



**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*(Exercising powers of Adjudicating Authority under*

*The Insolvency and Bankruptcy Code, 2016)*

*(Through Physical Hearing/ VC Mode (Hybrid))*

**CP (IB) No. 332/BB/2025**

**IN THE MATTER OF:**

**M/s. Sital Leasing and Finance Limited**

Having its registered office at  
Office No. 322, 3rd Floor, Plaza Commercial  
Comple Mayfield Garden, Sector-47, Gurgaon,  
GURGAON, Haryana. India, 122001

... Applicant/ Financial Creditor

**VERSUS**

**M/s. JLA Infraville Shoppers Limited**

Having its registered office at  
17, 2nd floor, 7th Main road,  
II stage, Indiranagar (Bangalore), Bangalore,  
Bangalore North, Karnataka, India, 560038

... Respondent/ Corporate Debtor

**Order delivered on: 16.04.2026**

**CORAM : Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)  
Shri Radhakrishna Sreepada, Hon'ble Member (Technical)**

**COUNSELS**

For the Petitioner : Shri Adarsh Rai  
For the Respondent : Shri Prince Saini

**ORDER**

1. This Company Petition is filed on 16.12.2025 by the Petitioner/Financial Creditor under Section 7 of the Insolvency and Bankruptcy Code("Code"), 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 seeking initiation of Corporate Insolvency Resolution Process against the Respondent/Corporate Debtor on account of default in repayment of a financial debt. It is submitted that a sum of ₹2,43,53,158/- is due and payable and the date of default is 11.10.2025.
2. Brief facts of the Petition are given hereunder:

- i. The Petitioner is a Non-Banking Financial Company registered under the Companies Act, 2013, having its registered office at Gurgaon, Haryana. The Respondent/Corporate Debtor is a company incorporated under the Companies Act, 2013, having its registered office at Indiranagar, Bengaluru.
  - ii. The Corporate Debtor, vide Board Resolution dated 05.06.2025, authorised its Director to avail a short-term unsecured loan facility. Pursuant whereto, the Corporate Debtor approached the Petitioner vide request letter dated 12.06.2025 seeking a working capital loan of ₹5,00,00,000/-.
  - iii. After evaluating the request, the petitioner had sanctioned an interest-bearing unsecured working capital loan facility up to ₹2,40,00,000/- in favour of the Corporate Debtor vide sanction letter dated 30.06.2025.
  - iv. In furtherance of the above, the parties had entered into a Loan Agreement dated 10.07.2025, wherein it was agreed that the loan would be for a period of three months and would carry interest at the rate of 10% per annum, payable on a quarterly basis from the date of each disbursement.
  - v. Pursuant to disbursement requests raised by the Corporate Debtor on 29.07.2025 and 04.08.2025, the Petitioner disbursed a total sum of ₹2,38,35,000/- in multiple tranches.
  - vi. The loan amount became due and payable on 11.10.2025, however, the Corporate Debtor failed to repay the principal amount along with interest. In view of the default, the Petitioner had issued a Recall Notice dated 14.10.2025 demanding repayment of ₹2,43,53,158/-. The Corporate Debtor, vide reply dated 15.10.2025, sought extension of time for repayment.
  - vii. A Final Recall Notice dated 29.10.2025, rejecting the request for extension and demanding immediate repayment of the outstanding amount was issued by the petitioner but the Corporate Debtor failed to discharge its liability and is in default of a total sum of ₹2,43,53,158/-, comprising principal of ₹2,38,35,000/- and interest calculated at 10% per annum up to 11.10.2025.
  - viii. The date of default is 11.10.2025, being the date on which the loan became due and payable and was not repaid by the Corporate Debtor.
3. The Respondent has filed reply/Objections to petitioner's claim on 27.02.2026 stating:

- i. The Petitioner has suppressed material facts and filed the petition on the basis of incorrect and misleading averments. It has failed to establish the existence of a “financial debt” within the meaning of Section 5(8) of the Code. It is contended that the essential ingredient of consideration for ‘time value of money’ is absent and mere advancement of funds under a short-term working capital arrangement does not automatically constitute a financial debt. It is submitted that the transaction does not have the commercial effect of a borrowing and lacks the characteristics of a structured financing arrangement, and therefore the Petitioner cannot be treated as a Financial Creditor.
- ii. The Petitioner has failed to establish the occurrence of default under Section 3(12) of the Code. Mere existence of a loan agreement does not give rise to default unless the debt is legally due and payable and remains unpaid. And that the alleged date of default has been arbitrarily fixed without considering the bona fide request made by the Corporate Debtor for extension of time, which indicates that the liability had not crystallised into default.
- iii. There exists a bona fide dispute between the parties prior to the alleged date of default. The correspondence between the parties demonstrates continuous engagement and negotiations, wherein the Corporate Debtor sought reasonable extension of time for repayment. Such conduct negates any inference of wilful default and indicates that the liability had not attained finality.
- iv. The present petition has been filed with a recovery intent and is an attempt to use the Code as a coercive mechanism for recovery of dues which cannot be invoked for enforcement of disputed or premature claims and the Petitioner has issued recall notices and invoked CIRP without exhausting other remedies.
- v. The respondent has also disputed the claim towards interest, submitting that the same is arbitrary and unsupported by proper computation. The Petitioner has relied upon self-serving documents such as ledger statements without any independent proof of default, which cannot be relied upon for initiating CIRP.
- vi. The Adjudicating Authority has discretion under Section 7(5) of the Code and is not bound to admit the petition in every case. It is contended that the present petition is based on incorrect and fabricated claims and amounts to abuse of process, and therefore deserves to be dismissed.

4. We have heard the submissions of the Learned Counsel for the parties, perused the pleadings, documents placed on record and the written submissions filed by both sides. At the outset, it is noted that the scope of inquiry under Section 7 of the Code, 2016 is limited to determining the existence of a financial debt and the occurrence of default. The Hon'ble Supreme Court in *Innoventive Industries Ltd. v. ICICI Bank* has held that once these two conditions are satisfied, the Adjudicating Authority is required to admit the petition.
5. In the present case, the Petitioner has relied upon the Loan Agreement dated 10.07.2025, pursuant to which an unsecured working capital loan facility was sanctioned and disbursed to the Corporate Debtor. The material placed on record, including the Loan Agreement, disbursement details and ledger confirmation, prima facie establishes that a sum of ₹2,38,35,000/- was disbursed to the Corporate Debtor.
6. The contention of the Respondent that the transaction does not constitute a financial debt on the ground that it lacks consideration for time value of money is not sustainable at this stage. The Loan Agreement clearly stipulates payment of interest at the rate of 10% per annum, which satisfies the essential requirement of consideration for 'time value of money' under Section 5(8)(a) of the Code. There is no further legal requirement to discern the commercial effect of a borrowing and trace the characteristics of a structured financing arrangement in the extended facility.
7. The Respondent has further contended that no default has occurred and that the liability had not crystallised in view of requests for extension of time. However, from the material on record, it is evident that the loan had a short fixed tenure of three months and became due on 11.10.2025. Admittedly, the Corporate Debtor failed to repay the amount on the due date. Mere request for extension of time does not extinguish or defer the liability unless acceded to by the Financial Creditor. If the argument on behalf of the respondent were accepted, there will be cases where the default will never get crystallised due to perpetual pendency of Borrower's request for extension of repayment time. In the given case, the request of respondent has been declined by the Petitioner.

8. The defence of the Respondent that there existed a dispute between the parties and that the matter was under negotiation pertains to contractual arrangements and repayment timelines, which cannot be examined in summary proceedings under Section 7 of the Code. Requests for extension of repayment timeline inheres that the due date has surpassed and default occurred. Such requests cannot be termed to be 'dispute' to seek reprieve in a Section 7 IBC petition. Even otherwise, it is well settled that such 'dispute' does not defeat the existence of debt and default.
9. The objections raised by the Respondent with regard to improper computation of interest, reliance on ledger statements and alleged suppression of facts are matters which do not go to the root of the existence of financial debt and default once the debt is found to be above the prescribed threshold. Even otherwise, a dispute with respect to quantum of claim or interest does not negate the existence of default.
10. The contention of the Respondent that the present petition has been filed as a recovery mechanism is also not tenable. On the ingredients of Section 7 being satisfied, the Adjudicating Authority is not required to examine the intent of the Financial Creditor.
11. The submission regarding discretion under Section 7(5) of the Code is noted. However, such discretion is not to be exercised arbitrarily and in the present case, no exceptional circumstances have been shown to warrant rejection of the petition.
12. In view of the above discussion, the petition and supporting documents on filtration through objections satisfy the parameters/essential ingredients of invoked provision. Hence **Company Petition bearing CP (IB) No. 332/BB/2025 is allowed and M/s. JLA Infraville Shoppers Limited** is admitted to undergo Corporate Insolvency Resolution Process. Consequently, moratorium is declared in terms of Section 14 of the Code and following prohibitions are imposed for all concerned to comply with:
  - a. The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including 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;
  - d. The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the Corporate Debtor;
13. It is directed that the supply of essential goods or services to the Corporate Debtor, shall not be terminated or suspended or interrupted during the moratorium period in accordance with subsection (2) of Section 14 of the Code;
14. The provisions of Sub- section (3) of Section 14 of the Code shall however, not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor;
15. The order of moratorium is effective forthwith till completion of the CIRP or until this Authority approves the Resolution Plan under sub-section (1) of Section 31 of the Code, or passed an order for liquidation of Corporate Debtor under Section 33 of the IB Code, 2016 as the case may be.
16. In Part-III of Form No.1, **Mr Dinesh Chander Gupta**, IBBI/IPA-001/1P-P-02107/2020-21/13303 (*validity of his registration has been checked on the website of IBBI*) having registered address at 4819/24, Ansari Road, Near JPH Publishing House, Delhi110002, contact no. **9811144749** and email: **dcgcomp@gmail.com** has been proposed as an Interim Resolution Professional (IRP). His written consent and credentials have been given in Form No.2. In view of the settled legal proposition, we appoint **Mr Dinesh Chander Gupta**, as the Interim Resolution Professional. The IRP is directed to take the steps as mandated under the IBC, particularly under Sections 15, 17, 18, 20 and 21 of IBC, 2016 and shall be responsible for meeting all statutory obligations in respect of the Corporate Debtor.
17. The Financial Creditor shall deposit a sum of **Rs.2,00,000/-** (Rupees Two Lakhs Only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of

Creditors. **In addition, the RP shall issue individual notices to the Jurisdictional Income Tax Authority; Principal Commissioner of Income Tax (Judicial), Bengaluru; Regional Provident Fund Commissioner; GST Commissioner; Commercial Tax Authority; recognized Labour Unions, ESI, etc.** and proof of their service be submitted with first progress report.

18. The IRP shall after collation of all the claims received against Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a CoC and shall file a report, certifying constitution of the Committee to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days for filing the report of Constitution of the Committee. The IRP is further directed to send **monthly progress** reports to this Authority along with inside & outside photographs of the office, warehouse, installations, equipment etc. of the Corporate Debtor. On taking control of assets and management of Corporate Debtor, the IRP/RP shall affix a Board outside the premises of CD specifying that the CD is undergoing CIRP with number and title of this case; complete name and particulars including contact details of IRP/RP to enable them to make enquiry and/or to lodge their claims, if any, within specified timelines.
19. On recovery of any amount of debt in these proceedings or any other proceedings, pending or that may be filed, the claim of the creditors shall immediately stand adjusted therewith and their vote share in CoC shall be accordingly modified.
20. A copy of the order shall be communicated to both the parties. Learned Counsel for the Petitioner shall deliver a copy of this order to the Interim Resolution Professional forthwith. **The Registry is also directed to forward a softcopy hereof to the IRP as well as RoC at their e-mail addresses.**

**-Sd-**

**(RADHAKRISHNA SREEPADA)  
MEMBER (TECHNICAL)**

**-Sd-**

**(SUNIL KUMAR AGGARWAL)  
MEMBER (JUDICIAL)**