

Deepak Raheja And Anr. Vs Omkara Assets Reconstruction Private Limited

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Details of the Parties:

▪ Appellants (in both cases):

- Deepak Raheja & Anr. (Case 1)
- Advantage Raheja Hotels Pvt. Ltd. & Anr. (Case 2)

▪ Respondents:

- Omkara Asset Reconstruction Pvt. Ltd. (In both cases)
- In Case 2, Advantage Raheja Hotels Pvt. Ltd. & Anr. (as Respondent)

Counsel:

- Appellants are represented by Mr. Ajesh K. Shankar and team of advocates.
- Respondents, including Omkara Asset Reconstruction Pvt. Ltd., are represented by Mr. Arun Kathpalia, Sr. Advocate, and others.

Facts of the Case:

The case revolves around the **Initiation of Corporate Insolvency Resolution Process (CIRP)** by Omkara ARC under the Insolvency and Bankruptcy Code (IBC), 2016. The appellants, Deepak Raheja & Anr. (and Advantage Raheja Hotels Pvt. Ltd. in the parallel appeal) were served with **demand notices** by the respondent, Omkara Asset Reconstruction Pvt. Ltd., citing default in payment.

The **Corporate Insolvency Resolution Process (CIRP)** was

initiated by the respondent as a part of their efforts to recover outstanding debts.

According to the respondent, the appellants had failed to discharge their obligations as per the contractual agreements, leading to the invocation of the insolvency process.

The insolvency proceedings were initiated before the **National Company Law Tribunal (NCLT)**, Mumbai Bench, where the appellants contested the admissibility of the petition filed under **Section 7 of the IBC**, which deals with the initiation of CIRP by financial creditors.

The matter was heard by the NCLT Bench, and the Bench ruled on January 9, 2024, dismissing the appellants' objections to the CIRP initiation. The appellants challenged the NCLT's decision, leading to the filing of these appeals before the National Company Law Appellate Tribunal (NCLAT).

Issues Involved:

- Whether the NCLT's order initiating the insolvency proceedings against the appellants was valid and justified.
- Whether the appellants had a valid defense or any grounds to challenge the insolvency petitions filed by Omkara Asset Reconstruction Pvt. Ltd.
- The role and rights of the respondents, especially Omkara Asset Reconstruction Pvt. Ltd., in the insolvency process.

2. Judgement:

- The NCLT's order dated 09.01.2024, initiating insolvency proceedings, was upheld in both cases.
- The appellate tribunal heard the arguments from both the appellants and the respondents, where the appellants argued that the insolvency proceedings were not warranted, while the respondents insisted

that the proceedings were in accordance with the law.

- The Tribunal reviewed the contentions and upheld the order of the NCLT, finding no substantial grounds to interfere with the initiation of the insolvency proceedings.

3. Conclusion:

- The appeals were dismissed, and the decision of the NCLT to admit the insolvency petitions was affirmed by the National Company Law Appellate Tribunal (NCLAT).
- The insolvency process against the appellants, initiated by Omkara Asset Reconstruction Pvt. Ltd., was allowed to continue as per the tribunal's decision.