

R.A.J. Krishna Construction Company Private Limited Vs Newera Solutions Private Limited

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Details of the Parties:

- **Appellants:** Deepak Raheja & Anr. and Advantage Raheja Hotels Pvt. Ltd. (in the parallel appeal)
- **Respondent:** Omkara Asset Reconstruction Pvt. Ltd. (Omkara ARC)

Facts of the Case:

The respondent, Omkara Asset Reconstruction Pvt. Ltd., initiated the Corporate Insolvency Resolution Process (CIRP) against the appellants, alleging a default in payment under their contractual agreements. The appellants were served with demand notices regarding outstanding debts, which they failed to discharge, leading the respondent to invoke insolvency proceedings.

The respondent, as a financial creditor, filed a petition under Section 7 of the Insolvency and Bankruptcy Code (IBC), 2016, before the National Company Law Tribunal (NCLT), Mumbai Bench, seeking the initiation of CIRP. The appellants contested the petition, arguing that the petition was not admissible.

Issues Involved:

1. Whether the petition filed by Omkara ARC for the

initiation of CIRP was admissible under Section 7 of the IBC, 2016.

2. Whether the appellants' objections to the admissibility of the petition were valid.
3. Whether the NCLT's decision to dismiss the appellants' objections was justifiable.

Judgement:

On January 9, 2024, the NCLT Mumbai Bench ruled in favor of the respondent, Omkara ARC, dismissing the appellants' objections to the CIRP initiation. The Bench upheld the admissibility of the petition filed under Section 7 of the IBC.

The appellants, dissatisfied with the NCLT's ruling, appealed the decision before the National Company Law Appellate Tribunal (NCLAT).

Conclusion:

The NCLT's decision to initiate the CIRP was upheld, and the appellants' objections to the petition were dismissed. The matter is now under appeal before the NCLAT for further adjudication. The case highlights the process for initiating insolvency proceedings and the significance of adhering to contractual obligations under the IBC.