

MOOT PROBLEM

Binod Kumar, hailing from a humble beginning in a financially constrained family with parents rooted in farming, epitomized the quintessential rags-to-riches tale. Since 2009, through sheer determination and unwavering perseverance, he transcended his impoverished upbringing to become a towering figure in the Indian business landscape. Founding Lex Unicorn in the year 2012, as a vehicle for his entrepreneurial ambitions, Binod Kumar ventured into various sectors, from technology startups to real estate developments in the year 2015, showcasing his astute business acumen and adaptability across domestic and international markets. Driven by his indomitable spirit and relentless pursuit of success, Binod Kumar overcame countless obstacles, leveraging his innate talent and strategic vision to carve a niche for himself in the competitive business arena. Alongside his professional endeavors in 2015, he cultivated strong political connections, harnessing his influence to navigate the complexities of India's business and regulatory landscape.

Despite his humble origins, Binod Kumar's unwavering commitment to excellence and his remarkable ascent from poverty to prosperity garnered admiration and respect from peers, government officials, and fellow businessmen alike. His philanthropic initiatives and lavish lifestyle further solidified his standing in society, earning him accolades and recognition in both business and social circles.

In recognition of his remarkable achievements and significant contributions to society, Binod Kumar was honored with a nomination to the upper house of Parliament in March 2019, a testament to his status as a prominent and influential figure in Indian society. Over the time, he seamlessly integrated himself into the corridors of power, forging alliances and garnering support from politicians and business leaders alike, thereby cementing his position as a formidable force in the Indian business landscape.

However, despite his success and influence, in 2021 Binod Kumar faced challenges as the Indian economy grappled with financial instability. As economic uncertainties loomed, Binod Kumar's businesses encountered setbacks, leading to significant financial losses. Faced with this adversity, Binod Kumar contemplated alternative strategies to revitalize his business ventures, including the possibility of relocating to a foreign country to explore new opportunities. The banks, swayed by Binod Kumar's brand value and track record of successful loan repayments, sometimes overlooked due diligence procedures concerning the security and

assets provided. This leniency extended to instances where Binod Kumar faced delays in loan repayments, as he had consistently managed to settle his debts along with accrued interest.

In his pursuit of business expansion, Binod Kumar, in May 2022 leveraging his extensive connections and established reputation, secured substantial loans from various banks, including prominent institutions such as PBI, PKB, DNB, IDHC, IBIBI, MNB, and SNBC. Despite possessing assets valued at a staggering INR 1472 Crores, Binod Kumar's loan acquisitions far exceeded the assessed worth of his collateral.

However, a startling revelation emerged through an anonymous complaint lodged against Binod Kumar at PBI. It surfaced that the assets presented as collateral for his loans were misrepresented, implicating high-ranking officials within the banking institutions. A preliminary investigation conducted by PBI underscored the severity of the discrepancy: while the assets were appraised at INR 1472 Crores, Binod Kumar managed to procure loans from more than six banks, averaging amounts of INR 872, 453, 932, 845, 496, 547, and 677 Crores respectively, resulting in a cumulative loan value of INR 4822 Crores.

This revelation triggered a cascade of events, catapulting the matter into the public domain through media outlets. The nation was aghast at the apparent financial malpractice attributed to Binod Kumar, with widespread calls for accountability and justice echoing across the country. The scandal not only tarnished Binod Kumar's once-pristine reputation but also cast a glaring spotlight on the integrity and oversight mechanisms within the banking sector. Consequently, questions surrounding regulatory loopholes and the culpability of senior bank officials loomed large, demanding swift and transparent action to restore public trust and ensure financial probity.

Despite Binod Kumar's previous triumphs, his trajectory took a precarious turn when news of his financial struggles and contemplation of relocating abroad became public knowledge. This pivotal development set off a domino effect, triggering a series of legal maneuvers by the banks, alleging defaults on the loans extended to Binod Kumar and clamoring for the recovery of outstanding sums.

In response to the above, Binod Kumar, through his legal team, vehemently refuted these accusations, asserting that the loans had been meticulously secured against tangible assets. He further underscored his unwavering commitment to honoring his financial obligations, thereby signalling his readiness to cooperate with the banks to resolve the matter amicably.

However, as the investigative spotlight intensified, troubling suspicions emerged regarding potential improprieties in Binod Kumar's dealings. Specifically, concerns surfaced regarding the veracity of the asset valuations presented by Binod Kumar as collateral for the loans. There were mounting indications suggesting that Binod Kumar might have artificially inflated the valuations of his assets, ostensibly with the intent of repaying the loans once his business fortunes rebounded.

These unsettling revelations injected a new layer of complexity into Binod Kumar's legal entanglement, casting doubt upon his once stellar reputation and eliciting widespread scrutiny of the ethical integrity underpinning his business practices. Consequently, the narrative surrounding Binod Kumar's financial affairs transformed from one of admiration and acclaim to one fraught with suspicion and uncertainty, as the integrity of his actions and the legitimacy of his transactions came under intense scrutiny.

In response to the alleged financial malpractice perpetrated by Binod Kumar, PBI along with other banks have filed a petition before the Hon'ble High Court of Indiana. The Hon'ble High Court of Indiana, shall hear the petition on the admissibility and other issues on May 15, 2024.

**Teams are free to draft their issues in regard to the above moot problem. Maximum issues to be made is restricted to 4.*