mr. Sandeep Agrawal, possessing Registration No. IBBI/IPA-002/IP-N01060/2021-2022/13733, for appointment as the Interim Resolution Professional (IRP). The proposed IRP has submitted his

written consent in Form-2, as mandated under Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, together with a copy of his IBBI registration certificate. The said written consent is annexed at Annexure-A of IA-2458/2026. Accordingly, this Adjudicating Authority hereby appoints Mr. Sandeep Agrawal as the Interim Resolution Professional for the Corporate Debtor. The details of the IRP are as follows:

Name: Mr. Sandeep Agrawal
Registration No.- IBBI/IPA-002/IP-N01060/2021-2022/13733
Email ID: info@saassociates.in
Address: 78/3 Second Floor, Janpath, New Delhi-110 001

In pursuance of Section 13 (2) of the IBC, 2016, we direct the IRP to make a public announcement immediately with regard to the admission of this application under Section 7 of the Code. The expression immediately means within three days, as clarified by the Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

(iii) During the CIRP period, the management of the Corporate Debtor shall vest in the IRP/RP, in terms of Section 17 of the IBC. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP within one week from the date of receipt of this Order, in default of which coercive steps will follow. There shall be no further opportunity given in this regard.

(iv) The IRP is expected to take full charge of the Corporate Debtor's Assets, and documents without any delay whatsoever. He is also free to take police assistance, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.

(v) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor and the action taken in compliance of Section 17, 18, 20, 25 of the Code and Regulation 3A & 4 of the IBBI (CIRP) Regulations, 2016.

(vi) The FC shall deposit a sum of Rs. 2,00,000/- (Rupees Two Lakhs Only/-) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to the approval of the Committee of Creditor (CoC). This amount shall be adjusted towards the fees and expenses payable to the IRP/RP.

(vii) The Registry is hereby directed to communicate a copy of the order to the FC, the Corporate Debtor, the IRP and the Registrar of Companies, NCR, New Delhi, by Speed Post and by email, at the earliest but not later than seven days from today, and upload the same on website immediately after pronouncement of the order. The Registrar of Companies shall update its website by updating the status of the Corporate Debtor, and specific mention regarding admission of this petition must be notified.

(viii) The registry is further directed to send a copy of the order to the IBBI, also for their record.

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

(x) **IA-2409/2026** is also allowed and **disposed of** in the terms above.

Sd/-
(ANUPINDER SINGH GREWAL)
PRESIDENT

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)