NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT VI

Item No. P1

C.P.(IB)/ 297(MB)2026

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **29.09.2026**

NAME OF THE PARTIES: -

CANARA BANK

V/s

PBA INFRASTRUCTURE LIMITED

Under Section 7 of the IBC,2016

ORDER

The case is fixed for pronouncement of the order. The order is pronounced in the open court, *vide* separate order. Detailed order is being uploaded on the NCLT portal today.

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)
//Sumant//

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)

Certified True Copy
Copy Issued "free of cost"
On 01.10.2026

Ravi H Passi
Assistant Registrar
National Company Law Tribunal
Mumbai - 400 005.

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI
C.P. (IB)/297/MB/2026

[Under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016]

CANARA BANK
[CIN: U67190KA1906PLCOO1069]
112, J.C. Road, Bangalore – 560002
Also, at
Stressed Asset Recovery Branch, 8th Floor ,
B- wing, C -14 , G Block,
Canara Bank Building, BKC, Block-G ,
Bandra (East) Mumbai- 400051

...Applicant/Financial Creditor

V/s

PBA INFRASTRUCTURE LIMITED
[CIN: L45200MH1974PLC017653]
Prakash 611/3
V N Purav Marg Chembur,
Mumbai- 400071

...Respondent/Corporate Debtor

Pronounced: 29.09.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)
HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant: Sr. Adv. Mr. Chetan Kapadia i/b Adv. Ms. Srideepa Bhattachharyya, Adv. Ms. Neha Shivhare, Adv. Mr. Aditya Pandey Adv. Ms. Aparajita Chaubey & Adv. Mr. Rohan Agarwal.

For Respondent: Adv. Mr. Rafeeq Peermohideen a/w Adv. Mr. TN Tripathi & Adv. Ms. Soumya i/b TN Tripathi & Co.

ORDER

[PER: CORAM]

1. BACKGROUND

1.1 This C.P. (IB) No.297/MB/2026 (Application) was filed on 18.03.2026, under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by **Canara Bank**, the Financial Creditor (FC), for initiating Corporate Insolvency Resolution Process (CIRP) against M/s **PBA INFRASTRUCTURE LIMITED**, the Corporate Debtor (CD), for the alleged default in repayment of financial debt of Rs. 1126,41,34,714 /- (Indian Rupees One Thousand, One Hundred Twenty-Six Crore Forty-One Lakh Thirty-Four Thousand and Seven Hundred and Fourteen Only).

1.2 The date of default as given in Part IV of the Application is 28.03.2012.(as per Additional Affidavit dated 10.04.2026)

1.3 The Applicant has proposed Mr. Vijay Pitambar Lulla, having address at 201, Satchidananda Building, 2nd Floor, 12th Road, Khar, Mumbai, Maharashtra, 400052, having Registration No. IBBI/IPA-001/IP-

P00323/2017-18/10593, email ID : vijayplulla@rediffmail.com to act as the Interim Resolution Professional (IRP), in case the Application is admitted.

2. CONTENTIONS OF FC

2.1 It is stated that PBA Infrastructure Limited (formerly M/s. Prakash Building Associates Limited) ("Corporate Debtor"/ "Respondent") was incorporated on July 31, 1974, and has been availing banking facilities with Canara Bank ("Financial Creditor"/"Petitioner") since 1974. On September 10, 2003, a Working Capital Consortium Agreement ("WCA") was executed between the Corporate Debtor, the Petitioner, and Union Bank of India, pursuant to which working capital facilities were sanctioned and secured by hypothecation of plant, machinery and current assets, and personal guarantees of the promoter-directors. Over the years, the Petitioner, as Lead Bank, extended fund-based and non-fund-based credit facilities to the Corporate Debtor through a consortium that grew to include State Bank of Patiala, Karur Vysya Bank, and Punjab & Sind Bank.

2.2 The Petitioner additionally sanctioned Term Loan-I of INR 43.50 crores (Indian Rupees Forty-Three Crores Fifty Lakhs Only) and converted a Short-Term Loan of INR 25 crores (Indian Rupees Twenty-five Crores Only) into Long Term Loan-II, repayable over 60 months. The facilities were secured by hypothecation of stocks and book debts, equitable mortgages over properties in Mumbai, Pune and Nagpur, pledge of promoter shareholding, and personal guarantees of the promoter-directors.

2.3 In March 2012, the Corporate Debt Restructuring ("CDR") Empowered Group approved a CDR package with a cut-off date of October 1,2011, providing for

a two-year moratorium on principal, concessional interest rates, a Funded Interest Term Loan ("FITL") of INR 6.66 crores (Indian Rupees Six Crores Sixty-Six Lakhs Only), and waiver of all penal charges. However, the Corporate Debtor failed to comply with the CDR conditions, and the loan account slipped to Non-Performing Asset ("NPA") status on June 30, 2013, (treated as NPA from March 28, 2012, the date of CDR sanction). The CDR Empowered Group directed the Corporate Debtor to infuse INR 10.00 crores (Indian Rupees Ten Crores Only) by November 30,2014, failing which the CDR package would be treated as failed. The CDR Empowered Group approved exit of the account from the CDR mechanism on October 28,2015, as the Corporate Debtor failed to comply with the CDR conditions

2.4 Following exit from CDR, a recall notice was issued on December 2, 2015, and a notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") was issued on December 14, 2015. A legal notice was issued on April 27, 2016, demanding repayment of outstanding dues as on March 31, 2016. Despite these steps, the Corporate Debtor issued five One-Time Settlement ("OTS") proposals vide letters dated August 1, 2017, August 22,2018, August 10, 2021, December 30, 2022, and March 19,2024, none of which resulted in a settlement. Having failed to regularise its accounts despite repeated demands and multiple rounds of negotiation, the Petitioner has filed the present petition under Section 7 of the Insolvency and Bankruptcy Code, 2016

2.5 **Below amount are outstanding as on 31.01.2026.**

Sr No.	Account Number	Principal Outstanding	Principal + Interest
1.	O10DIBG202837017	1,90,00,000.00	5,45,43,185.00

2.	O10DIBG202837052	23,75,000.00	68,26,140.00
3.	O10DIBG202837011	23,74,999.00	68,26,137.00
4.	O10DIBG202837034	1,90,00,000.00	5,45,43,185.00
5.	O10DIBG202837012	1,90,00,000.00	5,45,43,185.00
6.	O10DIBG202837026	21,11,371.00	1,07,80,178.00
7.	O10DIBG202837003	1,90,00,000.00	5,45,43,185.00
8.	O10DIBG202837048	23,75,000.00	68,26,140.00
9.	O10DIBG202837016	1,90,00,000.00	5,45,43,185.00
10.	O10DIBG202837049	23,75,000.00	68,26,140.00
11.	2630741000166	47,50,578.79	3,88,26,231.15
12.	2630741000182	47,50,321.55	3,07,68,702.80
13.	2630741000198	47,50,321.55	3,07,68,702.80
14.	2630741000214	1,49,15,578.79	8,69,73,083.54
15.	2630773000095	8,92,63,355.94	1,25,85,77,825.83
16.	2630741000167	95,00,578.79	7,25,48,028,.03
17.	2630741000183	47,50,321.55	3,07,68,702.80
18.	2630741000199	47,50,321.55	3,07,68,702.80
19.	2630773000096	19,32,54,966.79	1,74,35,07,118. 41
20.	2630741000168	47,50,578.79	3,62,59,368.02
21.	2630741000184	47,50,321.55	3,07,68,702.80
22.	2630741000200	47,50,321.55	3,07,68,702.80
23.	2630741000169	95,00,321.55	7,25,17,399.45
24.	2630741000185	47,50,321.55	3,07,68,702.80
25.	2630741000201	39,89,371.55	2,58,39,645.86
26.	2630741000170	95,00,321.55	7,25,17,399.45
27.	2630741000186	47,50,321.55	3,07,68,702.80
28.	2630741000202	47,50,321.55	3,07,68,702.80
29.	2630741000171	47,50,321.55	3,62,58,962.18
30.	2630741000187	47,50,321.55	3,07,68,702.80
31.	2630741000203	47,50.321.55	3,07,68,702.80
32.	2630741000172	7,78,05,321.55	59,39,13,750.82
33.	2630741000188	47,50,321.55	3,07,68,702.80
34.	2630741000204	47,50,321.55	3,08,14,488.39
35.	2630741000173	47,50,321.55	3,62,58,962.18
36.	2630741000189	47,50,321.55	3,07,68,702.80

37.	2630741000205	47,50,321.55	3,07,68,702.80
38.	2630201000024	33,91,203.19	1,53,58,289.38
39.	2630741000174	47,50,321.55	3,59,71,851.19
40.	2630741000190	47,50,321.55	3,07,68,702.80
41.	2630741000206	47,50,321.55	3,07,68,702.80
42.	2630741000175	5,32,864.55	39,85,988.99
43.	2630741000191	47,50,321.55	3,07,68,702.80
44.	2630741000207	47,50,321.55	3,07,68,702.80
45.	2630741000176	42,96,264.55	3,20,65,278.30
46.	2630741000192	47,50,321.55	3,07,68,702.80
47.	2630741000208	29,13,971,55	1,88,73,730.26
48.	2630256000094	9,03,65,900.69	92,03,61,540.81
49.	2630741000177	1,90,00,321.55	13,81,21,981.62
50.	2630741000193	47,50,321.55	3,07,68,702.80
51.	2630741000209	1,42,50,321.55	8,56,65,516.42
52.	2630741000178	71,25,321.55	5,18,05,857.60
53.	2630741000194	47,50,321.55	3,07,68,702.80
54.	2630741000210	1,90,00,321.55	11,42,20,531.9 8
55.	2630741000179	47,50,321.55	3,42,43,767.46
56.	2630741000195	47,50,321.55	3,07,68,702.80
57.	2630741000211	95,00,321.55	5,71,10,529.83
58.	2630261000067	46,76,51,673.94	3,95,91,48,450. 48
59.	2630741000164	47,50,578.79	4,13,29,896.35
60.	2630741000180	47,50,321.55	3,42,43,767.46
61.	2630741000196	47,50,321.55	3,07,68,702.80
62.	2630741000212	2,91,17,821.55	17,04,38,538.95
63.	2630741000165	95,00,578,79	8,26,58,862,41
64.	2630741000181	47,50,321.55	3,47,46,005.98
65.	2630741000197	47,50,321.55	3,07,68,702.80
66.	2630741000213	2,91,18,850.51	17,04,40,143.37
67	2630747000004	4,35,38,091.7	10,92,82,394.4
		142,51,56,720 (Indian Rupees One Hundred Forty Crore Fifty One Lakh Fifty Six	**1126,41,34,714** ((Indian Rupees One Thousand One Hundred Twenty Six Crore Forty

Total	Thousand Seven Hundred and Twenty Only)	One Lakh Thirty Four Thousand and Seven Hundred and Fourteen Only.)
The Consolidated account statements and ledger for term loans and demand promissory notes are annexed and marked as Exhibit-AAAF to the Application.		

2.6 The Applicant has filed an Additional Affidavit dated 10.04.2026, for submitting clarifications in compliance with the directions of this Tribunal *vide* Interim order dated 25.03.2026.

2.7 Pursuant to the directions of this Hon'ble Tribunal, the Financial Creditor seeks to place on record the following:

i. The amended Form 1 which specifies the date of commission of default by the Corporate Debtor as March 28, 2012 i.e., the date of sanction of Corporate Debt Restructuring proposal by Canara Bank, as per the applicable guidelines of the Reserve Bank of India ("RBI"). A copy of the amended Form 1 is annexed and marked as **ANNEXURE A** to the application.

ii. The Petition has been filed within the limitation period. In this regard, reliance is placed on the Hon'ble Supreme Court's judgment in Dena Bank vs. C. Shivakumar Reddy and Anr (2021) 10 SCC 330, wherein the Hon'ble Supreme Court held as follows:

> *"140. To sum up, in our considered opinion an application under Section 7 IBC would not be barred by limitation, on the ground that it had been filed beyond a period of three years from the date of declaration of the loan account of the corporate debtor as NPA, if there*

were an acknowledgment of the debt by the corporate debtor before expiry of the period of limitation of three years, in which case the period of limitation would get extended by a further period of three years."

iii. The Petitioner seeks to place on record the following dates which demonstrate that the present Petition has been filed within in the limitation period:

Sr. No.	Particulars	Date	Particulars	References
1.	Date of Default	28.03.2012	The date of sanction of CDR Package, in terms of the applicable RBI guidelines.	
2.	Date of Declaration of NPA	28.03.2012		
3.	First Revival Letter for the Purpose of Limitation	28.05.2013	Acknowledgment is within the limitation period of 3 years beginning from 28.03.2012 Limitation period accordingly got extended by a further period of 3 years ending on 28.05.2016.	**Exhibit AAI@Pgs. 793-794, Vol-5**
4.	Second Revival Letter for the Purpose of Limitation	14.09.2013	Acknowledgment is within the limitation period of 3 years beginning from 28.05.2013. Limitation period accordingly got extended till 14.09.2016	**Exhibit AAJ @Pgs. 795-796, Vol-5**
5.	Third Revival Letter for the	18.10.2014	Acknowledgment is within the	**Exhibit AAM**

	purpose of Limitation		limitation period of 3 yers beginning from 14.09.2013. Limitation period accordingly got extended till 18.10.2017	**@Pgs. 805-807, Vol-5**
6.	First Proposal for One Time Settlement ("OTS") submitted by the Corporate Debtor	01.08.2017	Acknowledgment is within the limitation period of 3 years beginning from 18.10.2014. Limitation period accordingly got extended till 01.08.2020	**Exhibit AAV @Pgs. 911-920, Vol-6**
7.	Second Proposal for OTS submitted by the Corporate Debtor.	07.08.2019	Acknowledgment is within the limitation period of 3 years beginning from 01.08.2017. Limitation period accordingly got extended till 07.08.2022	**Annexure B to this Affidavit**
8.	Third Proposal for OTS submitted by the Corporate Debtor	10.08.2021	Acknowledgment is within the limitation period of 3 years beginning from 07.08.2019. Limitation period accordingly got extended till 10.08.2024	**Exhibit AAW @Pgs. 935-941, Vol-6**

9.	Fourth Proposal for OTS submitted by the Corporate Debtor	30.12.2022	Acknowledgment is within the limitation period of 3 years beginning from 10.08.2021. Limitation period accordingly got extended till 30.12.2025	**Exhibit AAY @Pgs. 942-945, Vol-6**
10.	Fifth Proposal for OTS submitted by the Corporate Debtor.	19.03.2024	Acknowledgment is within the limitation period of 3 years beginning from 30.12.2022. Limitation period accordingly got extended till 19.03.2027	**Annexure C to this Affidavit**
11.	Sixth Proposal for OTS submitted by the Corporate Debtor Communications regarding OTS Proposals submitted by the Corporate Debtor	02.04.2026	Acknowledgment is within the limitation period of 3 years beginning from 19.03.2024. Limitation period accordingly got extended till 02.04.2029	
12.	Date of filing of the present petition.	18.03.2026	The present Petition has been filed within the limitation period which is due to expire on 02.04.2029.	

iv. In view of the above, it is humbly submitted that the present Petition has been filed within the limitation period prescribed under the Limitation Act, 1963.

v. The Applicant submitted that the instant Affidavit is made *bonafide* and may be taken on record. That no part of this Affidavit is false, and no material facts have been concealed therefrom.

2.8 PARTICULARS OF SECURITY HELD, IF ANY, THE DATE OF ITS CREATION, ITS ESTIMATED VALUE AS PER THE CREDITOR.

Primary Security

A. First pari-passu hypothecation floating charge on the entire stocks of the Company, wherever situated, and its entire book debts from time to time.

B. Equitable Mortgage of Title deeds of residential Bunglow No 9 (Janki Kutir Bunglow), Vasant Vihar Complex of Vasan Vihar Cooperative Housing Society Limited ,Village Wadhwali Chembur. Mumbai lying, being and situated at plot of land bearing Plot No. 1 of the Development Scheme bearing N.A. No. 6 (part), C.T.S. No. 172 (Part) and bearing Survey No. 6 (Part) admeasuring 2160. 54 square meters, owned by Shri Ramlal Roshanlal Wadhawan.

C. Equitable Mortgage of Title deeds of residential Bungalow No. 4 consist of ground first floor of the building known as "Vasant Vihar Complex" of Vasant Vihar Cooperative Housing Society Limited situated as Plot No. I. Dr. C.P. Gidwani Road Chembur, Bombay

400089 standing on Plot No. 1,5 (Part), 58(Part), C.T.S. No. 172(Part) at village Vadhvali I Bandivali, Turbad, Taluka South Salsette, the registration district and sub-district of Bombay City and Bombay Suburban, owned by Shri. Balkrishn Pritamlal Wadhawan.

D. Equitable Mortgage of Title deeds of flat bearing no. G 1 admeasuring 600 square feet square feet (built-up), flat bearing No. G2 admeasuring 500 square feet (built-up), flat bearing No. G3 admeasuring 600 square feet (built-up), at the Ground floor of the building known as "Prakash Roshan" of Prakash Cooperative Housing Society Limited situated at plot No. 611/3, V.N. Purav Marg, Chembur, Mumbai 400071, owned by PBA Infrastructure Limited.

E. Equitable mortgage of Title deed of residential Flat No. R/301 admeasuring 1220 square feet on the 3rd floor of Rear Block of the building structure known as "Jagat Plaza" located in Civil Expansion Scheme, Nawab Area Precinct, Amaravati Road Nagpur bearing Municipal Corporation House No. 669 of Ward No. 70, City Survey No. 894-Sheet No. 12 at Mouza Pandhra bodi within the limits of Nagpur Improvement Trust, Tehsil and District Nagpur (Maharashtra State), owned by PBA Infrastructure Limited.

F. Equitable Mortgage of Title deeds of flat bearing No. 8 admeasuring 700 square feet of built up area on the first floor of the building known as "Prakash Roshan" of Prakash Roshan Co-operative Housing Society Limited situated on CTS No/ 433 at V.N. Purav Marg, Chembur, Mumbai-400071 at village Chembur, Taluka Kurla, Mumbai Suburban District; owned by Corporate Debtor.

G. Pledge of 39,59,785 equity shares of the Corporate Debtor in the name of Mr. Ramlal Wadhawan.

H. Pledge of 8,02,280 equity shares of the Corporate Debtor in the name of Mr. Balkrishan Wadhwan.

2.9 **LIST OF OTHER DOCUMENTS ATTACHED TO THIS APPLICATION IN ORDER TO PROVE THE EXISTENCE OF FINANCIAL DEBT, THE AMOUNT AND DATE OF DEFAULT ARE AS FOLLOWS:**

A. The Corporate Debtor has relied upon the following documents, which are attached to the Application.

(i) Copy of the Working Capital Consortium Agreement dated September 10, 2003 executed between the Corporate Debtor, the Financial Creditor and Union Bank of India.

(ii) Copy of the Joint Deed of Hypothecation executed between the Corporate Debtor, the Financial 102- Creditor and Union Bank of India.

(iii) Copy of the Inter Se Agreement executed between the Corporate Debtor, the Financial Creditor and Union Bank of India.

(iv) Copy of the Guarantee Covering Letter and Guarantee Agreement executed by Mr. Balkrishan Wadhawan guaranteeing repayment of the outstanding credit facilities granted to the Corporate Debtor.

(v) Copy of the Guarantee Covering Letter and Guarantee Agreement dated September 29, 2003 executed by Mr. N.G.

Thatte guaranteeing repayment of the outstanding credit facilities granted to the Corporate Debtor.

(vi) Copy of the Letter dated March 3, 2004 from Mr. N.G. Thatte evidencing deposit of title deeds of ,e4 properties situated at Pune with the Financial Creditor.

(vii) Copy of the Letter dated March 5, 2004 from Mr. Balkrishan Wadhawan evidencing deposit of title deeds of properties situated at Mumbai with the Financial Creditor.

(viii) Copy of the Sanction Letter dated October 15,2004 for renewal cum enhancement of Working Capital Limits for the year 2004-2005 and 2005-2006.

(ix) Copy of the Board Resolution dated December 20, 2004 passed by the Corporate Debtor.

(x) Copy of the Link Letter signed by the Corporate Debtor to the Financial Creditor in respect of enhancement of credit facilities.

(xi) Copy of the Pronote (Demand Promissory Note) signed by the Corporate Debtor.

(xii) Copy of the Letter of Renewal signed by the Corporate Debtor to the Financial Creditor.

(xiii) Copy of the Counter Indemnity signed by the Corporate Debtor to the Financial Creditor.

(xiv) Copy of the First Supplemental Working Capital Consortium Agreement dated April 27, 2005 executed between the Corporate Debtor, the Financial Creditor and Union Bank of India.

(xv) Copy of the First Supplemental Joint Deed of Hypothecation dated April 27, 2005 executed between the Corporate Debtor, the Financial Creditor and Union Bank of India.

(xvi) Copy of the Inter se Agreement executed between the Financial Creditor and Union Bank of India.

(xvii) Copy of the Guarantee Covering Letter and Guarantee Agreement executed by Mr. Balkrishan Wadhawan in favour of the Financial Creditor.

(xviii) Copy of the Guarantee Covering Letter and - Guarantee Agreement executed by Mr. N.G. Thatte in favour of financial creditor.

(xix) Copy of the Letter of Revival dated May 28, 2013 addressed by the Corporate Debtor to the Financial Creditor.

(xx) Copy of the Letter of Revival dated September 14, 2013 addressed by the Corporate Debtor to the Financial Creditor.

(xxi) Copies of the Letters dated September 14,2013 from Mr. Ramlal Wadhawan confirming continuation of Guarantees.

(xxii) Copy of the minutes of the Consortium Meeting held in July 2014.

(xxiii) Copies of the Letters of Revival dated 05October 2014 addressed by the Corporate Debtor to the Financial Creditor.

(xxiv) Copy of the Recall Notice dated December 12, 2015 issued by the Financial Creditor.

(xxv) Copy of the Letter dated December 10, 2015 enclosing minutes of the Consortium Meeting.

(xxvi)Copy of the Notice dated December 14,2015 issued under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

(xxvii) Copy of the objections to the SARFAESI notice filed by Mr. Balkrishan Wadhawan.

(xxviii) Copy of the objections to the SARFAESI notice filed by PBA Infrastructure Limited.

(xxix) Copy of the objections to the SARFAESI notice filed by Mr. Ramlal Wadhawan.

(xxx) Copy of the objections to the SARFAESI notice filed by Mr. Deepak Ramlal Wadhawan.

(xxxi) Copy of the Legal Notice dated April 27, 2016 issued by the Financial Creditor through its advocates.

(xxxii) Copy of the One-Time Settlement proposal dated August 1, 2017 issued by the Corporate Debtor.

(xxxiii) Copy of the One-Time Settlement proposal dated August 10, 20 issued by the Corporate Debtor.

(xxxiv) Copy of the One-Time Settlement proposal dated December 30,2022 issued by the Corporate Debtor

(xxxv) Copy of the One-Time Settlement proposal dated March 19,2024 issued by the Corporate Debtor

(xxxvi) Copy of the master data displaying corporate identification number of the Financial Creditor as available on the website of the Ministry of Corporate Affairs.

(xxxvii) Copy of the Board Resolution of the Financial Creditor authorizing the authorized signatory to file this application.

(xxxviii) Copy of the master data of the Corporate Debtor as available on the website of the Ministry of Corporate Affairs.

(xxxix) Copy of the Form 2 executed by the proposed interim resolution professional.

(xl) Copy of the authorization of assignment dated January 10, 2026 issued to the proposed interim resolution professional.

(xli) Copy of the certificate of registration of the proposed interim resolution professional.

(xlii) Details of total amount of debt granted and dates of disbursement.

(xliii) Copy of the records of default filed with National E-Governance Services Limited.

(xliv) Copy of the CIBIL report of the Corporate Debtor.

(xlv) Copies of entries in a banker's book in accordance with the Banker's Books Evidence Act, 1891.

(xlvi) A copy of Form 1A(IAAA) for serving copy of application for initiation of CIRP to the IBBI.

(xlvii) The revival Letter for the purpose of Limitation dated 28.05.2013

(xlviii) The revival Letter for the purpose of Limitation dated 14.09.2013

(xlix) The revival Letter for the Purpose of Limitation dated 18.10.2024

(l) The OTS Letter dated 01.08.2017 is annexed as Exhibit

(li) The OTS Letter dated 07.08.2019 is annexure B to the Additional Affidavit;

(lii) The OTS letter dated 10.08.2021 is annexed as Exhibit-AAW;

(liii) The OTS letter dated 30.12.2022 is annexed as Exhibit-AAX

(liv) The OTS letter dated 19.03.2024 is annexed as Exhibit-AAY; and

(lv) The OTS letter dated 02.04.2026 is annexure C to the Additional Affidavit;

2.10 Separately, the Petitioner has also filed an Original Application before Ld. Debt Recovery Tribunal, Mumbai (DRT-II). The Petitioner seeks liberty to place a copy of the Original Application on record, as and when the same is deemed necessary.

3. CONTENTION OF THE CORPORATE DEBTOR

3.1 At the outset, it is submitted that the above Petition on its face is misconceived, not tenable in law and is liable to be rejected. There had never been intent of the Petitioner to seek resolution of the debt and or revival of the Respondent. It is evident from the fact that the present Petition is filed after fourteen years of purported default of 28/03/2012. Meanwhile, the Petitioner has adopted usual recovery proceedings under the provision of SARFAESI Act, 2002 as well as RDB Act, 1993. The Petition presented ostensibly under Section 7 of the Code is really to exert pressure and harass the Respondent. The present Petition filed after more than 14 years of alleged default dated 28/03/2012 is against very object and purpose of Code to initiate Insolvency Resolution Process at an earliest opportunity in time bound manner to maximize the assets. The IBC Code is not recovery

legislation for creditors. The present Petition is filed not with any object of Corporate Insolvency Resolution Process, but to exert pressure on the Respondent by using it as recovery mechanism. It is an abuse and gross misuse of the process of the Hon'ble Tribunal.

3.2 The Company Petition in 18 volumes and Additional affidavit both are running into more than 3700 pages. Given the limited time available to file the present Reply, I reserve my right to file a further affidavit to deal with the contents of the Petition and additional affidavit as and when necessary and if so advised. Meanwhile, I deny each and every allegation, averment, statement, and contention contained in the Petition and Additional Affidavit, save and except those which are specifically admitted herein. Nothing contained in the Petition shall be deemed to have been admitted merely for want of specific traverse, and all such allegations are expressly denied as being false, incorrect, and untenable.

Concealment of material fact and proceedings:

3.3 The Petitioner has deliberately concealed the material facts regarding filing of earlier Petition under section 7 of the Code on the same cause of action in order to avail the same remedy which is knowingly abandoned. The Petitioner knowingly and willingly and with intent to mislead the Hon'ble Tribunal has made false verification statement on oath that .... *Nothing material has been concealed therein and no part of it is false* ....

3.4 The Petitioner has earlier filed similar section 7 petition at Diary No.2709138112212024. The said Petition was filed on 28/11/2024. Respondent received email dated 27/05/2025 from Registry of this Hon'ble

Tribunal informing that the above petition was filed against the Respondent at Diary No.2709138112212024.

3.5 The current case status regarding above Petition at Diary No.2709138112212024 filed on 28/11/2024 is showing that the said petition is under "refiling".

3.6 On 18/03/2026, the Petitioner filed present Petition for same cause of action and same relief without disclosing earlier Company Petition filed on 28/11/2024. There is not a whisper in the present Petition about the earlier Company Petition. Rather a palpably false statement is made *that .... Nothing material has been concealed therein and no part of it is false .....*

3.7 The Corporate Debtor relying the following judgments;

i. ***Akshar Share Services Private Limited v. State of Gujarat,*** *[(1998) SCC online GUJ 753] (Hon'ble Gujarat High Court).*

ii. *In* ***K. D. Sharma v. Steel Authority of India Limited*** *[(2008) 12 SCC 481} (Hon'ble Supreme Court).*

iii. *In* ***Holy Health and Education Society v. Delhi Development Authority*** *[1999 SCC Online Delhi 396] (Hon'ble Delhi High Court).*

3.8 In ***S.P.Chengalvaraya Naidu v Jagannath*** [(1994) 1 SCC 1], the Hon'ble Supreme Court has impressed upon the obligation on the part of a Plaintiff to come to court with clean hands and held that party who approaches the court is bound to produce all the documents which are relevant to the litigation, if he withholds a vital documents in order to gain advantage on the other side then he would be guilty of playing fraud on the court as well as

on the opposite party. Guilty party is liable to be thrown out at any stage of proceeding.

The Petition is an abuse of process and barred by law:

3.9 The present Petition filed by the very same Financial Creditor seeking initiation of the Corporate Insolvency Resolution Process in respect of the same cause of action, is wholly misconceived and not maintainable. Having elected to abandon the earlier Petition, the Petitioner cannot be permitted to institute a fresh Petition on the same subject-matter without any change in circumstances or accrual of a distinct cause of action. The very filing of this petition is an abuse of the process of law and is contrary to the principles of finality and judicial discipline. The Petitioner cannot be allowed to repeatedly invoke the insolvency jurisdiction on the basis of the same cause of action by filing successive petitions after abandoning earlier proceedings.

3.10 It is submitted that the present Petition for equitable relief is barred by legal principles. The Petitioner having abandoned earlier section 7 petition cannot be allowed to raise very same issue again in the present proceedings. The Petitioner is precluded from prosecuting the present Petition by doctrine of estoppel. In ***Barber v Staffordshire County Council*** [(1996) 2 All ER 748], it was observed that order dismissing proceeding, even without a detailed consideration on merits, may, in appropriate circumstances give rise to estoppel, if a party having put forward a positive case, decline to pursue it and allow the matter to be dismissed. The court emphasized that such dismissal is not a mere administrative act but a judicial determination capable of attracting estoppel. The above English decision and issue

estoppel is recently considered and followed by the Hon'ble Supreme Court in Sharada Sanghi v. Asha Agarwal [2026 SCC OnLine SC 480].

3.11 The present Petition is barred by Order 9, Rule 9 of the Code of Civil Procedure, 1908. The said provision enacted based on public policy is effectively engaged in the present case. The only course open to the Petitioner to seek restoration of earlier petition by filing Application under Rule 63 of NCLT Rules by demonstrating sufficient cause for its non-prosecution resulting into dismissal. The Petitioner cannot be permitted to file and prosecute present proceedings after having abandoned earlier petition on the same cause of action and allowing it to attain finality.

3.12 The present petition is also liable to be dismissed under Order 23, Rule 1 of the Code of Civil Procedure, 1908. The underlying principle postulated by Order 23, Rule 1 is abundantly clear that when a party once instituted legal proceedings, he cannot be permitted to institute a fresh proceeding in respect of same cause of action after abandoning the earlier proceedings or withdrawing it except with the permission of the court to file the fresh proceeding. The principle underlying the above rule is founded on public policy like section 11 of Code of Civil Procedure as held by the Hon'ble Supreme Court in ***Sarguja Transport Service v. State Transport Appellate Tribunal***, [(1987) 1 sec 5, see para-7] and is applicable to the present proceedings.

3.13 The Petitioner after having filed earlier section 7 petition and voluntarily elected not to pursue it cannot be permitted to file the present petition on the same cause of action. To permit such recourse as adopted by the Petitioner would amount to an abuse of judicial process. In ***K. K. Modi v. K.***

N. Modi [(1998) 3 SCC 573], the Hon'ble Supreme Court has held that re-litigation of an issue already raised, or capable of being raised, constitutes an abuse of process, even if the strict requirements of res-judicata are not satisfied. [paras-44 & 46]. It is therefore apparent that the present petition being an abuse and misuse of process of law is bound and liable to be dismissed.

Petition based on unauthorized pleadings is not maintainable:

3.14 It is submitted that the authority letter relied upon by the Petitioner is insufficient and does not confer any specific authorization to file the present drastic proceedings under Section 7 of the Code. The alleged authorization is general in nature and fails to disclose any conscious decision by the competent authority of the Petitioner to initiate CIRP in respect of Respondent. Absence a valid and specific authorization, the present Petition on the basis of unauthorized pleading is not maintainable in law.

3.15 In ***Palogix Infrastructure Pvt. Ltd. v. ICICI Bank Ltd.***, *[2017 SCC OnLine NCLAT 266]*, the Hon'ble NCLAT has categorically held that a general authorization or power of attorney is insufficient unless it specifically empowers the person concerned to initiate proceedings under the Insolvency and Bankruptcy Code, 2016. The Hon'ble Appellate Tribunal further held that in the absence of a valid and specific authorization by the competent authority, the application under the IBC is incomplete and not maintainable in law.

3.16 In view of the aforesaid, the present Petition is liable to be dismissed as being defective for want of a valid and specific authorization to initiate proceedings under Section 7 of the Code. The Petitioner has failed to

demonstrate any conscious decision or approval of its competent authority authorizing initiation of CIRP in respect of Corporate Debtor. The present Petition, having been instituted without proper authorization, is liable to be rejected at the threshold, being defective and not maintainable in law.

Company Petition is incomplete in its contents, lacking material facts and statutory particulars prescribed by Form- 1;

3.17 The code provides drastic power to the Financial Creditor to assume the management and control of Respondent and its assets. It logically follows that there must be stringent compliance to statutory requirements postulated on the Petitioner in filing the Petition. The Petitioner should not make claim not warranted by contract and Petition must be in accordance with the prescribed Form-1. Part-IV of Form -1 mandates mentioning of the "date and amount of disbursement" and "amount claimed to be in default" and "date on which default occurred" along with workings for computation of the amount and days of default in tabular form. The above statutory form is prescribed to meet the ingredients of section 7 of the Code. The Petitioner fails to satisfy the essential ingredients which an application under sub-section (1) of section 7 of the Code must satisfy including the following:

i. the Applicant must be a financial creditor;
ii. there must be a financial debt;
iii. there must be a default in respect of payment of financial debt; and
iv. the default must not be of a value lower than the threshold specified under Section 4 of iBC.

3.18 The present Petition is lacking material facts and fundamental particulars regarding "disbursement of financial debt" and "amount in default" as required by law. The Petition is defective in its "Form" as well its "contents"..

3.19 In para-1, Part-IV of the Form 1, it was alleged that outstanding is Rs.1126.41 crores, which is comprising of Rs.142.52 crores towards principal amount and rest is towards interest. The original form -1 lacked necessary particulars with regard to date of default. The same was noticed by this Hon'ble Tribunal as apparent from the order dated 25/03/2026. At para-6 of the said order the Hon'ble Tribunal observed the following defects:

1. *"date of default is not clearly specified in the application"*
2. *Limitation has not been explained,"*

3.20 The Petitioner has filed an Additional Affidavit dated 10/04/2026. The Petitioner has for the first time alleged the date of default as 28/03/2012, being the date of sanction of Corporate Debt Restructuring ("CDR") at Ex-AP, pg. 461 of Petition which is incoherent and incomprehensible.

3.21 The present Petition is lacking material facts and fundamental particulars regarding "financial debt" as required by law. The Petition is defective in its "Form" as well its "contents". The Petitioner has in para - 1 of Part -IV of Form - 1 not stated date(s) of disbursement of loans. The statement of accounts produced from January 2016 are obviously not showing any particulars of disbursements. There is no material placed on record to show disbursement of loans as alleged, which are disputed and denied by the Respondent.

3.22 No material is produced to prove the dates of disbursement of loan, the statement of accounts relied by the Petitioner are post January 2016. The

particulars of disbursement are material and fundamental to constitute an ingredient for presentation of an Application under section 7 of the Code.

3.23 In ***Noida v. Anand Sonbhadra***, [(2023) 1 SCC 724], the Hon'ble Supreme Court has considered the expression "disbursement" and held that ... . ,,Disbursement is an indispensable requirement to constitute a debt, a financial debt, within the meaning of Section 5 (8) and that ***disbursement must be from the creditor to debtor .... [para-78]*** . . .. "Disbursement", within the meaning of Section 5 (8), is the payment of money, which flows to the debtor. [para-85].

3.24 The Petitioner has failed to state the "amount claimed to be in default" as on 20/03/2012 ["alleged date of default"] as mandated under Para 2, Part IV of Fonn-1. Specifying the "amount of default" is essential for the purpose of section 2 [threshold limit], section 10-A [suspension of CIRP] and section 238 [Limitation]. The amount due and payable as on the date of default is a critical requirement for an inquiry under Section 7 of the Code. CIRP can only be triggered upon the occurrence of a "default" as defined in Section 3(12). Without the particulars of actual "amount in default", the Tribunal cannot record its satisfaction regarding the "existence of a default" under Section 7(4) of the Code. The Petitioner has claimed an outstanding amount ofRs.1126,41,34,714 as on 31/01/2026 but this cannot be treated as the "amount in default" as of20/03/2012 as required by Para 2, Part IV of Form-1.

3.25 By order dated 25/03/2026, the Tribunal granted an opportunity to Petitioner to rectify defects. However, the Petition is still defective and is liable to be rejected as per section 7(5)(b) of the Code.

3.26 The Petition under section 7 (1) of the Code is to be filed with the particulars as statutorily prescribed in Form-1. In Rohan Vijay Nahar v. State of Maharashtra, [(2026) 2 SCC 182] the Hon'ble Supreme Court has reiterated the settled law ... When a statute prescribes a manner of doing a thing, it must be done in that manner or not at all . ..... (para-27) In the present case, the statutory disclosures as stated aforesaid are missing.

Date of default 28.03.2012 is apparently erroneous:

3.27 In paragraphs (1) and (2) of Part IV of new Form-1 appended to Additional Affidavit, the Petitioner has ascertained the purported claim as on 31/01/2026 under 67 accounts. However, the Financial Creditor has failed to disclose or elaborate upon the nature of the individual facilities, the corresponding contractual documents governing such facilities, or the basis of the alleged outstanding amounts. It is further submitted that approximately 10 accounts have been included for alleged devolvement of bank guarantees. The alleged dates of defaults in respect of bank guarantees are stated to be 15/03/2016. The Petitioner has failed to produce any material evidence regarding the purported claim in respect of the bank guarantees. The Petitioner has not produced statement of accounts or bank guarantee agreement or letter of invocation of alleged guarantees. In any event the purported claim regarding devolvement of bank guarantees in 2016 is outside the scope of inquiry regarding alleged default of 28/03/2012.

3.28 The original Form -1 dated 17/03/2026 was bereft of any default. Pursuant to the order dated 25 /03/2026, the Petitioner has filed an Additional Affidavit dated 10/04/2026. The Petitioner has for the first time alleged the date of

default as 28/03/2012, being the date of sanction of Corporate Debt Restructuring ("CDR") at Ex AP, pg.461 of Petition which is incoherent and incomprehensible. Significantly, Corporate Debt Restructuring Agreement dated 28/03/2012 itself does not contain any default. Rather, paragraphs-5.8 and 5.16 of the Master Restructuring Agreement dated 30/03/2012 records "no default" as under:

> 5.8 ***No Default**: The Borrower is not in breach of or in default under the Transaction Documents or any other agreement to which it is a party or which is binding on it or any of its assets and there exist no events, which with the lapse of time or giving of notice, would result in a breach or default under such agreements, except for Existing Events of Default, any events of default (howsoever described) under the Existing Documents of the Non-Acceding Lenders and any events of default under the Project Documents in respect of which the time granted for amending the same as per the schedule stipulated by the Monitoring Committee has not elapsed;*

> ***5.16: Event of Default:***
>
> *No Event of Default has occurred and is continuing and no event has occurred, which with the lapse of time and/or giving of notice, would result in an Event of Default, other than any Existing Events of Default and any event of default (howsoever described) under Existing Documents of the Non-Acceding the Lenders;*

3.29 After having examined the particulars of default from their own records and executed Master Restructuring Agreement expressly incorporating that there was no default on the date of execution of the Master Restructuring Agreement dated 30/03/2012, the Petitioner cannot be permitted to take plea that the purported default had occurred on sanction of CDR on 28/03/2012. The contention regarding "default" being contrary to and inconsistent with written document is impermissible in law. The Petitioner has relied on clauses-4.4.2 and 4.4.3 of RBI guidelines on CDR mechanism dated 10/11/2005 to allege that if CDR package fails within four months, then account is to be classified as NPA as on the date of CDR sanction. However, there is nothing in the RBI guidelines which may support the aforesaid allegations regarding default as defined under section 3(12) of the Code.

3.30 The Petitioner has erroneously attempted to equate the alleged date ofNPA with the "date of default" under the Code. The two concepts are distinct and operate in different fields. Classification of an account as Non-Performing Asset ("NPA") is merely an accounting and regulatory classification under RBI norms, whereas "default" under Section 3(12) of the IBC requires determination of the precise date on which a legally enforceable debt became due and payable and remained unpaid.

3.31 In the present case, the Petitioner has failed to disclose the specific repayment obligation allegedly breached on very date of sanction of CDR on 28/03/2012. The restructuring documents themselves contemplated revised repayment schedules extending till 30.09.2021 along with moratorium and waiver of penal charges. Consequently, neither the date of

restructuring nor the alleged date of NP A can automatically constitute the "date of default" under the IBC. The shifting of NPA is merely for the purpose of provisioning as per the RBI Norms. However, date of default is to be counted as per the terms of Master Restructuring Agreement. The Petitioner undertook a debt restructuring exercise and in connection therewith various debt restructuring agreements were executed, thereby giving debt a fresh lease of life. In the context of the debt restructuring agreements, initial default, if any lost its relevance, because by virtue of restructuring exercise and subsequent agreements, the existing debt got fresh lease of life. In the circumstances, choosing the date of sanction of CDR as date of default is apparently erroneous, incomprehensible.

3.32 Petitioner has mentioned multiple dates of NPA as set out below:

a. 13 (2) notice dated 14.12.2015 is issued on the basis of NPA dated 28.03.2012 [Pg 815,CP]

b. In para-6 of reply dated 20/12/2020 filed in Transfer Securitisation Application No.7 of 2023, it is alleged .... Due to overdue of the amount in the said account, the CBS classified the Applicants account as NPA as on 30.07.2013, which was otherwise standard on 30.06.2013. As per the remark of the statutory auditor in his Memorandum of Change the date of NPA was to be declared on 30.06.2013 instead of 30th July 2013 .... The account is not classified by a secured creditor, but by a certain auditor. The explanation is incoherent and unintelligible.

c. At the consortium meetings held on 17th June 2014 and 25th July 2014, the Petitioner has alleged that the account slipped to NPA on 30th June 2013 and the same status is continued till date.

d. Vide letter dated 02/12/2015 the Petitioner Bank has alleged that .... your account has slipped to NPA with us with effect from 28.03.2012 (preponed from 30 06.2013 to 28.03.2012 pursuant to Memorandum of Changes (MOC) issued by Statutory Auditor due to CDR failure).

e. At Point No. 66 of the List of Dates and Events annexed to the Company Petition, the date of NPA is alleged to be 30.06.2013.

3.33 It is submitted that the "date of default" is the date on which the borrower first fails to discharge a debt that has become due and payable. Such date cannot be shifted to or substituted by the date of sanction of a Corporate Debt Restructuring (CDR) package, as a restructuring proposal.

3.34 The date of classification of an account as NPA under RBI Guidelines is not determinative of "default" within the meaning of Section 3(12) of the Insolvency and Bankruptcy Code, 2016. NPA classification is merely an accounting and regulatory classification in the books of the lender and does not, by itself, establish the actual date on which a debt became due and remained unpaid. The Petitioner is required to establish the specific date of non-payment constituting the alleged default. In the absence of particulars and evidence of the actual default, mere reliance on the date of NPA classification is insufficient to prove debt and default under the Code.

<u>There is no evidence to prove default:</u>

3.35 It is respectfully submitted that the Hon'ble Tribunal in terms of provisions of the Code has to record a categorical finding about the existence of "default" in respect of financial debt on the basis of either record of the information utility or on the basis of other documentary evidence produced by the Petitioner.

3.36 The term "default" as stated above is defined by the provision of section 3(12) of the Code. Perusal of the said provision shows that "default" means non-payment of debt when the amount of debt had actually become due and payable. It is submitted that, therefore, for recording the finding that there is a default this Hon'ble Tribunal will have to record a finding as to:

(i) contractual term governing event of default;

(ii) what is the principal amount due as on the date of default,

(iii) what is the rate of interest, which the Petitioner is permitted to charge on tat principal amount as per the contract,

(iv) what is the outstanding interest as on the date of default,

(v) what is total "overdue amount" when the alleged default occurred.

3.37 The Petitioner has not provided basic elementary particulars or any documentary evidence to prove the alleged default. No contractual term governing default or rate of interest are indicated. The Petitioner has claimed default of 28/03/2012 on the basis of date of sanction of CDR as per Exhibit -AP. As stated aforesaid, Master Restructuring Agreement dated 30/03/2012 and particularly clauses 5.8 and 5.16 thereof clearly records that there was no default as alleged by the Petitioner. Very basis of alleged default dated 28/03/2012 on the basis of terms of CDR is misplaced.

Similarly, clauses 4.4.2 and 4.4.3 of RBI guidelines on CDR mechanism dated 10/11/2005 do not support the case of the Petitioner.

3.38 The Petitioner has referred to and relied on 57 statements of accounts with the particulars as set out in para-2 of Part -IV of amended Petition. The alleged statement of accounts is post 08/01/2016. The alleged statement of accounts commencing from 08/01/2016 are irrelevant and inconsequential to prove the alleged default of 2012. I dispute and deny each and every entry in the alleged statement of accounts giving rise the purported claim. The alleged statement of accounts is not certified as per the Bankers Book Evidence Act. The Petitioner is required to prove each and every entry in the alleged statement of accounts disputed and denied by the Respondent by leading cogent evidence as held by the Hon'ble Supreme Court.

3.39 The statements of accounts and ledger extracts annexed to the Petition are not accompanied by the requisite certificates under the Bankers' Books Evidence Act, 1891. In the absence of such mandatory certificate, the said documents lack evidentiary value and cannot be relied upon by this Hon'ble Tribunal for any purpose whatsoever, including for establishing the existence of debt or the amount allegedly overdue and in default or the occurrence of default as alleged or otherwise.

3.40 The Petitioner has asserted alleged claim under 57 different and distinct accounts. The purported claim on the basis of the alleged accounts is incomprehensible. The purported claims in the Petition on the basis of 57 accounts are falsified on the basis of the alleged documents relied by Petitioner including:

(a) By letter dated 02/12/2015 [Ex-AAN, pg.808] the Petitioner has recalled the alleged loans and made demand under eight facilities/ accounts. The alleged overdue in the accounts are calculated from 30/04/2013 which belie the purported date of default of 28/03/2012;

(b) By letter dated 14/12/2015 [Ex-AAP, pg.815], the Petitioner issued demand notice under section 13(2) of SARF AESI Act and asserted claim only under six accounts with the particulars set out therein.

(c) Petitioner has filed Original Application No.427 of 2021 dated 19/05/2016. For about six years Petitioner did not remove office objections and accordingly Original Application came to be registered in 2021. The Petitioner has asserted the claim under six accounts.

(d) Purported claim in the Petition under 57 accounts is incomprehensible.

3.41 The Petitioner has relied on 51 inconsistent NeSL certificates containing multiple dates of default, which themselves are inconsistent and self-contradictory thereby rendering the alleged default doubtful and incapable of forming basis for admission of a petition under Section 7 ofthe IBC. The NeSL certificates are incomplete and are not in accordance with the IBBI (IU) Regulations, 2017. The documentary evidence as mandated by the said Regulations are not furnished to the Regulatory Authority.

3.42 The Petitioner has procured modified NeSL certificates without providing requisite documents mandated by the said Rules. The Petitioner has caused wrong information unilaterally recorded by NeSL. The NeSL Certificate is not reliable for the following reasons:

(i) The present petition 1s not based on NeSL Certificate. Rather NeSL Certificate is based on the Petition.

(ii) NeSL certificate is not issued in accordance with the IBBI (IU) Regulations, 2017. The Petitioner has not provided basic documents to the NeSL as contemplated by Form-e to the Regulations including loan agreement, statement of account in support of alleged default.

(iii) Petitioner has not provided overdue amount on the date of alleged default dated 28/03/2012 obviously for the reason that there was no overdue amount in default on 28/03/2012 as apparent from recall notice dated 02/12/2015. In the recall notice alleged overdue is stated to have commenced from August 2013. The Petitioner ought to have provided the amount in default as on 28/03/2012 for due verification. It is incomprehensible as to how date of default can be ascertained in absence of amount in default.

(iv) The NeSL Certificate indicate total outstanding as on 31/0 I/2026 and treated the same as default amount as · on 28/03/2012 which is patently incoherent and incomprehensible.

(v) NeSL Certificates are issued on the basis of statements in the account. In case of conflict between NeSL certificate and statement account, the statement of account must obviously prevail.

3.43 NeSL certificate is capable of modification /alternation. By its transitory nature it cannot be said to be conclusive. The statement of accounts placed on record exposes the falsity of NeSL Certificate.

3.44 In Subhash Chander Chouhan v. M/s Kaliber Associates Pvt. Ltd, the Hon'ble NCLAT has held that the NeSL certificate may not be conclusive evidence to come to the conclusion that there was financial debt, [para-28].

3.45 In the absence of any cogent proof establishing the disbursement of the alleged loan, the amount claimed to be in default, and the actual date of default, the present Petition is incomplete, misconceived, and liable to be rejected. The Petition fails to satisfy the essential ingredients which an application under sub section (I) of section 7 of the Code.

The Petition is filed for extraneous purpose:

3.46 The legislative object of the IBC is to provide for reorganization and insolvency resolution of corporate debtor in a time bound manner for the maximization of the value of the assets. It is certainly not a debt recovery legislation as held by the Hon'ble Supreme Court in Swiss Ribbons (P) Ltd. v. Union of India [(2019) 4SCC 17].

3.47 In Glass Trust Company LLC v Byju Raveendran [(2025)3 SCC 625), the Hon'ble Supreme Court has consolidated the position that the IBC cannot be used as a tool for coercion and debt recovery by individual creditor. It is held thus:

> *"IBC must not be used as a tool for coercion and debt recovery by individual creditors. Improper use of the IBC mechanism by a creditor includes using insolvency as a substitute for debt enforcement or attempting to obtain preferential payments by coercing the debtor using insolvency proceedings. That the mechanism under the IBC must not be used as a money recovery mechanism has been reiterated in a consistent line of precedent by this Court;"*

3.48 The intent of the Petitioner had never been for revival and rehabilitation of the Respondent as going concern. It is evident from the Petitioner's consistent conduct placed on record including:

(a) According to the Petitioner CDR mechanism failed on 28/10/2015.

(b) By letter dated 02.12.2015 the Petitioner threatened Respondent to initiate recovery proceeding under the SARFAESI Act, if their demand was not satisfied within 10 days.

(c) By letter dated 14/12/2015, the Petitioner issued demand notice under section 13(2) of SARFAESI Act attaching all the assets of the Respondent. The notice dated 14/12/15 is not merely a show cause notice, but it operates as attachment of the securities as held by the Hon'ble Supreme Court in Transcore v. Union of India [AIR 2007 sc 712).

> "Thus, Section 13 (13) further fortifies our view that notice under Section 13(2) is not merely a show cause notice. In fact, Section 13(13) indicates that the notice under Section 13(2) in effect operates as an attachment! injunction restraining the borrower from disposing of the secured assets .... "

(d) The Petitioner took symbolic possession of security under section 13(4) of the SARFAESI Act. The Petitioner also initiated action under section 14 of the SARFAESI Act. The legality and validity of action and measures initiated by the Petitioner is challenged by filing TSA No.7 of 2023 [SA] before DRT -I, Mumbai.

(e) On 30/04/2019, the Respondent moved an application for interim relief when the Hon'ble Tribunal after hearing both sides, formulated following issues for consideration:

(i) date of NPA and restructuring letter issued by the Bank cannot coexist and hence a contradiction;

(ii) one year after restructuring letter the Bank renewed the working capital and also enhanced the facilities;

(iii) effect of pending OTS proposal which was schedule for further discussion.

The Tribunal observed that issues (i) and (ii) required reply of Petitioner Bank. Looking to the prima facie case that required the consideration the Tribunal granted interim protection regarding action proposed by the Petitioner Bank.

(f) Meanwhile on or about 19/05/2016, Petitioner filed Original Application at (diary) No.788 of2016 in DRT -I, Mumbai under section 19(1) of the Recovery of Debts and Bankruptcy Act, 1993. The Petitioner failed to remove office objection for almost six years. Eventually, after six years Original Application came to be registered as OA No.427 of 2021.

(g) The Respondent has already settled claim of State Banlc of Patiala. The claim of SBI as on 31/03/2020 was Rs.25,46,34,548.90 which is settled under OTS at Rs.704,43,454.80 as apparent from OTS letter dated 19/10/2020. Upon receiving the full OTS amount the SBI has issued No Dues Certificate dated 05/08/2021. The SBI has withdrawn Original Application No.421 of 2021 tiled in the Hon'ble Tribunal as its claim is fully satisfied.

(h) The Respondent is effectively engaged with Petitioner to resolve the debt. By various letters including letter dated 29/08/2025 the Respondent submitted OTS proposal for Rs. 51.3 0 crores which is far

better terms than the OTS that was sanctioned by the State Bank of India and duly complied. However, the Petitioner is not cooperating and they are harassing the Respondent by adopting multiple coercive proceedings.

(i) On 28/11/2024 the Petitioner filed Section 7 Petition at Diary No.2709138112212024 which was abandoned.

(j) The Petitioner filed present petition dated 17/03/2026 under section 7 of the IBC, 20 16 deliberately concealing earlier petition filed in this Hon'ble Tribunal.

(k) Significantly, even after filing present petition, the Petitioner has issued multiple sale notices dated 04/10/2025 and 08/12/2025, for auction of core assets of the Respondent. By interim orders dated 29/10/2025 and 01/01/2026 the Hon'ble Debt Recovery Tribunal has granted interim protection in respect of above sale notices as the core issue regarding default and NPA is pending for adjudication.

(l) The chronology of events narrated above clearly demonstrate that the Petitioner is not interested in the rescue or revival ofthe Respondent. The present petition is filed to use it as a tool for coercion and debt recovery on terms better than the other consortium members namely State Bank ofIndia. The Petitioner is misusing the present Petition as a money recovery mechanism despite having availed adequate and efficacious alternate remedy of recovery under the SARF AESI Act and RDB Act

(m) Recently, in Anjani Technoplast v. Shubh Gautam, the Hon'ble Supreme Court has held that the existence and adoption of alternate remedy make

misuse of the jurisdiction of this Hon'ble Tribunal more apparent. It is held thus:

> While the IBC incidentally results in the satisfaction of 7 (2024) I SCC 24. creditors' claims, that consequence is a byproduct of the resolution process and not its primary object. The object is the revival of the corporate debtor as a going concern. It follows that a creditor who approaches the NCLT not with any genuine concern for the resolution of the corporate debtor but purely to secure payment of his individual dues is acting contrary to the purpose and spirit of the Code. The existence of adequate and efficacious alternative remedies makes such misuse all the more apparent.

3.49 The Respondent has the financial capacity and capability to discharge any legitimate and adjudicated dues. The Respondent is entitled to receive amounts aggregating to Rs.67 crores pursuant to arbitral awards in respect of Srinagar, Nagpur Sica, Udhampur and GVK projects, which constitute substantial realizable receivables and provide adequate cash flows to satisfy its lawful obligations. The Respondent has substantial realizable receivables under the arbitral awards and possesses the financial wherewithal to discharge any amount that may be lawfully determined as payable. In such circumstances, initiation of CIRP would not serve the object of insolvency resolution but would amount to permitting the Petitioner to employ the provisions of the Code as a coercive recovery mechanism. The Petitioner has filed an Interim Application No.1217 of 2025 for attachment of certain Awards in Original Application No.427 of 2021. By order dated 23/10/2025, the DRT has passed protective order in respect of the said Award.

3.50 In the circumstances, no default has occurred necessitating corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 or otherwise entitling the Petitioner to initiate the present proceedings. The present Petition is mala fide, initiated for extraneous purposes alien to the object and scheme of the Insolvency and Bankruptcy Code, and is therefore liable to be dismissed.

3.51 In M/s SS Engineers v. Hindustan Petroleum Corporation Limited [SCC OnLine SC 1385], it is held thus .....

> *31... The NCLT exercising powers under section 7 or section 9 of the IBC, is not debt collection forum. The IBC tackles and or deals with the Insolvency and Bankruptcy. It is not the object of IBC that CIRP should be initiated to penalize solvent companies for non payment of disputed dues claimed by operational creditor.*

3.52 The present Petition is motivated to harass the Respondent and use it as a lever to coerce and force the Respondent to accept the Petitioner's unjust and unreasonable demand. The present Petition is an abuse and misuse of the process of the Hon'ble Tribunal. The Petitioner is using the present petition as a recovery proceeding which is impermissible in law.

3.53 It is therefore respectfully submitted that it is a fit case in which dictum laid down by the Hon'ble Supreme Court in Vidarbha Industries Power Limited v. Axis Bank Limited [2022 SCC OnLine SC 841] ought to be exercised by the Hon'ble Tribunal. Relevant extract of the said judgment is produced herein below.

> *61. In our view, the Appellate Authority (NCLAT) erred in holding that the Adjudicating Authority (NCLT) was only required to see whether there had been a debt and the*

Respondent had defaulted in making repayment ofthe debt, and that these two aspects, if satisfied, would trigger the CIRP. The existence of a financial debt and default in payment thereof only gave the financial creditor the right to apply for initiation of CIRP. The Adjudicating Authority (NCLT) was require to apply its mind to relevant factors including the feasibility of initiation of CIRP, against an electricity generating company operated under statutory control, the impact of MERC 's appeal, pending in this Court, order of APTEL referred to above and the overall financial health and viability of the Respondent under its existing management.

88.The Adjudicating Authority (NCLT) has to consider the grounds made out by the Respondent against admission, on its own merits. For example, when admission is opposed on the ground of existence of an award or a decree in favour of the Respondent, and the Awarded/decretal amount exceeds the amount of the debt, the Adjudicating Authority would have to exercise its discretion under Section 7(5)(a) of the IBC to keep the admission of the application of the Financial Creditor in abeyance, unless there is good reason not to do so. The Adjudicating Authority may, for example, admit the application of the Financial Creditor, notwithstanding any award or decree, if the Award/Decretal amount is incapable of realisation. The example is only illustrative.

89. In this case, the Adjudicating Authority (NCLT) has simply brushed aside the case of the Appellant that an amount ofRs. 1, 7 30 Crores was realizable by the Appellant in terms of the order passed by APTEL in favour of the Appellant, with the cursory observation that disputes if any between the Appellant and the recipient of electricity or between the Appellant and the Electricity Regulatory Commission were inconsequential.

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> *90* ***We are clearly of the view that the Adjudicating Authority (NCLT) as also the Appellate Tribunal (NCLAT) fell in error in holding that once it was found that a debt existed and a Respondent was in default in payment of the debt there would be no option to the Adjudicating Authority (NCLT) but to admit the petition under Section 7 of the IBC.***

3.54 Applying the principle laid down in the aforesaid judgment, it is hereby humbly prayed that this Hon'ble Tribunal may use its discretion not to admit present petition and reject it. In view of the aforesaid facts and circumstances, it is abundantly clear that the present Petition is liable to be dismissed.

3.55 It is submitted that the Respondent has, at all material times, made sincere and bonafide efforts to resolve the subject account and settle the outstanding dues by submitting various One Time Settlement (OTS) proposals to the Petitioner. Despite such efforts, the Petitioner has failed to provide any cogent, reasonable, or commercial justification for rejecting the said proposals. The conduct of the Petitioner demonstrates its intention and willingness to resolve the debt outside the insolvency framework and continue its business operations as a going concern.

3.56 Instead, the Petitioner caused the account to remain unresolved for nearly a decade while repeatedly refusing to arrive at a commercial settlement. During this period, the financial position of the Corporate Debtor inevitably deteriorated. Having failed to facilitate or meaningfully engage in settlement efforts for several years, the Petitioner cannot now seek to invoke the provisions of the Code by portraying the Corporate Debtor as an entity requiring insolvency resolution. The present proceedings are, therefore,

demonstrative of an attempt to use the Code as a recovery mechanism rather than as a genuine process for resolution of insolvency..

Petitioner's claim requires due adjudication

3.57 The present Petition has been filed by the Petitioner claiming a principal outstanding of Rs.142,51,56,720 and interest along with principal aggregating to Rs.1126,41,34,714/-. It is pertinent to note that the Petitioner has also instituted Original Application No. 427 of2021 before the DRT-I, Mumbai for recovery of the alleged dues. A substantial portion of the claim comprises interest, the computation and recoverability whereof require detailed examination of the contractual terms, statements of account, appropriations, and other relevant records .

3.58 The principal dispute pertains to the quantum of debt claimed. A substantial portion of the claim comprises interest charges which exceed the principal amount allegedly outstanding. The entitlement, rate, period and computation of such interest are seriously disputed and require adjudication by a competent forum. Until such adjudication, the actual amount payable, if any, remains unascertained and incapable of precise determination.

3.59 The Petitioner has levied exorbitant, excessive interest and compounded the same with monthly rest, which is wholly unconscionable, extortionate, and contrary to settled banking norms and applicable RBI guidelines. The default interest/ penal interest is actually a penalty /damages. The claim filed before the Hon'ble Tribunal is with respect to principal outstanding of Rs 142,51,56,720/- and outstanding interest amounting to Rs 983,89,77,994/-. The damages in the form of penalty cannot constitute "debt" unless actual loss is proved and adjudicated by the Court of Competent Jurisdiction. The

manner in which interest has been calculated and capitalized is arbitrary, oppressive, and requires detailed scrutiny and adjudication on evidence. The alleged claim amount is therefore seriously disputed and cannot be treated as an admitted debt. The present dispute involves complex questions relating to computation of interest, applicability of penal charges, capitalization, and enforceability of the contractual terms, all of which necessitate a detailed examination and cannot be adjudicated in a summary proceeding under the Code by this Hon'ble Tribunal.

3.60 The determination of the actual amount due and payable would, therefore, require detailed adjudication and cannot be conclusively undertaken m the summary proceedings contemplated under Section 7 of the Code. The proceedings pending before the learned DRT are the appropriate forum for determination of the true nature, extent, and enforceability of the alleged debt, including the computation of interest and other charges forming part of the Petitioner's claim. Such adjudication would have a direct bearing on the quantum of debt claimed in the present Petition and would facilitate a fair and accurate determination of the parties' respective rights and liabilities. The same would also provide a proper basis for meaningful settlement discussions between the parties and may ultimately result in resolution of the dispute without resorting to the insolvency process under the Code.

3.61 Without prejudice to the above and with regard to paragraphs (1) and (2) of Part -IV of the said Petition, the Respondent specifically denies that 28.03.2012 constitutes the date of default for the purposes of the Code. The Petitioner has failed to disclose, establish, or substantiate the actual date of

default with reference to the contractual terms governing repayment and the occurrence of an event of default. The Petition proceeds on an erroneous assumption that the classification of the account as a Non-Performing Asset (NPA) is synonymous with the date of default. It is submitted that classification of an account as NPA is undertaken in accordance with RBI guidelines for regulatory and accounting purposes and does not, by itself, determine the actual date of default under the contractual documents or for the purposes of initiation of proceedings under the Code. I further deny that the sanction of the Corporate Debt Restructuring (CDR) package can constitute the date of default. The sanction of the CDR package cannot be treated as the date of default for the purposes of the present proceedings. In the absence of any cogent material establishing the actual date of default, the Petition is liable to be rejected. I further deny the Petitioner's claim that the principal outstanding is Rs. 142,51,56,720/- and that the aggregate amount due, inclusive of interest, is Rs. 1,126,41,34,714/-. The said figures are incorrect, unsubstantiated, and unsupported by any proper computation. The Petitioner is put to strict proof thereof. The Petitioner has failed to give the particulars of total amount of debt granted and date of disbursement as required by the Part IV (1). The Petitioner has not produced any document to prove the date of default as required by section 7(3)(a) of the Code. The Petitioner has not stated the "amount claimed to be in default" as on date of default on 28/3/2012 as alleged. The date of default cannot be determined in absence of statutory facts regarding "amount claimed to be in default". The present Petition is not maintainable as Form 1 is incomplete, deficient in material particulars, and not in compliance with the

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format and requirements prescribed under the Code and the Rules framed thereunder. The defects go to the root of the matter and render the Petition liable to be rejected.

3.62 With regard to paragraphs (I) to (4) of Part V of the Petition and submit that the legality, validity, and enforceability of the securities claimed by the Petitioner are pending adjudication before the learned Debts Recovery Tribunal, Mumbai. The Petitioner has failed to disclose material particulars, including the date of creation of the alleged security interest and the estimated value of the secured assets, rendering the disclosures in Form 1 incomplete and deficient. I further submit that the alleged record of default with the Information Utility is a unilateral record and is specifically disputed by the Respondent. The Petitioner has relied upon 51 NeSL records which disclose different dates of default and are inherently inconsistent with the Petitioner's case that the date of default is 28.03.2012. The said records, therefore, do not conclusively establish either the date of default or the amount claimed to be due. The alleged NeSL records relied upon by the Petitioner are not accompanied by a certificate under Section 63 of the Bharatiya Sakshya Adhiniyam (BSA), 2023 certifying the authenticity and integrity of the electronic records. It is further pertinent to note that the Petitioner's claim is adequately secured and, in the circumstances, the present Petition appears to have been instituted as a recovery measure rather than for the genuine resolution of the Corporate Debtor under the provisions of the Code.

3.63 With regard to paragraphs-(5) to (8) of Part -V of the said Petition and submit that the Petitioner has failed to produce the complete financial contract as

required under Item No. 5 of Part V of the statutory F orm-1. I deny the documents annexed to the Petition relied by the Petitioner for proving the claim in the present petition. The said documents do not correlate with the alleged debt claimed to be default. Further, no document has been produced in support of the claim asserted in respect of the alleged bank guarantees. I dispute and deny the alleged statement of accounts relied by the Petitioner. I deny that CIBIL report of the corporate debtor is record of the default as alleged. I dispute and deny each and every entry in the alleged statement of accounts giving rise to the purported claim. The statement of accounts relied by the Petitioner is not supported by relevant certificates required to be issued under the Bankers Book of Evidence Act as well as Bharatiya Sakshya Adhiniyam (BSA), 2023 and cannot be relied upon for proving the existence of debt, the quantum thereof, or the date of default. I dispute and deny the alleged statement of accounts relied by the Petitioner. I deny that the Revival letters and OTS letters are capable of proving existence of financial debt, amount and date of default. The Petitioner has therefore failed to produce cogent and admissible evidence to substantiate the debt and default alleged in the Petition.

3.64 The Petitioner has filed Additional Affidavit dated 10/4/2026 placing on record amended Form-1, alleging the date of default as 28/03/2012, along with OTS letters dated 07/08/2019 and 02/04/2026. I deny that the said OTS letters constitute a clear or unequivocal and unconditional acknowledgment of liability so as to extend the period of limitation in the manner sought to be contended by the Petitioner. The contents, context and nature of the said communications do not amount to an admission of the debt claimed by the

Petitioner nor do they establish the quantum of the alleged liability. I further submit that despite being granted an opportunity to cure the defects in the Petition, the amended Form -1 continues to suffer from material defects and inconsistencies, including contradictory stands with regard to the date of default and the documents relied upon in support thereof. The Petitioner has failed to identify the correct date of default and has not produced cogent and admissible material establishing the existence of debt, default, or extension of limitation. The amended Form 1 produced by the petitioner is still defective and the present petition is liable to be dismissed. The ratio relied by petitioner in Dena Bank Vs C. Shivakumar Reddy is not applicable to the facts of the present case and same is clearly distinguishable. I deny that the Petitioner has referred to relevant date of default and relevant documents for the purpose of proving the date of default and limitation. I further submit that the account of the Respondent cannot be regarded as a live claim for the purposes of initiation of Corporate Insolvency Resolution Process and the present Petition is ex facie barred by limitation. The Petitioner had earlier instituted a petition under Section 7 of the Code and permitted the same to be dismissed. Having abandoned the earlier proceedings, the Petitioner is estopped from maintaining a subsequent petition on the same cause of action. The conduct of the Petitioner clearly indicates that the Respondent was never considered to be a case warranting insolvency resolution under the Code as Petitioner allowed the section 7 application to dismissed. I deny each and every allegation contained in the said additional affidavit and Petition which is contrary to and inconsistent with all that is stated aforesaid. The present Company Petition is based on incomplete documents,

contradictory pleadings, selective disclosures and unsubstantiated computations and therefore deserves to be dismissed with costs.

3.65 In the facts and circumstances, the above Petition is misconceived, and not tenable in law. The Petitioner has not complied with statutory ingredients of Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and statutory Form - 1.

4. Rejoinder by the Applicant

4.1 At the outset, the Financial Creditor denies all the averments, insinuations, allegations, contentions, and statements made by the Corporate Debtor in its Reply, which are not only contrary to and/or inconsistent with the facts of the present case but also misleading and devoid of any merit whatsoever. None of the contents of the Reply shall be deemed to have been admitted by the Financial Creditor for want of specific denial or for reasons of non-traverse except where it is specifically admitted hereinafter or unless the same is a matter of record. The Financial Creditor submits that the contentions raised and the allegations made in the Reply are completely baseless, misconceived, frivolous and untenable, and the same are addressed seriatim hereinbelow.

4.2 By way of brief background, the Financial Creditor filed the present Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code") on March 18, 2026, inter alia seeking initiation of the corporate insolvency resolution process against the Corporate Debtor on account of a default in repayment of financial debt aggregating to INR 1126,41,34,714 (Rupees One Thousand One Hundred Twenty Six Crores Forty-One Lakhs Thirty-Four Thousand Seven Hundred and Fourteen only) (inclusive of interest), the date of default being March 28,2012.

This Hon'ble Tribunal was pleased to issue notice to the Corporate Debtor on April 13,2026, and the Petitioner received the Reply filed on behalf of the Corporate Debtor on June 11, 2026. The present Affidavit-in-Rejoinder is being filed pursuant to the liberty granted by this Hon'ble Tribunal vide its order dated May 15, 2026. The Financial Creditor submits that the present Petition is supported by overwhelming documentary evidence establishing the existence of the financial debt and the occurrence of default, including *inter alia* the loan documents, the CDR sanction letter, the Master Restructuring Agreement, the recall notice dated December 2, 2015,the SARFAESI notice dated December 14,2015, the proceedings before the Debts Recovery Tribunal, the records of the Information Utility (NeSL), and the Corporate Debtor's own repeated OTS proposals acknowledging the outstanding debt.

4.3 In this regard, it is submitted that the Insolvency and Bankruptcy Code (Amendment) Act, 2026, which had been recommended by the Select Committee of the Rajya Sabha without modification to the relevant clause, amends Section 7(5) of the code to provide that the Adjudicating Authority "shall" mandatorily admit an application where default has occurred and the application is complete, thereby removing any residual discretion at the admission stage. Significantly, Explanation II to the amended Section 7(5) clarifies that where a financial institution furnishes a record of default recorded with the Information Utility along with its application, such record shall be considered sufficient for the Adjudicating Authority to ascertain the existence of default. The said amendment has been expressly introduced to overcome the interpretation placed on Section 7(5) by the Hon'ble Supreme Court in Vidarbha Industries Power Limited v. Axis Bank Limited12022 SCC Online SC 841], wherein the use of the word "may" was

construed as conferring discretion upon the Adjudicating Authority to consider factors beyond debt and default at the admission stage. The legislative intent, as clarified in the Select Committee Report, is that where debt and default are established and the application is complete, the Adjudicating Authority must admit the application and shall not consider any other ground for rejection, In the present case, the Petitioner has furnished records of default from the Information Utility (NeSL) bearing the status of "Deemed to be Authenticated", and the present Petition is accordingly entitled to mandatory admission.

4.4 It is submitted that the entirety of the Reply is nothing but an attempt by the Corporate Debtor to deflect attention from the established and undeniable case of debt and default. The default is not a disputed factual question; it is corroborated by the Financial Creditor's own enforcement record including the recall notice, SARFAESI proceedings, DRT proceedings, returned cheque events, CDR exit documentation, and consortium minutes. Significantly, the Reply raises only legal and technical objections and conspicuously does not produce any evidence whatsoever of actual payment or regularisation of the outstanding dues at any point during the last 14 years. The said silence on the part of the Corporate Debtor is the strongest evidence of continuing default and renders the Reply wholly devoid of merit.

RE: ALLEGED CONCEALMENT OF MATERIAL FACTS AND PROCEEDINGS (PARAGRAPHS s TO 12 OF THE REPLY):

4.5 The contention of the Corporate Debtor that the present Petition constitutes an abuse of process or is barred by the principles of res judicata, issue estoppel, Order 9 Rule 9 or Order 23 Rule 1 of the Code of Civil Procedure, 1908 is wholly misconceived and untenable in law. It is submitted that the earlier filing at Diary

No. 27091 38112212024 was never admitted, never heard on merits, and no order of dismissal was passed thereon by this Hon'ble Tribunal. A petition returned by the Registry for curing of defects does not constitute a judicial determination capable of attracting the principles of res judicata or issue estoppel. It is further submitted that scrutiny by the Registry is administrative in nature and confined to examination of defects and compliance with filing requirements. The registry does not exercise judicial powers and is not competent to render any determination on the rights of the parties or maintainability of the proceedings on merit. The doctrine of res judicata under Section 11 of the Code of Civil Procedure requires that the matter in issue must have been directly and substantially in issue in a former suit and must have been heard and finally decided between the same parties. In the present case, no such adjudication has taken place. Consequently, the essential ingredients of Res Judicata are absent. Similarly, the principles underlying Order 9 Rule 9 and Order 23 Rule 1 of the Code of Civil Procedure are inapplicable as there has been no dismissal for default or withdrawal of the earlier filing already raised and adjudicated or capable of being raised in earlier proceedings that attained finality. In the present case, no issue has been adjudicated, no proceeding has attained finality. The present Petition is a fresh filing and is perfectly maintainable in law.

RE: ALLEGED LACK OF AUTHORIZATION (PARAGRAPHS 18 TO 20 OF THE REPLY):

4.6 The contention of the Corporate Debtor that the present Petition is based on unauthorized pleadings and that the authority letter relied upon by the Financial Creditor is insufficient is denied and rejected. It is submitted that the Financial Creditor has filed a valid Power of Attorney duly executed by the competent

authority of Canara Bank, specifically authorizing the signatory to initiate and prosecute insolvency proceedings against debtors of the Financial Creditor. The said Power of Attorney is annexed to the Petition and marked as Exhibit AAAA. The authorization is specific, valid and confers full authority to file and prosecute the present proceedings. The proceedings have been instituted and pursued by a duly authorized officer of the Bank acting under the Power of Attorney issued in accordance with the Bank's internal regulations and applicable law. It is submitted that a company or body corporate necessarily acts through its authorized officers, and such authorization need not be by way of a specific resolution for each individual proceeding. The authorization produced on record adequately empowers the concerned officer to institute, verify, affirm pleadings and conduct legal proceedings on behalf of the Bank. The reliance placed by the Corporate Debtor on Palogix Infrastructure Pvt. Ltd. v. ICICI Bank Ltd. 12017 SCC Online NCLAT 2661 is wholly distinguishable on facts, as in the present case, a specific authorization has been duly furnished.

RE: ALLEGED DEFECTS IN FORM.I AND INCOMPLETE PARTICULARS (PARAGRAPHS 21 TO 30 OF THE REPLY):

4.7 The contention of the Corporate Debtor that the Petition is lacking material facts and fundamental particulars regarding disbursement of financial debt and amount in default is denied. It is submitted that the Financial Creditor has duly complied with the requirements of Form-I as prescribed under Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. The amended Form-I filed pursuant to the directions of this Hon'ble Tribunal dated March25, 2026 clearly specifies the date of default as March 28,2012, the total principal outstanding as INR 142,51,56,720 and the total outstanding inclusive of interest as INR 1126,41,34,714 as on January 31, 2026, along with

account-wise details of all 67 accounts. The consolidated account statements and ledger for term loans and demand promissory notes have been duly annexed and marked as Exhibit-AAAF.

4.8 As regards the contention that the Financial Creditor has failed to state the dates of disbursement, it is submitted that the credit facilities were sanctioned and disbursed over a period of time commencing from 1974, and the details of the same are evident from the loan documents, sanction letters, and the Master Restructuring Agreement dated March 31, 2012 which are all annexed to the Petition. The Corporate Debtor, having itself executed the said documents and availed the said facilities, cannot now feign ignorance of the disbursements made in its favour. The reliance placed on Noida v. Anand Sonbhadra I(2023) 1 SCC 7241 is wholly distinguishable, as in the present case, the disbursement of credit facilities to the Corporate Debtor is not in dispute and is evidenced by the loan documents, account statements, and the Corporate Debtor's own acknowledgments and OTS proposals.

4.9 As regards the contention that the Financial Creditor has failed to state the amount claimed to be in default as on March 28, 2012, it is submitted that the entire outstanding amount became due and payable upon the occurrence of default. The Financial Creditor has stated the outstanding amounts as on January 31, 2026 which represents the current quantum of the debt inclusive of accrued interest. The requirement under Form-I is to state the amount claimed to be in default, which has been duly stated. The Corporate Debtor's contention that the amount as on the date of default must be separately stated is without any statutory basis and is a hyper-technical objection designed to delay the proceedings. Furthermore, pursuant to the directions of this Hon'ble Tribunal

dated March 25, 2026, the Financial Creditor has filed the amended Form-1 curing the defects identified, and the same is in full compliance with the statutory requirements.

RE: ALLEGED ERROR IN DATE OF DEFAULT (PARAGRAPHS 31 TO 38 OF THE REPLY)

4.10 The contention of the Corporate Debtor that the date of default of March 28,2012 is erroneous, illogical, incoherent and incomprehensible is denied and rejected. It is submitted that the date of default has been correctly stated as March 28,2012, being the date of sanction of the Corporate Debt Restructuring ("CDR") package by Canara Bank. The basis for the same is the applicable Reserve Bank of India ("RBI") guideline, namely the RBI Revised Guidelines on CDR Mechanism dated November 10, 2005. Clauses 4.4.2 and 4.4.3 of the Annex to the said Guidelines clearly provide that if the CDR package is implemented within 4 months of its approval, the asset classification of the borrower can be restored; however, if the CDR package fails, the asset classification would not be restored and the account would be classified as NPA from the date of CDR sanction. As the CDR of the Corporate Debtor admittedly failed, the account was classified as NPA with effect fi'om March 28,2012, which constitutes the date of default. An excerpt of Clause 4.4.2 and 4.4.3 of the Annex to the said Guidelines is set out below for ease of reference:

> *"4.4.2. During pendency of the case with the CDR system, the usual asset classification norms would continue to apply. The process of reclassification of an asset should not stop merely because the case is referred to the CDR Cell. However, if a restructuring package under the CDR system is approved by the Empowered Group, and the approved package is implemented within four months from the date of approval, the asset classification status may be restored to the position which*

existed when the reference to the Cell was made. Consequently, any additional provisions made by banks towards deterioration in the asset classification status during the pendency o/'the case with the CDR system may be reversed.

4.4.3. If an approved package is not implemented within four months after the date of approval by the Empowered Group, it would indicate that the success of the package is uncertain. In that case, the asset classification status of the account should not be restored to the position as on the date of reference to the CDR Cell."

4.11 In this regard, reliance is placed on the judgment of the Hon'ble NCLAT in Chand Prakash Mehra v. Praveen Bansal [Company Appeal (AT) (Insolvency) No. 1378 of 2019, decided on 20.09.2021], wherein the Corporate Debtor's account was initially termed NPA on 25.08.2015 upon failure of the CDR package, and subsequently, as per the procedure under the RBI Guidelines, the date of NPA was revised to 15.01.2013,being the date when the CDR package had been formalized. The Hon'ble NCLAI upheld the said revision of the NPA date to the CDR formalization date and held that the Section 7 application filed within limitation from the revised NPA date was maintainable. Further reliance is placed on the judgment of the Hon'ble NCLAT in Canara Bank v. GTL Limited Company Appeal (AT) (Ins) No. 69 of 2023, decided on25.10.2024, wherein the Hon'ble NCLAT noted that upon failure of the CDR package, the date of NPA was predated to the CDR reference date by the Statutory Auditors, since the terms and conditions with respect to pricing and repayment schedule as per the pre-CDR period had been restored, and upheld the Financial Creditor's right to initiate proceedings under Section 7 of the Code on the basis of such predated NPA date. The decision of Hon'ble NCLAT rn Canara Bank v. GTL Limited was

upheld by the Hon'ble Supreme Court in Civil Appeal No. 12570 of 2024 vide order dated November 25, 2024. The said judgments squarely support the Financial Creditor's case that upon failure of the CDR package, the date of NPA is revised to the date of CDR sanction in accordance with the RBI Guidelines, and the said date constitutes the date of default for the purposes of Section 7 of the Code.

4.12 The Corporate Debtor's reliance on Clauses 5.8 and 5.16 of the Master Restntcturing Agreement dated March 31, 2012 to contend that there was "no default" is wholly misconceived. The said clauses are representations and warranties made by the Corporate Debtor at the time of execution of the MRA, which was executed in the context of the CDR restructuring. The said representations were made subject to the "Existing Events of Default" as expressly stated therein. Furthermore, the said clauses operate in the context of the restructuring framework and do not preclude the classification of the account as NPA upon failure of the CDR package in accordance with the applicable RBI guidelines. The failure of the CDR package and the consequent classification of the account as NPA from the date of CDR sanction is a regulatory consequence prescribed by the RBI guidelines and is not inconsistent with the representations made in the MRA at the time of its execution.

4.13 The Corporate Debtor's contention that the date of NPA classification cannot constitute the date of default under Section 3(I2) of the Code is without merit. It is submitted that "default" under Section 3(12) of the Code means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable. In the present case, upon failure of the CDR package, the entire restructured debt became due and payable, and the account was classified

as NPA with effect from March28,2012 in accordance with the RBI guidelines. The date of NPA classification, in the facts and circumstances of the present case, coincides with the date of default as the CDR failure resulted in the entire outstanding becoming due and payable. In this regard, reliance is placed on the judgment of the Hon'ble Supreme Court in Laxmi Pat Surana v. Union Bank of India I(2021) 8 SCC 481], *wherein it was held that, "43. Ordinarily, upon declaration of the loan account/debt as NPA that date can be reckoned as the date of default to enable the .financial creditor to initiate action under Section 7 IBC.".*

4.14 Further reliance is placed on the judgment of the Hon'ble NCLAT in Bikram Bhadur v. Union Bank of India I(2025) 261 Comp Cas 6781, wherein the Hon'ble NCLAT, relying on the aforesaid judgment of the Hon'ble Supreme Court in Laxmi Pat Surana (supra), held that the date of non-performing assets is to be treated as the date of default, and that such date of default would not shift. The said judgment of the Hon'ble NCLAT was upheld by the Hon'ble Supreme Court in Civil Appeal No. 6586 of 2025, which was dismissed. The Corporate Debtor's attempt to create an artificial distinction between the date of NPA and the date of default is a mere semantic exercise designed to obfuscate the clear factual position and is contrary to the settled legal position as enunciated by the Hon'ble Supreme Court and the Hon'ble NCLAT.

4.15 As regards the Corporate Debtor's contention that the Financial Creditor has mentioned multiple dates of NPA, it is submitted that the same does not assist the Corporate Debtor's case. The account initially slipped to NPA on June 30,2013 in the CBS system. However, pursuant to the Memorandum of Changes issued by the Statutory Auditor upon failure of the CDR package, the date of NPA

was preponed to March 28, 2012, being the date of CDR sanction, in accordance with the applicable RBI guidelines. This preponing of the NPA date is a regulatory requirement under the RBI CDR guidelines and does not indicate any inconsistency in the Financial Creditor's case. The recall notice dated December 2,2015 and the SARFAESI notice dated December 14,201 5 both proceed on the basis that the account is NPA with effect from March 28, 2012, in this regard, please note the following:

a. The recall notice dated December 2,2015 is attached as Exhibit AAN, at page 808 of Volume 5 of the Petition. The relevant excerpt of the recall notice dated December 2,2015 is provided below:

"Your account has slipped to NPA with us with effect from 28.03.2012 (preponed from 30.06.2013 to 28.03.2012 pursuant to Memorandum, of Changes (MOC) issued by Statutory Auditor due to CDR failure). *We hereby recall the entire liability of all the limits permitted to you including current account liability and advise you to repay the entire liability of 205.10 crores as on 01.12.2015 (Further Interest and other charges from. 0 I . I 2. 2 0 I 5 are payable till the date when current liability will be cleared by the company), within a period of 10 days from the date of this notice."*

(Emphasis supplied)

b. The Section 13(2) SARFAESI notice dated December 14,2015 is attached as Exhibit AAP, at page 815 of Volume 5 of the Petition. The relevant excerpt of SARFAESI notice dated December 14,2015 is provided below: "In this regard the bank draws your attention to our notice dated SPCB CP/L9-CR/1269/2015- 16/KNM dated 02.12.2015 wherein it had expressly called upon you to clear the entire liability due to the bank together with interest thereon. However. you have failed to discharge the liability. The operation and conduct of the above said financial assistance credit facilities having

come to a standstill and as a consequence of your committing default in repayment of principal debt/ instalment and interest thereon, the bank was constrained to classify your debt as Non-performing Asset NPA) as on 28.03.2012 in accordance with the directives guidelines relating to asset classification issued bv the Reserve Bank of India.";

RE: ALLEGED ABSENCE OF EVIDENCE TO PROVE DEFAULT (PARAGRAPHS 39 TO 49 OF THE REPLY):

4.16 The contention of the Corporate Debtor that there is no evidence to prove default is denied and rejected. It is submitted that the Financial Creditor has placed on record voluminous documentary evidence establishing the existence of the financial debt, the amount of debt, and the occurrence of default including inter alia: (a) the Working Capital Consortium Agreement dated September 10, 2003 and supplemental agreements; (b) the sanction letters for various credit facilities; (c) the CDR sanction letter dated March 28,2012; (d) the Master Restructuring Agreement dated March 3l,2012; (e) the Letter of Approval dated March 3l,2012 issued by the CDR Cell;(f) the recall notice dated December 2,2015; (g) the SARFAESI notice dated December 14, 2015; (h) the consolidated account statements and ledger; (i) the CIBIL report; fi) the NeSL records of default; and (L) the multiple OTS proposals submitted by the Corporate Debtor itself acknowledging the outstanding debt.

4.17 As regards the contention that the statement of accounts is not certified under the Bankers' Books Evidence Act, 1891, it is submitted that the Financial Creditor has duly annexed entries in the Banker's Book in accordance with the Bankers' Books Evidence Act, 1891, marked as Exhibit-AAAI. The Corporate Debtor's blanket denial of the entries in the statement of accounts, without pointing to any

specific discrepancy or error, is a mere bald denial and does not raise any genuine dispute regarding the existence or quantum of the debt. Furthermore, the Corporate Debtor's own OTS proposals, submitted on multiple occasions between 2017 and 2026, constitute clear and unequivocal acknowledgments of the outstanding debt and render the Corporate Debtor's denial of the debt wholly untenable. The submission of the OTS proposals constitutes a clear and unequivocal acknowledgement of the debt and the existence of outstanding liabilities. A party cannot, on one hand, seek settlement of admitted dues through these proposals and, on the other hand, contend that no default has occurred. Such a stand is self-contradictory and devoid of merit. The respondent is estopped from disputing the default after having acknowledged the outstanding liability and sought concessions for repayment through OTS proposals. Most significantly, the Corporate Debtor has submitted its most recent Final Revised One Time Settlement Proposal dated May 25, 2026, proposing a settlement amount of Rs. 75.56 Crore. The said 13 proposal expressly acknowledges the outstanding liability of the Corp orate Debtor to the consortium of banks led by the Financial Creditor and proposes a detailed payment plan for discharge of the same. The submission of this proposal, even during the pendency of the present proceedings, constitutes the most recent and unequivocal acknowledgment of the financial debt and the existence of default, and conclusively demolishes the Corporate Debtor's contention that no debt or default exists. Copy of the One Time Settlement Proposal of the Corporate Debtor dated May 25,2026 is annexed as Annexure 1.

5 WRITTEN SUBMISSIONS BY CORPORATE DEBTOR

5.1 The Corporate Debtor has reiterated the facts in the Written Statement. For the sake of brevity, the same are not repeated here.

5.2 The Corporate debtor has relied on the following judgements

a. Palogix Infrastructure Pvt. Ltd. v. ICICI Bank Ltd. [2017] ibclaw.in
b. Akshar Share Services Private Limited v. State of Gujarat, [(1998) SCC online GUJ 753] (Hon'ble Gujarat High Court).
c. K. D. Sharma v. Steel Authority of India Limited [(2008) 12 SCC 481} (Hon'ble Supreme Court).
d. Holy Health and Education Society v. Delhi Development Authority [1999 SCC Online Delhi 396] (Hon'ble Delhi High Court).
e. Sarguja Transport Service v. State Transport Appellate Tribunal,
f. K. K. Modi v. K. N. Modi [(1998) 3 SCC 573]
g. Noida v. Anand Sonbhadra, [(2023) 1 SCC 724],
h. Rohan Vijay Nahar v. State of Maharashtra, [(2026) 2 SCC 182]
i. B.Prashanth Hegde Vs State Bank Of India(2026 SCC OnLine SC197)
j. Subhash Chander Chouhan v. M/s Kaliber Associates Pvt
k. Glass Trust Company LLC v Byju Raveendran [(2025)3 SCC 625),
l. Anjani Technoplast v. Shubh Gautam,(2026 SCC OnLine SC 668)
m. M/s SS Engineers v. Hindustan Petroleum Corporation Limited [SCC OnLine SC 1385]
n. S.P.Chengalvaraya Naidu v Jagannath [(1994) 1 SCC 1],
o. M/s. Vidarbha Industries Power Limited v Axis Bank {(2022) 8 SCC 352}

6 WRITTEN SUBMISSIONS BY APPLICANT

6.1 The Applicant has relied on the following judgements

a. Dena Bank vs. C. Shivakumar Reddy and Anr (2021) 10 SCC 330

b. Chand Prakash Mehra v. Praveen Bansal [Company Appeal (AT) (Insolvency) No. 1378 of 2019,

c. Laxmi Pat Surana Vs Union Bank of India (2021) 8 SCC 481

7 ANALYSIS AND FINDINGS

7.1 We have perused the documents as placed before us and have heard the Ld. Counsels for the Applicant and Respondent . Our findings in the matter are as under:

7.2 It is observed that the Applicant (Lead Bank/Financial Creditor), through a Working Capital Consortium Agreement dated 10.09.2003 executed along with Union Bank of India, sanctioned a working capital credit facility in favour of the Corporate Debtor. The said facility was duly secured by:

a. Hypothecation of plant, machinery, and current assets of the Corporate Debtor;

b. Deposit of title deeds in respect of immovable properties situated at Pune and Mumbai; and

c. Personal Guarantees executed by the promoters and directors of the Corporate Debtor, namely Mr. Balkrishan Wadhawan and Mr. N.G. Thatte.

7.3 Over the course of time, the consortium was expanded to include State Bank of Patiala, Punjab and Sindh Bank and Karur Vysya Bank, with Canara Bank and Union Bank of India. However, the Canara bank continued to act as the Lead Bank. The aggregate credit facilities (comprising both fund-based and non-fund-based facilities including term loan facility, Open cash credit/ Overdraft Against Book Debts / Discounting overdraft, Cheque Discounting Facility etc) sanctioned by the consortium members stood at ₹355,00,00,000/-

(Rupees Three Hundred Fifty-Five Crores Only). The enhanced facilities were duly secured by execution of:

i. Supplemental Working Capital Consortium Agreements;

ii. Supplemental Joint Deed of Hypothecation;

iii. Inter-se Agreement executed amongst all consortium members;

iv. Personal Guarantees of Mr. Balkrishan Wadhawan and Mr. N.G. Thatte; and

v. Letters evidencing constructive deposit of title deeds in respect of immovable properties located at Mumbai and Pune.

7.4 Outside the purview of the consortium arrangement, the Applicant independently sanctioned two distinct credit facilities to the Corporate Debtor in the year 2008.

a. Term Loan of ₹43,50,00,000/- (Rupees Forty-Three Crores Fifty Lakhs Only), repayable in 60 monthly instalments; and

b. Short-Term Loan of ₹25,00,00,000/- (Rupees Twenty-Five Crores Only), which was subsequently converted into a Long-Term Loan in the year 2009.

7.5 Furthermore, the Term Loan of ₹43,50,00,000/- (Rupees Forty-Three Crores Fifty Lakhs Only) was brought within the purview of the consortium in March 2011 . Subsequently, other consortium members also sanctioned respective term loan limits, thereby enhancing the aggregate term loan consortium facility to ₹72,50,00,000/- (Rupees Seventy-Two Crores Fifty Lakhs Only), which subsumed the Term Loan of ₹43.50 Crores.

7.6 Subsequently, in March 2012, the Corporate Debt Restructuring ("CDR") Empowered Group approved a restructuring package with a cut-off date of

01.10.2011 which was sanctioned by the Canara Bank. The package provided for a two-year moratorium on principal repayment of existing term loans from the cut-off date (October 1, 2011 to September 30, 2013), followed by repayment of outstanding term loans over 8 years in 32 ballooning quarterly instalments commencing from December 2013. Interest rates on Term Loan-I (outstanding Rs.17.40 crores) were reduced, starting at 11.25% and gradually increasing to 14% over the restructuring period. The package included a Funded Interest Term Loan (FITL) of Rs. 5.16 crores (Indian Rupees Five Crore and Sixteen Lakh Only) at 6% interest, repayable over 4 years in 16 equal quarterly instalments from December 2012. Working capital interest rates were reduced to 11.25% per annum for the initial two years and 14% for the remaining 8 years. All penal charges and liquidated damages up to the date of implementation were waived. Promoters were required to contribute Rs. 1.26 crores (Indian Rupees One Crore Twenty-Six Lakh Only) (15% of total lenders write off of Rs. 8.42 crores (Indian Rupees Eight Crore Forty-Two Lakh Only), with 50% (Rs. 0.63 crores (Indian Rupees Sixty-Three Lakh Only) to be brought up front and the balance within six months. The conditions included pledging of promoters' entire holding or at least 51 % of paid-up capital, whichever was lower, and establishment of a Trust & Retention Account.

7.7 The Scheme was approved by the CDR- Empowered Group (CDR-EG) (which comprised of CDR lenders being the Petitioner, Union Bank of India, State Bank of Patiala, Karur Vysya Bank and Punjab & Sind Bank) in its meeting held on March 29, 2012 and Mr. Balkrishan Wadhawan was authorised to

execute/sign all the documents, agreements, undertakings and security creating papers.

7.8 The restructuring package was implemented on March 31, 2012. The Applicant was appointed as monitoring institution of the CDR Package. A Master Restructuring Agreement ("MRA") was executed by and between Corporate Debtor (the Borrower/Company) and Petitioner (the Monitoring Institution/Lead Bank). The CDR-EG approved a restructuring package in terms of the then Existing Financial Assistance as set out in the Letter of Approval dated March 31, 2012 issued by the Corporate Debt Restructuring Cell of the Petitioner.

7.9 However, owing to continuous defaults by the Corporate Debtor, the loan account was classified as a Non-Performing Asset ("NPA") on 30.06.2013 (with effect from the date of CDR sanction, i.e., 28.03.2012).

7.10 Although the CDR Empowered Group directed the Corporate Debtor to infuse equity/funds to the tune of ₹10,00,00,000/- (Rupees Ten Crores Only) on or before 30.11.2014 to avoid failure of the package, the Corporate Debtor failed to comply with the stipulated conditions. Consequently, the CDR Empowered Group formally approved the exit of the Corporate Debtor from the CDR mechanism on 28.10.2015.

7.11 Thereafter the Applicant issued recall notice dated 02.12.2015 and a demand notice dated 14.12.2015 under Section 13(2) of the SARFAESI Act 2002 claiming an amount of Rs. 205.10 Crores which was due as on 01.12.2015 within a period of 60 days. However, the Corporate Debtor failed to pay the outstanding amount.

7.12 The Applicant has placed Statement of Accounts regarding all the facilities provided along with Certificate under the Bankers Book Evidence Act, 1891, which evidence the debt overdue.

7.13 Furthermore, a bare perusal of Explanation II to the amended Section 7 sub section (5) of the Insolvency and Bankruptcy Code 2016 reveals that where a financial institution produces a record of default registered with an Information Utility, such record shall be deemed sufficient for the Adjudicating Authority to ascertain the existence of debt and default. In the instant case, the Applicant—being a Scheduled Bank i.e. a financial institution within the meaning of Section 2(14)(a) of the Code—has produced the NeSL Form D in respect of different financial facilities, which reflects the status of authentication of default as 'AUTHENTICATED.' Section 7 of the Code, as amended, is reproduced hereunder:

"Section 7: Initiation of corporate insolvency resolution process by financial creditor.

(1) A financial creditor either by itself or jointly with [other financial creditors, or any other person on behalf of the financial creditor, as may be notified by the Central Government] 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."

7.14 As per the scheme of the Code, at the time of admission, this Tribunal shall consider whether the debt is due and payable and whether the same is under default or not. Hence in our considered view the Financial Creditor has placed enough evidence and documents including copies of the sanction letters, Letter of Guarantee, Letter evidencing deposit of title deeds of properties mortgaged, Supplemental Hypothecation Agreement, Statements of Accounts along with Certificates under Bankers Books Evidence Act, 1891, and more particularly Records of Defaults issued by NeSL, which demonstrate the Status of Authentication of Default as "AUTHENTICATED" thus satisfying the requirement of Explanation -II to Section 7 sub section 5 of the Code to show that a financial debt is due, which is way above the threshold of One Crore Rupees, which is payable to the Financial Creditor and the same is defaulted by the Corporate Debtor.

7.15 The Corporate Debtor has raised certain objections to the Application filed by the Applicant. The said objections are considered in the following paragraphs

7.16 The first contention raised by the Corporate Debtor is that the date of default is erroneous .In this regard it is observed that due to failure in implementation of the CDR package dated 28.03.2012, the account turned into NPA on 30.06.2013. However as per the RBI Revised Guidelines on CDR Mechanism dated November 10, 2005, if the CDR package is implemented within 4 months of its approval, the asset classification of the borrower can be restored; however, if the CDR package fails, the asset classification would not be restored and the account would be classified as NPA from the date of CDR sanction. Hence, we are of the view that the date of default is correctly stated as 28.03.2012. Be that as it may, it is a well-settled proposition of law that the date of default primarily serves to compute the period of limitation. Even if the date of default were to be considered as 30.06.2013, as contended by the Corporate Debtor, the present Application remains well within the prescribed period of limitation.

7.17 The Applicant has placed the following table to contend that the application is within limitation.

Sr. No.	Particulars	Date	Particulars
1.	Date of Default	28.03.2012	The date of sanction of CDR Package, in terms of the applicable RBI guidelines.
2.	Date of Declaration of NPA	28.03.2012	
3.	First Revival Letter for the Purpose of Limitation	28.05.2013	Acknowledgment is within the limitation period of 3 years

			beginning from 28.03.2013. Limitation period accordingly got extended by a further period of 3 years ending on 28.05.2016.
4.	Second Revival Letter for the Purpose of Limitation	14.09.2013	Acknowledgment is within the limitation period of 3 years beginning from 28.05.2013. Limitation period accordingly got extended till 13.09.2016
5.	Third Revival Letter for the purpose of Limitation	18.10.2014	Acknowledgment is within the limitation period of 3 yers beginning from 14.09.2013. Limitation period accordingly got extended till 17.10.2017
6.	First Proposal for One Time Settlement ("OTS") submitted by the Corporate Debtor	01.08.2017	Acknowledgment is within the limitation period of 3 years beginning from 18.10.2014. Limitation period accordingly got extended till 31.07.2020
7.	Second Proposal for OTS submitted by the Corporate Debtor.	07.08.2019	Acknowledgment is within the limitation period of 3 years beginning from 01.08.2017. Limitation period accordingly got

			extended till 06.08.2022
8.	Third Proposal for OTS submitted by the Corporate Debtor	10.08.2021	Acknowledgment is within the limitation period of 3 years beginning from 07.08.2019. Limitation period accordingly got extended till 09.08.2024
9.	Fourth Proposal for OTS submitted by the Corporate Debtor	30.12.2022	Acknowledgment is within the limitation period of 3 years beginning from 10.08.2021. Limitation period accordingly got extended till 29.12.2025
10.	Fifth Proposal for OTS submitted by the Corporate Debtor.	19.03.2024	Acknowledgment is within the limitation period of 3 years beginning from 30.12.2022. Limitation period accordingly got extended till 18.03.2027
11.	Date of filing of the present petition.	18.03.2026	The present Petition has been filed within the limitation period which is due to expire on 18.03.2027.

7.18 In regard to the above computation of limitation, this Tribunal has relied upon the judgement of Hon'ble NCLAT in Dinesh G Jaiswal vs. Punjab National

Bank, Asset Recovery Branch and Anr. (2022) ibclaw.in 802 NCLAT wherein it has been held that OTS and financial account statements constitute valid acknowledgment of debt and extends limitation period. The relevant abstract of the said judgement is reproduced below: -

"26. In view of the law laid down by the Hon'ble Supreme Court in ITC Limited (supra), we hold that the offer of one Time Settlement (OTS) made by the Corporate Debtor to the Financial Creditor constitutes an acknowledgement of liability within the meaning of section 18 of the Limitation Act, 1963. The Judgment of the Hon'ble Allahabad High Court in Shibcharan Das (supra) must be held to be inapplicable in view of the judgment of the Hon'ble Supreme Court in ITC Limited. Further the order of the Hon'ble NCLAT discussed in previous paras directly relates to this matter and can be a continuous cause of action as well.

1 (2021) 10 SCC 330 2 2022 SCC OnLine NCLAT 4237 4.

27. In the light of the above discussion and the fact that the Corporate Debtor in its financial statements for the F.Y. 2014-2015 and F.Y. 2015-2016 filed with the Ministry of Corporate Affairs acknowledges the liability towards the Financial Creditor; and also, in its letter dated 23.02.2017 submitted a proposal for one-time settlement of dues of the Financial Creditor, IDBI Bank Limited and Bank of India, which was also revised on 15.09.2018.

28.Therefore, we hold that the petition filed by the Financial Creditor is within limitation."

7.19 Referring the table and relying upon the judgement in the matter of Dinesh G Jaiswal (Supra), we are of the view that the present application filed on 18.03.2026 , is within limitation.

7.20 The Corporate Debtor has further contended that the present Company Petition lacks proper authorization. In this regard, it is observed from the record that the Financial Creditor has placed on record a Power of Attorney dated 05.01.2018 (pages 949 to 955 of the Application), under which Ms. Waruni Sinha(Senior Manager) has been duly authorized to make, verify, sign, execute, and present all plaints, applications, petitions, Vakalatnamas, and appeals before the appropriate forums on behalf of the Bank. Accordingly, the contention of the Corporate Debtor regarding lack of proper authorization holds no merit and stands rejected.

7.21 The Corporate Debtor's reliance on the judgment of the Hon'ble NCLAT in Palogix Infrastructure Pvt. Ltd. v. ICICI Bank Ltd. [2017] ibclaw.in 16 NCLAT is misplaced. In the said decision, the Hon'ble NCLAT held that where a general authorization is granted by a Financial Creditor in favour of its officer to initiate legal proceedings, the mere nomenclature of a "Power of Attorney" does not dilute or extinguish the authority of such officer to file an application under the Code. The relevant paragraph of the said judgement is reproduced below.

"36.In so far as, the present case is concerned, the 'Financial Creditor'-Bank has pleaded that by Board's Resolutions dated 30th May, 2002 and 30th October, 2009, the Bank authorised its officers to do needful in the legal proceedings by and against the Bank. If general authorisation is made by any 'Financial Creditor' or 'Operational Creditor' or 'Corporate Applicant' in favour of its officers to do needful in legal proceedings by and against the 'Financial Creditor' / 'Operational Creditor'/

'Corporate Applicant', mere use of word 'Power of. Attorney' while delegating such power will not take away the authority of such officer and 'for all purposes it is to be treated as an 'authorization' by the 'Financial Creditor'/'Operational Creditor'/ 'Corporate Applicant' in favour of its officer, which can be delegated even by designation. In such case, officer delegated with power can claim to be the 'Authorized Representative' for the purpose of filing any application under section 7 or Section 9 or Section 10 of 'I&B Code'

In the case at hand, the Financial Creditor has issued a valid General Power of Attorney empowering Ms. Waruni Sinha (who affirmed the present application in her capacity as Senior Manager) to make, verify, sign, execute, and present applications, petitions, and related legal documents before judicial forums.

7.22 As regards the contention of the Corporate Debtor that the present Petition suffers from defects, namely, an incomplete Form-1 on account of the non-mentioning of specific dates of disbursement, and the alleged lack of record evidencing disbursement of loans, this Tribunal finds no merit in the said submission. The Financial Creditor has duly produced the relevant Statement of Accounts, accompanied by valid certificates under the Banker's Books Evidence Act, 1891, CDR Agreement / recall notice as well as the OTS submitted by the Applicant which categorically demonstrate and establish the disbursal of the financial facility. In the facts and circumstances of the present case, the omission of specific dates of disbursement in Form-1 constitutes a mere procedural irregularity and cannot operate to defeat the substantive statutory rights of the Financial Creditor. Where the existence of debt and default stands cogently established through various transaction and security documents executed by the Corporate Debtor from time to time, the

Application cannot be rendered invalid. Furthermore, the multiple One-Time Settlement (OTS) proposals submitted by the Corporate Debtor constitute a clear and unequivocal admission of the subsisting financial debt payable to the lender.

7.23 With respect to the contention of the Corporate Debtor that the Statement of Account does not reflect disbursement, this Adjudicating Authority observes that the Applicant has duly placed on record the Statement of Accounts pertaining to various credit facilities, accompanied by the requisite certificate under the Bankers' Books Evidence Act, 1891. Upon a detailed perusal of the said Statement of Accounts, it is evident that the default amount substantially exceeds the threshold limit of ₹1 Crore as prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016. Furthermore, the Sanction Letters, Corporate Debt Restructuring (CDR) Agreement, and the subsequent One Time Settlement (OTS) proposals issued by the Corporate Debtor explicitly establish the factum of disbursement of the financial debt as well as the default committed in respect thereof. Consequently, this Tribunal is of the considered view that the disbursement of the financial debt, as well as the occurrence of default, stands cogently established.

7.24 The reliance placed by the Corporate Debtor on the judgments of the Hon'ble Supreme Court in NOIDA v. Anand Sonbhadra [(2023) 1 SCC 724] and Rohan Vijay Nahar v. State of Maharashtra [(2026) 2 SCC 182] is entirely misplaced and unavailing to the factual matrix of the present case. The Financial Creditor herein has conclusively substantiated the disbursal of the financial debt through unimpeachable documentary evidence, as well as the continuous and subsisting default committed by the Corporate Debtor in repayment thereof.

7.25 With respect to the contention raised by the Corporate Debtor regarding the alleged suppression and concealment of material facts on account of non-disclosure of a prior application and res-judicata, this Tribunal finds the said submission to be wholly devoid of merit. It is borne out from the record that an earlier application bearing Diary No. 2709138112212024 was lodged on 28.11.2024; however, the same was returned by the Registry for curing procedural defects. The said application was neither assigned a regular petition number nor was it ever listed or adjudicated upon by this Tribunal. Consequently, the Financial Creditor instituted the present fresh Company Petition. This Tribunal is of the considered view that non-mentioning of an unnumbered, defective filing—in respect of which no judicial order was ever passed—does not amount to material suppression, fraud, or misrepresentation or res-judicata. Furthermore, the Corporate Debtor has failed to demonstrate how any prejudice has been caused to it by such non-disclosure. In the absence of any deliberate concealment or suppression of material facts, the plea of the Corporate Debtor in this regard stands rejected.

7.26 The contention that the present petition is barred under Order 23 Rule 1 of the Code of Civil Procedure (CPC), is devoid of merit as by virtue of Section 424(1) of the Companies Act, 2013, the Tribunal is strictly guided by the principles of natural justice and the NCLT Rules, 2016, and is not bound by the technical procedures of the CPC. Furthermore, the return of an earlier petition by the Registry under Rule 28 of NCLT Rules, 2016 for removal of defects is an administrative requirement for compliance, not a voluntary withdrawal or abandonment of the suit. Since the earlier petition was neither

adjudicated on merits nor unconditionally withdrawn by the petitioner, Order 23 Rule 1 has no application to procedural re-filings before the Tribunal.

7.27 The reliance placed by the Corporate Debtor on the judgments in Akshar Share Services Private Limited v. State of Gujarat [(1998) SCC Online Guj 753], K.D. Sharma v. Steel Authority of India Limited [(2008) 12 SCC 481], Holy Health and Education Society v. Delhi Development Authority [1999 SCC Online Del 396], S.P. Chengalvaraya Naidu v Jagannath [(1994) 1 SCC 1], K. K. Modi v. K. N. Modi [(1998) 3 SCC 573] Barber v Staffordshire County Council [(1996) 2 All ER 748], Sharada Sanghi v. Asha Agarwal [2026 SCC OnLine SC 480] and Sarguja Transport Service v. State Transport Appellate Tribunal [(1987) 1 SCC 5] is misplaced as this Adjudicating Authority is of the considered view that the ratio laid down in these judgements is wholly distinguishable and does not advance the case of the Corporate Debtor. A careful perusal of the cited precedents reveals that in those matters, either the earlier proceedings were dismissed on merits/rejected by the court, or the applicant was guilty of making deliberate misstatements with an intent to mislead the judicial forum. In stark contrast, the record in the instant case demonstrates that the earlier petition filed by the Applicant was merely returned by the Registry owing to procedural defects, without any formal adjudication or hearing on merits. Consequently, the non-mentioning of the said defective filing does not amount to suppression of a material fact or an attempt to mislead this Tribunal, nor does it affect the maintainability of the present proceedings.

7.28 As regards the submission of the Corporate Debtor that the present Petition has been instituted for extraneous purposes, specifically for recovery rather

than resolution, this Tribunal finds the said plea to be wholly unfounded. The Application under Section 7 of the Code is strictly aimed at initiating the Corporate Insolvency Resolution Process (CIRP) for the economic revival and resolution of the Corporate Debtor, rather than acting as a mere recovery mechanism. Regarding the contention raised by the Corporate Debtor concerning the observations made by the Ld. Debt Recovery Tribunal (DRT) as to the alleged contradiction between the declaration of NPA and the restructuring letter, as well as the subsequent renewal and enhancement of working capital facilities by the Bank after the issuance of the restructuring letter, we find the same to be of no legal consequence. The Corporate Debtor/Applicant has failed to place on record any final, binding order of a competent judicial forum or authority restraining or barring the Financial Creditor from initiating or pursuing proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016. In the absence of any such statutory or judicial bar, the present Application remains fully maintainable.

7.29 With respect to the Corporate Debtor's further objection concerning the simultaneous pursuit of remedies under the SARFAESI Act, 2002 and the Insolvency and Bankruptcy Code, 2016, reliance is placed on the judgment of the Hon'ble NCLAT in Punjab National Bank v. M/s. Vindhya Cereals Pvt. Ltd. [Company Appeal (AT) (Insolvency) No. 854 of 2019], wherein the Hon'ble Appellate Tribunal observed as under:

> *"8. This Tribunal in the case of Company Appeal (AT) (Ins) No. 323/2019 (Neeraj Jain Vs. Yes Bank Ltd. & Anr.) decided on 10.04.2019 held that Section 7 being an independent proceeding is nothing to do with the pendency of Criminal Case relating to misappropriation of funds. This Tribunal in the case of App. (AT) (Ins) No. 1021/2019 (Karan Goel Vs. M/s. Pashupati*

Jewellers & Ors.) decided on 01.10.2019 held that merely because suit has been filed by the Financial Creditor and pending cannot be ground to reject the application under Section 7 of the I&B Code.

9.In the light of above pronouncement, we are of the considered view that the Financial Creditor can proceed simultaneously under SARFAESI Act, 2002 as well as under I&B Code. Section 238 of I&B Code provides that the provisions of this code shall have effect, notwithstanding anything inconsistent therewith contained in any other law for the time being in force or any instrument having effect by the virtue of any such law. Thus, the non-obstante clause of the I&B Code will prevail over any other law for the time being in force"

7.30 In view of the settled position of law as laid down in Vindhya Cereals Pvt. Ltd. (supra), this Adjudicating Authority holds that by virtue of Section 238 of the Code—which embodies an overriding non-obstante clause—the provisions of the Code shall prevail over any other statute for the time being in force. Consequently, neither the pendency nor the initiation of recovery proceedings under the SARFAESI Act, 2002 acts as a bar to the maintainability of an application under Section 7 of the Code. Accordingly, the contention of the Corporate Debtor in this regard stands rejected.

7.31 Further, the reliance placed by the Corporate Debtor on the judgments in Glass Trust Company LLC v. Byju Raveendran [(2025) 3 SCC 625], Anjani Technoplast v. Shubh Gautam [2026 SCC OnLine SC 668], and M/s SS Engineers v. Hindustan Petroleum Corporation Limited [2022 SCC OnLine SC 1385] is wholly misconceived. The Corporate Debtor has failed to produce cogent evidence or documents on record to satisfy this Adjudicating Authority that the proceedings under the Insolvency and Bankruptcy Code, 2016 (IBC) are being utilized as a tool for recovery rather than resolution. The Corporate

Debtor has neither established that it is a solvent entity nor demonstrated that the Financial Creditor is exerting coercive pressure upon it merely for the recovery of its dues. Furthermore, the simple act of a creditor claiming its outstanding dues in an application under Section 7 does not render the petition a recovery proceeding per se, so long as the requisite debt and default stand established.

7.32 With respect to the contention raised by the Corporate Debtor that the claim amount requires detailed adjudication on account of the Financial Creditor levying exorbitant and excessive interest, this Tribunal finds the said submission to be unsustainable. It is a well-settled principle of law that proceedings under the Code are summary in nature, and the Adjudicating Authority is not required to quantify or calculate the exact quantum of debt at the stage of admission. The Financial Creditor has placed on record substantial documentary evidence—including sanction letters, Statements of Account supported by valid certificates under the Banker's Books Evidence Act, 1891, the Recall Notice, the Demand Notice under Section 13(2) of the SARFAESI Act, 2002, and multiple OTS proposals—which conclusively establish that the default amount far exceeds the statutory threshold of ₹1 Crore mandated under Section 4 of the Code. Furthermore, if the Corporate Debtor had any legitimate grievance regarding the interest rates levied or the conduct of the Financial Creditor, the appropriate course of action was to approach the regulatory authority, namely the Reserve Bank of India (RBI), rather than raising such issue before this Adjudicating Authority. This Tribunal, being fully satisfied as to the existence of both a financial debt and default in respect thereof, finds the present Application to be fit for admission. In any

case, this Adjudicating Authority is not quantifying the amount payable by the Corporate Debtor to the Applicant and the said exercise has to be made by the IRP/RP to be appointed by the Tribunal, while collating the claims.

7.33 The Corporate Debtor has relied upon the following further judgments, which in our view do not help its case for the following reasons;-

a. *Judgment of Hon'ble Supreme Court in the matter of M/s. Vidarbha Industries Power Limited v Axis Bank {(2022) 8 SCC 352} does not apply to the facts of this case as the Hon'ble Supreme Court has time and again in its various judgements held that the Judgement of Vidarbha was pronounced keeping in mind the peculiar facts of the case and cannot be held as a precedent. Further at the time of admission, the Adjudicating Authority only needs to ascertain whether debt is due and payable and the same is being defaulted by the Corporate Debtor. Moreover, the amended section 7 of the IBC this Adjudicating Authority is merely required to examine whether the debt is due and payable, whether a default has occurred, and whether the Application is complete in all procedural respects. Upon satisfaction of these essential conditions, the Adjudicating Authority is required to admit the Company Petition into the Corporate Insolvency Resolution Process.*

b. *The reliance placed by the Corporate Debtor on the decision of the Hon'ble NCLAT in Subhash Chander Chouhan v. Kaliber Associates Private Limited [2024 SCC OnLine NCLAT 1128] is misplaced and does not hold water in the facts of the instant case. The Financial Creditor has adduced cogent and uncontroverted documentary evidence, including sanction letters, the CDR agreement, and OTS proposals, which explicitly demonstrate the subsisting financial debt and default. Moreover, in terms of Explanation II attached to Section 7(5) of the Insolvency and Bankruptcy Code, 2016, the production of a record of default registered with an Information Utility serves as sufficient proof for this Adjudicating Authority to*

ascertain the default. Consequently, the threshold conditions for admission under Section 7 stand fully satisfied.

c. *The reliance on the case of B. Prashant Hegde vs State Bank of India [2025 SCC OnLine SC 197] and does not advance the case of the Corporate Debtor. The Apex Court has categorically held that the date of default assumes relevance primarily to ascertain whether the application filed under Section 7 of the Code is within the prescribed period of limitation or not. Furthermore, while the Corporate Debt Restructuring (CDR) mechanism initially granted a fresh lease of life to the existing debt, the said CDR package was never implemented by the Corporate Debtor. As per the RBI Revised Guidelines on CDR Mechanism dated November 10, 2005, an asset classification can be restored only if the CDR package is successfully implemented within four months of its approval. In cases where the CDR package fails or is not implemented, the benefit of restoration of asset classification stands forfeited, and the account reverts to being classified as an Non-Performing Asset (NPA) with effect from the date of sanction of the CDR. Consequently, the date of default has been correctly assigned as 28.03.2012 (i.e., the date of sanction of the CDR). In this regard it is important that even after considering 28.03.2012, as the date of default , this Application is within the limitation period considering the OTS proposals and revival letters executed by the CD. If this plea of the CD is considered , then in that case the date of default will be subsequent to the 28.03.2012 and that will also not affect the maintainability of the application.*

7.34 It is also relevant here to refer to the Judgement of Hon'ble Supreme Court in Civil Appeal No(s) 2211/2024 decided on 18.02.2026 in the matter of *Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan, IRP of Hiranmaye Energy Ltd. and Ors.* wherein while examining the validity of the

admission of the Corporate Debtor to CIRP, Hon'ble Supreme Court has laid down as under :-

> ***"B. Validity of CIRP Admission***
>
> *28. The other aspect on which the Appellant has heavily relied is the acceptance of various sums of money paid by the Corporate Debtor purportedly under the 1st and 2nd restructuring proposals, which according to them amounts to deemed approval of such proposal. As discussed earlier, such argument flies in the face of the fact that the 2nd Respondent had resolutely maintained and rightly so, that the restructuring proposals were underpinned on pre-implementation conditions which the Corporate Debtor had failed to fulfil. Under such circumstances, receipt of various sums of money would not amount to acceptance of the restructuring proposals, thereby novating the earlier loan agreement. Neither would such part payments constitute full satisfaction of the existing debt so as to render the Section 7 application inadmissible.*
>
> *29. It has also been vociferously contended that the Corporate Debtor is an ongoing concern and does not lack the ability to repay the debt. It has a subsisting PPA for 25 years with WBSEDCL, and has raised bills of Rs. 906 crore from 01.11.2024 to 31.03.2025. It also has a continuous fuel supply arrangement with Mahanadi Coalfields Ltd. under the SHAKTI scheme and had earned EBIDTA of Rs. 20 crore per month during the CIRP. These facts though attractive at first blush, do not yield either legal or factual justification to rebut the admission of the Section 7 application.*
>
> *30. On the legal score, one must bear in mind the scope and purpose for which IBC was promulgated. The main objective of its enactment was to create a complete code for easy, prompt and seamless resolution of insolvency process and thereby ensure that the net worth of the corporate debtor is not dissipated and the entity is salvaged from corporate death through a viable resolution plan accepted by its CoC. The Code prescribes whenever a corporate debtor defaults on a debt that is due and payable, an insolvency process may be initiated. Section 3(12) defines "default" as non payment of a debt which has become due and payable, and includes default in respect of a part or instalment thereof. Such insolvency process may be initiated either by the corporate debtor itself, or by its creditors who are classified as financial creditor or operational creditor. "Financial creditor" is defined as any person to whom a financial debt is owed and includes a person to whom such debt has been legally assigned.26 A "financial debt" means a debt along with interest if any, which is disbursed against the consideration for time value of*

money and includes money borrowed against payment of interest.27 "Operational creditor" is defined as a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned.28 "Operational debt" is a claim in respect of the provision of goods or services including employment or a debt in respect of payment of dues arising under any law for the time being in force and payable to the Central or State government, or any local authority.29 31. In Swiss Ribbons (P) Ltd. v. Union of India [(2019) ibclaw.in 03 SC],30 such classification of creditors as financial creditors and operational creditors has been held to be constitutionally valid. The Bench underscored the essential differences between a financial creditor and operational creditor and held that financial creditors were mostly secured creditors like banks and financial institutions who extended finance to enable a corporate debtor to set up and/or operate its business. Such credit is extended to a corporate debtor under well-defined loan agreements having specified repayment schedules and reserving rights to recall the loan in case of default or restructure the same enabling a corporate debtor to tide over unforeseen financial stress. On the contrary, operational creditors are mostly unsecured creditors and their claims are relatable to supply of goods and services in the operation of the business. Ordinarily, operational debts are not based on admitted documents and the possibility of genuine disputes with regard to such debts is much higher compared to financial debts.

32. In light of such classification, the Code makes a distinction in the manner in which an insolvency process may be initiated by a financial creditor under Section 7, IBC in contradistinction to an operational creditor under Section 8 and 9, IBC. Unlike an operational creditor, a financial creditor may trigger an insolvency process under Section 7 in respect of default of any financial debt, whether owed to itself or to any other financial creditor. While the financial creditor may directly file an application under Section 7 setting out the particulars of the financial debt and evidence of default, the operational creditor, on the occurrence of a default, is to first deliver a demand notice of the unpaid debt to a corporate debtor and the latter may within 10 days of receipt of such demand notice bring to the notice of the operational creditor the existence of a dispute or record the pendency of a pre-existing suit or arbitration proceeding in respect of such debt. Once a corporate debtor demonstrates a dispute regarding the existence of the debt, the insolvency process stands aborted vis-à-vis the operational creditor. <u>But when the financial creditor initiates the insolvency process for the purposes of admission, the Adjudicating Authority is only to ascertain the existence of a default from the records of the information utility or the evidence furnished by the financial</u>

creditor within fourteen days from the receipt of such application. At this stage, neither is a corporate debtor entitled nor is the Adjudicating Authority required to examine any dispute regarding the existence of such debt. This significantly reduces the scope of enquiry at the stage of a time-bound admission of an insolvency process by a financial creditor which has been succinctly summed up in Innoventive (supra):

"30..... 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."

33. Reiterating the ratio in Innoventive (supra), this Court in ES Krishnamurthy v. Bharath Hi-Tech Builders (P) Ltd. [(2021) ibclaw.in 173 SC]32 held as follows: "34. The adjudicating authority has clearly acted outside the terms of its jurisdiction under Section 7(5) IBC. The adjudicating authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the adjudicating authority must then either admit or reject an application, respectively. These are the only two courses of action which are open to the adjudicating authority in accordance with Section 7(5). The adjudicating authority cannot compel a party to the proceedings before it to settle a dispute."

34. In a similar vein, the Adjudicating Authority is not required to go into the inability of a corporate debtor to pay its debt. This is a clear departure from the scheme of winding up envisaged under Section 433(e) of the erstwhile Companies Act, 1956 which required the Adjudicating Authority to come to a finding with regard to the inability of the company to pay the debt and thereby arrive at a requisite satisfaction whether it is just and equitable to wind up the company.

The Code restricts the scope of enquiry for admission of an insolvency process by a financial creditor merely to the existence of default of a debt due and payable and nothing more. The legislative intent behind such prompt and summary intervention is "to ensure revival and continuation of the corporate debtor by protecting the corporate debtor from its own management and from a corporate death by liquidation."

35. The Appellant has heavily relied on Vidarbha (supra) to argue that the Adjudicating Authority has ample discretion to apply its mind to relevant factors including the feasibility of initiation of insolvency process notwithstanding the existence of default on a debt due and payable by the Corporate Debtor. In Vidarbha (supra), this Court observed:-

"61. In our view, the Appellate Authority (NCLAT) erred in holding that the adjudicating authority (NCLT) was only required to see whether there had been a debt and the corporate debtor had defaulted in making repayment of the debt, and that these two aspects, if satisfied, would trigger the CIRP. The existence of a financial debt and default in payment thereof only gave the financial creditor the right to apply for initiation of CIRP. The adjudicating authority (NCLT) was required to apply its mind to relevant factors including the feasibility of initiation of CIRP, against an electricity generating company operated under statutory control, the impact of MERC's appeal, pending in this Court, order of Aptel referred to above and the overall financial health and viability of the corporate debtor under its existing management.

.....

90. We are clearly of the view that the adjudicating authority (NCLT) as also the Appellate Tribunal (NCLAT) fell in error in holding that once it was found that a debt existed and a corporate debtor was in default in payment of the debt there would be no option to the adjudicating authority (NCLT) but to admit the petition under Section 7 IBC."

36. However, in review, this Court clarified that observations made in Paragraph 90 are restricted to the facts of Vidarbha (supra):-

"6. The elucidation in para 90 and other paragraphs [of the judgment under review] were made in the context of the case at hand. It is well settled that judgments and observations in judgments are not to be read as provisions of statute. Judicial utterances and/or pronouncements are in the setting of the facts of a particular case."

37. Finally, the apparent dichotomy between Innoventive (supra) and Vidarbha (supra) was set at rest in M. Suresh Kumar Reddy (supra), wherein this Court observed: "14. Thus, it was clarified by the order in review that the decision in Vidarbha Industries was in the setting of facts of the case before this Court. Hence, the decision in Vidarbha Industries cannot be read and understood as taking a view which is contrary to the view taken in Innoventive

Industries and E.S. Krishnamurthy. The view taken in Innoventive Industries still holds good."

38. In light of the ratio in M. Suresh Kumar Reddy (supra) there is no cavil that the ratio in Innoventive (supra) lays down the correct proposition of law and the observations in Vidarbha (supra) were made in the facts of the case and do not operate as binding precedent.

39. Even otherwise on facts, Vidarbha (supra) does not come to the aid of the Appellant. In Vidarbha (supra), this Court had taken note of an award passed by APTEL in favour of the corporate debtor which far exceeded the claim of the financial creditor, and held in the setting of such facts, initiation of CIRP was unwarranted. In the present case, Appellant's contention regarding Corporate Debtor's viability is highly dubious. Though the Corporate Debtor strenuously demonstrates its commercial viability, the NCLAT has noted that the extent of outstanding liability as on 02.01.2024 was Rs. 3103.31 crore, which far exceeds the bills raised on WBSEDCL to the tune of Rs 906 crore and EBITDA of Rs. 20 crore per month during the CIRP.

40. For these reasons, we are of the opinion the admission of the Section 7 application was lawful and does not call for interference."
(emphasis wherever required supplied)

7.35 To summarize the above judgment, we observe as under :-

a. The Code prescribes whenever a corporate debtor defaults on a debt that is due and payable, an insolvency process may be initiated. Section 3(12) defines "default" as non-payment of a debt which has become due and payable, and includes default in respect of a part or instalment thereof.

b. When the financial creditor initiates the insolvency process for the purposes of admission, the Adjudicating Authority is only to ascertain the existence of a default from the records of the information utility or the evidence furnished by the financial creditor within fourteen days from the receipt of such application. At this stage, neither is a corporate debtor entitled nor is the Adjudicating Authority required to

examine any dispute regarding the existence of such debt. This significantly reduces the scope of enquiry at the stage of a time-bound admission of an insolvency process by a financial creditor.

c. The adjudicating authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the adjudicating authority must then either admit or reject an application, respectively. These are the only two courses of action which are open to the adjudicating authority in accordance with Section 7(5).

d. The Adjudicating Authority is not required to go into the inability of a corporate debtor to pay its debt

e. The Code restricts the scope of enquiry for admission of an insolvency process by a financial creditor merely to the existence of default of a debt due and payable and nothing more.

7.36 Applying the ratio of Power Trust (supra), we are of the view that the Applicant has established the existence of debt and default exceeding the threshold amount of Rs. One Crore as per Section 4 of IBC 2016.Moreover, the Applicant has placed the necessary proof being record of default issued by the information utility, which clearly indicates that the debt is in default.

7.37 Accordingly, in our view, there exists a debt which is in default and the said debt is within limitation and exceeds the threshold prescribed under Section 4 of IBC, 2016. The present Application is complete as all the required details and documents have been attached by the Applicant along with the Application , and as per the consent of the proposed IRP as placed on record, no disciplinary proceedings are pending against the said proposed IRP.

7.38 In view of the above, we are left with no choice but to order the commencement of the Corporate Insolvency Resolution Process in respect of the Respondent/CD.

7.39 We make it clear that at this stage we have not crystallised the amount as claimed in this Application; the same is left to be collated by the IRP.

ORDER

In view of the aforesaid findings, this Application bearing C.P. (IB) No. 297/MB/2026 filed under Section 7 of IBC, 2016, by Canara Bank, the Applicant (FC) for initiating CIRP in respect of PBA Infrastructure Limited the CD, is **Admitted.**

We further declare a moratorium under Section 14 of IBC, 2016 with consequential directions as mentioned below:

I. We prohibit:

a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor, including the execution of any judgment, decree, or order in any court of law, tribunal, arbitration panel, or other authority;

b) transferring, encumbering, alienating, or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

c) any action to foreclose, recover, or enforce any security interest created by the Corporate Debtor in respect of its property, including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and;

d) the recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

II. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.

III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under Section 31(1) of the IBC or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.

IV. That the public announcement of the CIRP shall be made immediately as specified under Section 13 of the IBC read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.

V. That this Bench hereby appoints Mr. Vijay Pitambar Lulla, having Registration No.IBBI/IPA-001/IP-P00323/2017-18/10593, email ID: vijayplulla@rediffmail.com, having AFA valid till 30.06.2027, as the IRP to carry out the functions under the IBC.

VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.

VII. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of the IBC. The officers and managers of the Corporate Debtor are directed to provide all assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. Coercive steps will follow against them under the provisions of the IBC read with Rule 11 of the NCLT Rules for any violation of law.

VIII. IRP to publish Form – A at the Registered office and project location.

राष्ट्रीय कम्पनी विधि अधिकरण NATIONAL COMPANY LAW TRIBUNAL मुंबई न्यायपीठ MUMBAI BENCH

IX. That the IRP/IP shall submit to this Tribunal quaterly reports with regard to the progress of the CIRP in respect of the Corporate Debtor.

X. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Financial Creditor is directed to deposit a sum of Rs.3,00,000/- (Three Lakh Rupees) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid back to the Financial Creditor on priority upon the funds becoming available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.

XI. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai for updating the Master Data of the Corporate Debtor.

XII. The IRP is directed to issue notice of admission upon all the statutory authorities of the Corporate Debtor without fail.

XIII. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.

XIV. The Registry is directed to immediately communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.

XV. **Compliance report of the order by Designated Registrar is to be submitted** today.

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

//Sumant//

Certified True Copy
Copy Issued "free of cost"
On 01.10.2026

Ravi H Passi
Assistant Registrar
National Company Law Tribunal
Mumbai - 400 005.