



NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT VI

Item No. P-1 & P-2
IA (I.B.C) 3409/MB/2026
IN
C.P. (IB)/242/MB/2026
AND
C.P. (IB)/242/MB/2026

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **30.09.2026**

NAME OF THE PARTIES: **Capri Global Capital Limited**

Vs.

Silver Jubilee Motors Limited

Under Section 60(5) & 7 of the IBC, 2016

ORDER

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

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)

//AS//

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI

C.P. (IB)/242/MB/2026

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

IN THE MATTER OF:

CAPRI GLOBAL CAPITAL LIMITED

[CIN: L65921MH1994PLC173469]

9B, 2nd Floor, Rajinder Place

Pusa Road, New Delhi – 110060

... Financial Creditor

V/s

SILVER JUBILEE MOTORS LIMITED

[CIN: U50110PN1935PLC002423]

12 Moledina Road

Pune, Maharashtra – 411001

... Corporate Debtor

IA (I.B.C) 3409/MB/2026

in

CP (IB) No. 242/MB/2026

[Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 r/w Rule 11 of the National Company Law Tribunal Rules, 2016]

SILVER JUBILEE MOTORS LIMITED

... Applicant

V/s

CAPRI GLOBAL CAPITAL LIMITED

... Respondent

Pronounced: 30.09.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For FC: Adv. Kunal Godhwani, Adv. Kinjal Chadha, Adv. Devisi Bhuwalka

For CD: Adv. PS Thakre a/w Adv. Kanishk Garg



ORDER

[PER: BENCH]

1. BACKGROUND

- 1.1 This C.P. (IB) No. 242 of 2026 (Application) was filed on 03.03.2026 by Capri Global Capital Limited, the Financial Creditor (FC), 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, seeking initiation of Corporate Insolvency Resolution Process (CIRP) against Silver Jubilee Motors Limited, the Corporate Debtor (CD), having CIN No.: U93030MH2011PTC224346.
- 1.2 As per Part IV of the Application, the amount claimed to be in default is Rs. 2,66,04,388.99/- (Rupees Two Crore Sixty-Six Lakhs Four Thousand Three Hundred Eighty-Eight and Ninety-Nine Paise only) as on 23.02.2026. The date of default is stated as 03.04.2025.
- 1.3 The Applicant has proposed Mr. Davinder Singh Saroya, having Registration No. IBBI/IPA-003/IPA-ICAI-N-00465/2025-2026/14514, to act as the Interim Resolution Professional (IRP), in case the Application is admitted.

2. CONTENTIONS OF THE FC

- 2.1 The Corporate Debtor, i.e., Silver Jubilee Motors Limited, had requested the Financial Creditor, i.e., Capri Global Capital Limited, to extend financial facilities to the tune of Rs. 3,50,00,000/-. Subsequently, the FC and the CD entered into a Facility Agreement dated 31.08.2015. In furtherance of the Loan Agreement, the FC disbursed the amount into the CD's bank account.



- 2.2 Subsequently, on 31.08.2016, another Facility Agreement was executed between the parties for the disbursement of Rs. 82,25,000/-. In furtherance of the Loan Agreement, the FC disbursed the amount into the bank account of the CD.
- 2.3 The CD was irregular in the repayment of the Financial Debt. Accordingly, the account of the CD was declared as a Non- Performing Asset (NPA) on 05.12.2020 in terms of the directives and guidelines of the Reserve Bank of India.
- 2.4 On 24.05.2021, the FC issued a Demand Notice under Section 13(2) of the SARFAESI Act, 2002, wherein the CD was required to pay Rs. 3,33,86,733/- within a period of 60 days from the date of receipt of the notice. However, the CD failed to repay the entire amount.
- 2.5 In view of the default committed by the CD, the FC preferred C.P. (IB) No. 354/MB/2022 seeking initiation of the CIRP proceedings against the CD before this Adjudicating Authority. This Adjudicating Authority, *vide* order dated 12.01.2024, admitted the petition filed by the FC herein and initiated the CIRP against the CD.
- 2.6 Immediately after passing of the order dated 12.01.2024, the suspended director of the CD preferred Company Appeal (Ins.) No. 226 of 2024 against the order dated 12.01.2024 passed by this Adjudicating Authority. Prior to listing of the said appeal before the Hon'ble NCLAT, the CD settled the matter with the Financial Creditor to the effect that the overdue amounts subsisting in the Loan Account LNCGCPUNTL0000003052 and LNCGCPUNTL0000004465 were regularised by the CD by payment of Rs.



1,67,98,963/-. In this regard, the FC also issued an Account Regularization Confirmation Letter dated 27.1.2024.

2.7 Accordingly, the IRP appointed by this Adjudicating Authority preferred an application bearing I.A. No. 508/MB/2024 under Section 12A of the IBC seeking withdrawal of the Company Petition on account of the settlement between the CD and the FC herein.

2.8 In view of the application under Section 12A of the Code, this Adjudicating Authority, *vide* order dated 28.02.2024, allowed I.A. No. 508/MB/2024 and released the CD from the rigours of CIRP and closed the CIRP proceedings against the CD.

2.9 However, it is pertinent to mention herein that after the withdrawal of the C.P. (IB) No. 354/MB/2022, the CD again started defaulting on the payment of instalments. Accordingly, the loan account of the CD was again classified as an NPA on 29.12.2024 in accordance with the directives and guidelines as issued by the RBI.

2.10 The FC on 28.01.2025 issued a fresh notice under Section 13(2) of the SARFAESI Act, 2002 seeking demand of an amount of Rs. 2,32,86,191/- (Rs. Two Crores Thirty-Two Lakhs Eighty-Six Thousand One Hundred Ninety-One) with respect to Loan Account No. 80600005455076 and 80600005456257.

2.11 In terms of the Demand Notice dated 28.01.2025, the CD was required to repay the entire outstanding amount within a period of 60 days from the date of receipt of the notice.

2.12 The Demand notice issued by FC under Section 13(2) of the SARFAESI Act, 2002, was received by CD on 01.02.2025. The period of 60 days for



making the total payment ended on 02.04.2025. The CD failed to make payment on or before 02.04.2025 and accordingly, 03.04.2025 is the date of default.

2.13 The Applicant has also issued 4 possession notices dated 16.04.2025 under Section 13(4) of the SARFAESI Act, 2002 for taking symbolic possession of the properties mortgaged with the FC.

2.14 Subsequently, *vide* order dated 21.07.2025, the Ld. Chief Judicial Magistrate, Pune, in Cri. M. A. No.2433/2025 has allowed the FC to take the physical possession of the mortgaged properties in terms of Section 14 of the SARFAESI Act, 2002.

2.15 The CD, *vide* emails dated 22.09.2025, 10.10.2025 and 18.02.2026, submitted One-Time Settlement (OTS) Proposals to the FC. However, the same were rejected by the FC as they were not commercially viable.

2.16 It is pertinent to mention that the CIRP was again initiated against the CD *vide* order dated 03.07.2024 in a petition filed under Section 7 of the Code bearing Company Petition (IB) No. 217/MB/2022 filed by one Mr. Ishwar Punjabi. However, the same was withdrawn under Section 12A on account of settlement between the parties, *vide* order dated 29.05.2025.

2.17 It is submitted that it is evident that the CD is a frequent defaulter and is under financial distress. Under such circumstances, there is a debt and a default, and accordingly, the present case is a fit case for initiation of CIRP.

2.18 The total outstanding as on 23.02.2026 is as follows:

Loan Account No.	1,84,90,234.08
80600005455076	



Loan Account No. 80600005456257	81,14,154.91
Total	2,66,04,388.99

2.19 The loan facilities extended to CD have been secured by creation of mortgage. The details of the same are provided below:

a) Mortgage created by Silver Jubilee Infrastructure Limited over its following properties:

- i) Flat No.13, admeasuring 418 Sq. Ft. (carpet area), on 2nd Floor
- ii) Flat No.14, admeasuring 418 Sq. Ft. (carpet area), on 2nd Floor
- iii) Flat No.16, admeasuring 418 Sq. Ft. (carpet area), on 2nd Floor
- iv) Flat No. 37, admeasuring 657 Sq. Ft. (carpet area), on 1st Floor
- v) FlatNo.3, admeasuring 435 Sq. Ft. (carpet area), in Wing No. A on Stilt Floor
- vi) Flat No.21, admeasuring 424 Sq. Ft. (carpet area), in Wing No. B on 1st Floor
- vii) Flat No.23, admeasuring 720 Sq. Ft. (carpet area), in Wing No. B on 2nd Floor
- viii) Flat No.24, admeasuring 720 Sq. Ft. (carpet area), in Wing No. B on 1st Floor
- ix) Flat No.27, admeasuring 418 Sq. Ft. (carpet area), in Wing No. C on Stilt Floor
- x) Flat No.29, admeasuring 435 Sq. Ft. (carpet area), in Wing No. C on Stilt Floor
- xi) Flat No.29, admeasuring 435 Sq. Ft. (carpet area), in Wing No. C on Stilt Floor



xii) Flat No.38, admeasuring 714 Sq.Ft. (carpet area), in Wing No. C on 1st floor

xiii) Flat No.40, admeasuring 435 Sq.Ft. (carpet area), in Wing No. C on 2nd floor.

In the building known as Abhishri Gardens, constructed on the land bearing Survey No. 7, Hissa No. 1 to 8/ (2)21 situated at Village Saswad, Taluka Purender, District Pune, Maharashtra - 412104, along with construction thereon present and future both.

b) Mortgage created by Silver Jubilee Infrastructure Limited over its following properties:

i) All piece and parcel of Shop No. 6,7,8,9 and 10, admeasuring 100.68 Sw. Mts. (Carpet), on the Ground Floor, in the Building Known as “Abhishri Gardens” constructed on the land bearing Survey No. 7, Hissa No. 1 to 8/(2)/I, situated at Village Saswad, Taluka Purender, District Pune, Maharashtra, alongwith construction thereon present and future both.

ii) All piece and parcel of Shop No. 14, 15 and 20, admeasuring 182.64 Sq. Mts. i.e. 1966 Sq. Ft., on the ground floor, in the building known as “Abhishri Gardens” constructed on the land bearing Survey No. 7, Hissa No. 1 to 8/(2)/I, situated at Village Saswad, Taluka Purender, District Pune, Maharashtra alongwith construction thereon present and future both.

c) Mortgage created by Silver Jubilee Investments Pvt. Limited:

i) All that piece and parcel of constructed block E, admeasuring 185.84 sq. Mts. consisting of Ground Floor and First Floor of land



bearing Plot No. 48, 49, 51, 52, 53 S.no. 7. Hissa No. 1 to 8/(2)/I, admeasuring about 496.80 sq. mts. At Village Saswad, Near Shivaji English Medium School, Taluka Purandhar, District Pune, Maharashtra.

The FC has first and exclusive charge over the aforementioned properties, and the charge in favour of the FC is also registered with the Registrar of Companies.

2.20 The FC has attached the following supporting documents along with the Application:

- a) Copy of Master Data of the FC and CD.
- b) Copy of Board Resolution issued by the FC.
- c) Copy of Form 2 alongwith Registration Certificate and AFA of the IRP.
- d) Copy of Facility Agreement dated 31.08.2015 executed between the CD and the FC.
- e) Copy of disbursal memo.
- f) Copy of Facility Agreement dated 31.08.2016 executed between the CD and the FC.
- g) Copy of disbursal memo dated 31.08.2016.
- h) Copy of the registered mortgage deed dated 22.08.2015.
- i) Copy of Notice dated 25.05.2021 issued by the FC under Section 13(2) of the SARFAESI Act, 2002.
- j) Copy of order dated 12.01.2024 passed by this Adjudicating Authority in Company Petition (IB) No. 354/MB/2022.
- k) Copy of the said Account Regularization Confirmation Letter dated 27.1.2024.



- l) Copy of I.A. No. 508/MB/2024 (Without annexures) filed by the Interim Resolution Professional.
- m) Copy of order dated 28.02.2024 passed by this Adjudicating Authority.
- n) Copy of Notice dated 28.01.2025 issued by the FC under Section 13(2) of the SARFAESI Act, 2002.
- o) Copy of speed post tracking details.
- p) Copy of possession notices dated 16.04.2025 issued by the FC.
- q) Copy of order dated 21.07.2025 passed by the Chief Judicial Magistrate, Pune in Cri. M. A. No.2433/2025.
- r) Copy of OTS Proposals dated 22.09.2025, 10.10.2025 and 18.02.2026.
- s) Copy of Rejection Letters dated 03.10.2025, 22.10.2025 and 20.02.2026 sent by the FC.
- t) Copy of Loan Account Statement for Loan Account No. 80600005456257 and 80600005455076.
- u) Copy of order dated 03.07.2024 passed by this Adjudicating Authority.
- v) Copy of order dated 29.08.2025 passed by this Adjudicating Authority.
- w) Copy of Foreclosure Statements dated 23.02.2026.
- x) Copy of index of charges downloaded from the web portal of Registrar of Companies.

3. CONTENTIONS OF THE CD

- 3.1. Affidavit-in-Reply dated 22.04.2026 was filed and affirmed by one Mr. Sachin Kunjir, who is stated to be the Accounts Head and authorized representative of the CD.



- 3.2. The present Company Petition filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 is wholly misconceived, untenable in law and facts, and liable to be dismissed *in limine* in view of the binding One Time Settlement (OTS) approval letter dated 18.03.2026 arrived at between the parties during the pendency of legal proceedings. The present Petition, despite the existence of such settlement and full compliance thereof, is an impermissible invocation of the insolvency jurisdiction, which is not intended to be used as a recovery mechanism.
- 3.3. The matter was listed on 13.04.2026. The counsel for the CD has brought to the knowledge of this Bench the OTS being executed between the FC & CD. This Bench, considering the OTS and payments made thereof, directed the CD to place on record the OTS document and payments made thereof and directed the CD to file a reply to the petition accordingly.
- 3.4. It is submitted that the CD had offered the OTS to the FC of INR 1,98,00,000/- *vide* letter dated 12.03.2026 along with the post-dated cheques of INR 198 Lakhs in total as follows;
- A. INR 10,00,000/- on or before 20/03/2026
 - B. INR 75,00,000/- on or before 23/03/2026
 - C. INR 5,00,000/- on or before 25/04/2026
 - D. INR 1,08,00,000/- on or before 25/05/2026
- 3.5. It is submitted that the FC itself, upon negotiations and discussions with the CD, has accepted the OTS of INR 198 Lakhs *vide* OTS Settlement Letter dated 18.03.2026, whereby it unequivocally agreed to accept a full and final settlement amount of INR 198 Lakhs (*inadvertently written as Rs. 2,05,00,000/-*) towards the full and final payment for the closure of the said



loan account(s). The said settlement clearly laid down a structured payment schedule and recorded the mutual understanding between the parties for discharge of the financial obligations. The FC had agreed upon the proposed payment schedule as given in the letter dated 12.03.2026.

3.6. The CD, acting *bona fide* and in furtherance of the agreed settlement, has already made substantial payments of INR 90.50 Lakhs towards the OTS amount. The payment details demonstrate that an aggregate amount of INR 90,50,000/- has been remitted through various banking channels till 16.04.2026, which payments have been duly received and accepted by the Financial Creditor without any demur.

3.7. The CD has already paid the due amount as per the OTS letter of INR 90,50,000/- as due on or before 25.04.2026 out of total amount of INR 1,98,00,000/-. Therefore, there is no default under the OTS, and therefore the insolvency petition does not sustain when there is already a duly admitted, executed and followed OTS between the parties.

3.8. It is submitted that the remaining amount of INR 1,08,00,000/- is due by CD to FC on or before 25.05.2026.

3.9. The CD has already issued the Post-Dated Cheque ("PDC") dated 25.05.2026 having cheque no. 858536 drawn on State Bank of India, Tilak Road, Pune.

3.10. The acceptance of payments under the OTS arrangement clearly establishes that the parties have acted upon the settlement, thereby giving it binding effect in law. Once the Financial Creditor has elected to enter into a negotiated settlement and has accepted part performance thereof, it cannot simultaneously pursue insolvency proceedings on the basis of the



original debt, as the same stands restructured and substituted by the OTS terms.

3.11. It is a settled position of law that a One Time Settlement constitutes a fresh and independent contract, which has the effect of novating the original contractual relationship between the parties in terms of Section 62 of the Indian Contract Act, 1872. Consequently, the original cause of action based on the earlier loan agreements ceases to survive, and the rights and obligations of the parties are thereafter governed solely by the terms of the settlement.

3.12. In the present case, once the Financial Creditor agreed to accept a reduced amount in full and final settlement under OTS and prescribed a revised payment schedule, the original financial debt stood altered, and any alleged default must necessarily be examined only in the context of the OTS terms and not the original loan documentation.

3.13. The IBC, 2016 is a beneficial legislation intended for resolution and revival of stressed assets, and not for coercive recovery of dues. The Hon'ble Supreme Court in *Swiss Ribbons Pvt. Ltd. v. Union of India*, Writ Petition (Civil) No. 99 of 2018 dt. 25.01.2019 has categorically held that the Code is not a substitute for debt recovery proceedings and that settlement between parties must be encouraged at all stages.

3.14. The conduct of the FC in entering into an OTS arrangement and accepting payments thereunder clearly demonstrates its conscious decision to resolve the matter outside the rigours of insolvency proceedings. Having elected such a course, the FC is bound by the principles of election, waiver, and



estoppel, and cannot be permitted to approbate and reprobate by simultaneously invoking CIRP.

3.15. It is further submitted that once a settlement has been arrived at and is being performed, the continuation of insolvency proceedings would defeat the very object of the Code as well as the said OTS, which prioritises resolution over liquidation. The Hon'ble NCLAT in various judgments has consistently held that where parties have settled disputes, insolvency proceedings ought not to be continued as a pressure tactic.

3.16. In the present case, the CD has demonstrated its bona fide intent and financial capacity by making substantial payments under the OTS and continuing to adhere to the settlement terms. The same clearly negates any allegation of inability to pay debts and instead reflects a genuine effort towards repayment of the debt and resolution of the debt.

3.17. The existence of a binding and operative OTS, coupled with substantial compliance thereof, effectively removes the substratum of the present Petition. The alleged default, if any, cannot be examined in isolation of the settlement terms, and therefore, the very foundation of the Section 7 application stands vitiated.

3.18. The documents already forming part of the record, including the OTS proposals, payment details, and previous proceedings between the parties, clearly establish a continuous course of settlement negotiations and execution thereof.

3.19. It is evident that the present Petition is not a fit case for admission under Section 7 of the Code, as the dispute between the parties stands effectively



governed by the OTS arrangement and is in the process of being resolved & concluded.

3.20. It is prayed by the CD that this Tribunal may direct the petitioner to withdraw the instant petition and, failing to obey any such directions of the Ld. Bench by the Petitioner, the Ld. Bench may be pleased to dismiss the present Company Petition as not maintainable, recognize the binding nature of the One Time Settlement between the parties, and pass such further orders as this Hon'ble Tribunal may deem fit in the interest of justice and equity.

2.21 The CD has attached the following supporting documents along with the Reply:

- a) Copy of the NCLT Order / Report dt. 13.04.2026 in CP IB. 242/2026.
- b) Copy of the OTS proposal letter dated 12.03.2026 along with copies of post-dated cheques for INR 198 Lakhs given by the CD to FC.
- c) Copy of the OTS Settlement Approval Letter dated 18.03.2026.
- d) A copy of the details in chart format evidencing payments made till 16.04.2026 by CD to FC as per the OTS letter dated 18.03.2026.
- e) Copy of the Board Resolution and Vakalatnama.

4. ADDITIONAL AFFIDAVIT (CD) dt. 28.04.2026

4.1 This Additional Affidavit dated 28.04.2026 was filed by Mr. Sachin Kunjir, the authorised representative of the CD, to bring on record some subsequent material developments in this matter post filing of the Reply.

4.2 The CD and the FC had entered into a One Time Settlement (OTS) dated 18.03.2026, which governs the relationship between the parties and crystallizes the liability.



- 4.3 Pursuant to the said OTS, the CD has been *bona fide* and diligently complying with its obligations and making payments from time to time, which have been duly accepted by the FC without demur.
- 4.4 The CD, acting *bona fide* and in furtherance of the agreed settlement, has already made substantial payments of INR 98.50 Lakh towards the OTS amount. The payment details demonstrate that an aggregate amount of INR 98,50,000/- has been remitted through various banking channels till 28.04.2026, which payments have been duly received and accepted by the Financial Creditor without any demur.
- 4.5 Subsequent to the filing of the Reply Affidavit, the CD has made a further payment of Rs. 8,00,000/- through banking channels to the FC.
- 4.6 The CD contends that the said payment is over and above the amounts already paid earlier under the OTS, thereby substantially reducing the alleged outstanding liability and that in view of the aforesaid payments, including the latest payment of Rs.8,00,000/-, the aggregate outstanding debt, if any, now stands below Rs.1,00,00,000/-, which is the minimum threshold requirement under Section 4 of the Insolvency and Bankruptcy Code, 2016, due to which, the present Company Petition is no longer maintainable in law, since the subsisting financial debt has fallen below the statutory threshold.
- 4.7 Pursuant to the OTS dated 18.03.2026, the total admitted liability stood restructured to Rs.1,98,00,000/-. Out of the said amount, the CD has already made substantial payments, including the additional payment of Rs. 8,00,000/- recently made, duly evidenced on record.



4.8 The CD contends that it is a settled position that the threshold requirement under Section 4 is to be satisfied on the date of consideration/admission of the petition, and not merely at the time of filing. Once the admitted default amount falls below ₹1 crore, the petition cannot be admitted and deserves to be dismissed.

4.9 The FC, having accepted payments under the OTS, cannot ignore the reduced liability and artificially rely upon the original claim amount to maintain the present Petition. The cause of action itself stands altered and reduced, and the insolvency jurisdiction cannot be invoked for an amount below the statutory threshold.

4.10 In view of the above, it is submitted that the present Petition deserves to be dismissed as not maintainable, as the essential jurisdictional requirement of minimum default is not satisfied.

4.11 The CD has attached the following supporting documents along with the Additional Affidavit:

- a) Copy of chart evidencing payments made till 28.04.2026.
- b) Copy of proof of payment of 8 lakhs made after filing of reply.

5. I.A. 3409/2026

5.1 This Interlocutory Application was filed under Section 60(5) of the IBC, 2016 r/w Rule 11 of NCLT Rules, 2016 by the CD herein, i.e., Silver Jubilee Motors Ltd., through its Authorised Signatory, Mr. Sachin Harishchandra Kunjir, on 01.08.2026 seeking the following reliefs:

“a. Allow the present Interlocutory Application by the applicant / CD herein seeking the leave of this Id.



BENCH to place on record the Loan Account Statements dated 28.05.2026 pertaining to Loan Account Nos. 80600005455076 and 80600005456257, annexed hereto as Annexure "A" (Colly.), as additional documents in Company Petition (IB) No. 242 of 2026 for the due and proper and fair adjudication of the said insolvency admission case after the matter was reserved for order on 22nd July, 2026.

b. Pass such further or other order(s) as this Hon'ble Tribunal may deem fit, proper and necessary in the facts and circumstances of the present case and in the interest of justice."

5.2 The limited relief sought by the CD via this I.A. is only to bring on record contemporaneous documents emanating from the FC itself, which have a direct and material bearing on the jurisdictional satisfaction required to be recorded by this Tribunal under Section 7 of the IBC, 2016 before admission of the C.P.

5.3 During the pendency of the C.P., and prior to the matter being reserved for Orders, the FC generated Loan Account Statements dated 28.05.2026 pertaining to Loan Account Nos. 80600005455076 and 80600005456257.

5.4 The aforesaid Loan Account Statements are official records generated by the FC in the ordinary course of its lending and banking operations. They are not documents created or prepared by the CD, but constitute contemporaneous business records maintained by the FC itself in relation to the subject loan accounts.

5.5 A plain reading of the said Loan Account Statements reveals that the FC has expressly classified both the aforesaid loan accounts as "Live". The said



classification is reflected in the Financial Creditor's own records maintained in the ordinary course of business.

5.6 The aforesaid Loan Account Statements were generated on 28.05.2026, much prior to the date on which the C.P. was reserved for Orders. The said documents, therefore, formed part of the factual position existing before reservation of the matter and are material documents having a direct bearing on the issues arising for consideration in the C.P.

5.7 The present I.A. is maintainable under Section 60(5) of the IBC, 2016 read with Rule 11 of the NCLT, 2016. The CD does not seek review, recall or modification of any order passed by this Hon'ble Tribunal. The limited relief sought is permission to place on record material documents generated by the FC itself before the C.P. was reserved for Orders, which have a direct bearing on the adjudication of the proceedings.

5.8 The exercise of such jurisdiction neither amounts to reopening the trial nor review of any order already passed but merely enables the Tribunal to adjudicate upon the basis of a complete factual record.

5.9 It is further submitted that the Loan Account Statements sought to be placed on record were generated on 28.05.2026, well before the C.P. was reserved for Orders on 22.07.2026. The present Application, therefore, does not seek to rely upon events occurring after reservation of the matter but merely seeks permission to place before this Tribunal material documents that already existed prior to reservation of the proceedings and which could assist this Hon'ble Tribunal in arriving at a just and proper adjudication.

5.10 The Hon'ble Supreme Court in *Dena Bank (Now Bank of Baroda) v. C. Shivakumar Roddy & Anr.*, (2021) 10 SCC 330, while considering



proceedings under Section 7 of the IBC, expressly recognised that there is no statutory prohibition against permitting amendment of pleadings or filing of additional documents after institution of the proceedings. The Hon'ble Supreme Court further held that, in the absence of any express provision prohibiting or prescribing a time limit for filing additional documents, the Adjudicating Authority is competent to permit such documents to be taken on record where the facts and circumstances so warrant.

5.11 Significantly, in the said decision, the Hon'ble Supreme Court noticed that the Financial Creditor had itself filed applications under Rule 11 of the NCLT Rules seeking permission to place additional documents on record and that such applications were allowed by the Adjudicating Authority before deciding the Section 7 application. The Hon'ble Supreme Court found no illegality in the said course of action and affirmed the jurisdiction of the Adjudicating Authority to entertain such applications.

5.12 The CD has attached the following supporting documents along with the I.A.:

a) Copies of the Loan Account Statements dated 28.05.2026.

5.13 It is noteworthy that there was no objection by the FC to take these documents on record.

6. ANALYSIS AND FINDINGS

6.1 We have heard the Ld. Counsels for the FC and the CD and have perused the records as placed before us.

6.2 The undisputed/admitted facts in this matter are:



- i. The debt arises from Facility Agreements dated 31.08.2015 and 31.08.2016, pursuant to which the FC had disbursed the loan facilities to the CD. The loan accounts were subsequently classified as NPAs.
- ii. The FC had earlier initiated CIRP against the CD, which was admitted on 12.01.2024 and was subsequently withdrawn under Section 12A pursuant to settlement between the parties.
- iii. The CD again committed default. A fresh Demand Notice under Section 13(2) of the SARFAESI Act was issued on 28.01.2025 and received on 01.02.2025. The period of 60 days expired on 02.04.2025, and the FC has accordingly pleaded 03.04.2025 as the date of default.
- iv. The present Application was filed on 03.03.2026. Thereafter, on 18.03.2026, the parties entered into an OTS for Rs.1.98 crore, pursuant to which the CD made substantial payments which were received by the FC.
- v. The CD subsequently placed on record Loan Account Statements dated 28.05.2026, generated by the FC itself, in which the two subject loan accounts are reflected as “Live”.

6.3 The principal disputes which arise for determination are:

- i. Whether the subsequent OTS dated 18.03.2026 and payments made thereunder render the Section 7 Application non-maintainable.
- ii. Whether the reduction in the amount payable under the OTS to below Rs.1 crore takes the case below the threshold prescribed under Section 4 of the Code.
- iii. Whether the Loan Account Statements dated 28.05.2026 showing the accounts as “Live” negate the default pleaded by the FC.



6.4 By I.A. No. 3409 of 2026, the CD sought permission to place on record the Loan Account Statements dated 28.05.2026 pertaining to Loan Account Nos. 80600005455076 and 80600005456257. The documents sought to be introduced are stated to have been generated by the FC itself in the ordinary course of maintaining the said loan accounts and were generated prior to the matter being reserved for orders on 22.07.2026.

6.5 There is no dispute that the said documents relate directly to the very loan accounts which constitute the subject matter of the present Section 7 Petition. The CD is not seeking to introduce a new cause of action or to alter the nature of the proceedings, but seeks to place before the Tribunal contemporaneous account statements which, according to it, have a bearing upon the subsisting liability and the maintainability of the Petition. The fact that the documents were generated on 28.05.2026, i.e. well before the matter was reserved, is also material. The Application, therefore, cannot be regarded as an attempt to reopen the matter on the basis of material generated after reservation of the case.

6.6 The Hon'ble Supreme Court in ***Dena Bank (now Bank of Baroda) v. C. Shivakumar Reddy & Anr.***, (2021) 10 SCC 330, has held that there is no bar in law to the filing of additional documents in a proceeding under Section 7 of the Code, in the absence of any statutory prohibition or prescribed cut-off period. The Hon'ble Court recognised that the Adjudicating Authority is competent to permit relevant additional documents to be placed on record where the facts and circumstances so warrant. The said principle squarely applies in the present case. The statements sought to be produced originate from the FC itself and are directly connected with the issue this Tribunal



must determine before admission of the Petition. Accordingly, we hold **I.A. No. 3409 of 2026** to be **maintainable**. The Loan Account Statements dated 28.05.2026 are taken on record and are considered for adjudication of the present Petition. The evidentiary effect of the said statements, however, is considered hereinafter while examining whether the subsequent contractual events have any bearing upon the subsistence of the debt and default

6.7 Coming to the maintainability of the Section 7 Application, the first objection of the CD is founded upon the OTS dated 18.03.2026 and the payments made pursuant thereto. The OTS, however, came into existence after the filing of the present Section 7 Application on 03.03.2026. The jurisdiction under Section 7 was invoked on the basis of a financial debt which had already become due and payable and a default which had already occurred. The subsequent negotiations or settlement between the parties may have a bearing upon the amount ultimately recoverable or the manner in which the parties may choose to settle their *inter se* obligations, but they cannot retrospectively eradicate the fact that the statutory conditions for invoking Section 7 had already arisen, especially when the settlement reached between the parties has failed.

6.8 The position becomes clearer from the statutory scheme. Section 7(1) permits a financial creditor to initiate CIRP when a default has occurred. The Hon'ble Supreme Court in the recent judgment of **B. Prashanth Hegde v. State Bank of India**, 2026 INSC 155, has reiterated that the essential ingredients of a Section 7 application are the existence of a financial debt, occurrence of default and satisfaction of the statutory threshold. Therefore, the relevant enquiry is whether such debt and default existed so as to validly



invoke the jurisdiction of this Adjudicating Authority. In the present case, the subsequent OTS was not the transaction pursuant to which the original default arose; rather, it was entered into after the default and after institution of the proceedings. The OTS, therefore, must be examined not as extinguishing the original default at inception, but as a subsequent contractual arrangement subject to stipulated conditions.

6.9 Further, the OTS itself does not amount to a complete discharge of the financial debt. The CD relies upon the payments made thereunder, but the OTS was admittedly not fully performed. Consequently, the subsequent payments constitute part-payments towards the liability and cannot be treated as extinguishing the entire debt or retrospectively nullifying the default which had already occurred. Even assuming that the OTS altered the terms on which the parties proposed to settle the outstanding liability, such subsequent contractual arrangement cannot, in the facts of the present case, be treated as defeating the cause of action which had already accrued to the FC on the date of filing, especially when the settlement reached between the parties has failed.

More importantly, the OTS Approval Letter dated 18.03.2026 brought on record by the CD itself expressly provides for the consequence of failure to adhere to the stipulated payment schedule. The relevant clause reads as under:

“However, in the event of any default in the payment schedule as mentioned hereinabove, Capri Global Capital Limited shall be at liberty to initiate/purpose/continue appropriate legal proceedings against you to recover the entire outstanding amount including charges and charges



waived off and this letter shall be treated as null & void with immediate effect. It is to be noted that in case the settlement amount as agreed, is not paid on or before the stipulated date as mentioned hereinabove, the entire waiver as provided shall be withdrawn and the present settlement letter, so issued, shall be rendered null and void and your loan accounts shall be restored to its original position as on that month, i.e., March, 2026, as if no settlement is arrived. Kindly note that time is the essence of this settlement letter."

6.10 The aforesaid stipulation is clear and unambiguous. The reduced settlement amount and the waiver/concession extended by the FC were conditional upon compliance with the payment schedule within the stipulated time. The parties expressly agreed that time was of the essence and that, upon default in the agreed payment schedule, the OTS would stand rendered "*null and void with immediate effect*", the waiver would stand withdrawn and the loan accounts would be restored to their original position as on March 2026, as if no settlement had been arrived at. The contractual consequence of default is thus expressly incorporated in the OTS itself. The liberty granted to the FC to initiate, pursue or continue legal proceedings is a separate consequence and does not make the nullification of the settlement contingent upon the issuance of any further notice, declaration or cancellation letter. Once the stipulated condition was breached, the agreed consequence followed in terms of the OTS letter itself.

6.11 The CD had made substantial payments pursuant to the OTS. The material on record, however, shows that the last payment made by the CD was on 28.04.2026 and that no further payment was made thereafter. The OTS contemplated payment of the settlement amount in accordance with the



stipulated schedule, including the balance amount payable on or before 25.05.2026. It is an admitted position that the entire settlement amount was not paid within the stipulated period. Consequently, the condition upon which the reduced settlement and waiver were granted was not fulfilled. In terms of the express condition contained in the OTS Approval Letter, the settlement stood rendered null and void with immediate effect, the waiver stood withdrawn, and the loan accounts stood liable to be restored to their original position as on March 2026.

6.12 The acceptance of payments pursuant to a subsequent OTS, particularly where the settlement remains incompletely performed, cannot by itself amount to an unequivocal abandonment of a statutory remedy which had already been validly invoked. There is no material to establish that the FC, by accepting the payments, expressly or unequivocally waived its right to pursue the pending Section 7 proceedings. On the contrary, the very fact that the OTS was subsequently entered into and remained only partially performed demonstrates that the liability continued to subsist. The payments made up to 28.04.2026 are required to be duly given credit in determining the amount actually outstanding; however, such payments cannot be construed as either a waiver of the default under the OTS or a revival of the settlement after its stipulated conditions were breached. In the absence of any material showing that the FC expressly agreed to extend the time or revive the OTS, the contractual consequences expressly agreed between the parties must prevail.

6.13 The CD contends that, after giving credit for the payments made under the OTS, the amount payable fell below Rs.1 crore and, therefore, the



Application ceased to satisfy the threshold requirement. By Notification dated 24.03.2020, the minimum amount of default for initiation of proceedings under Part II was specified as Rs.1 crore. The Hon'ble Apex Court in *B. Prashanth Hegde* has expressly reiterated that, post the said notification, a default of Rs.1 crore or above constitutes the threshold for application of Part II of the Code. However, the contention of the CD proceeds on the assumption that the reduced liability under the OTS continued to remain operative notwithstanding the subsequent default. That assumption is contrary to the express terms of the OTS itself. Once the settlement stood rendered null and void and the waiver stood withdrawn in terms thereof, the CD cannot rely upon the concessional OTS amount for contending that the subsisting liability was below the statutory threshold.

6.14 The material consideration, therefore, is whether the statutory threshold was satisfied when the jurisdiction of this Adjudicating Authority was invoked. In the present case, the Section 7 Application was filed claiming an outstanding amount of approximately Rs.2.66 crore, substantially above the prescribed threshold, on the basis of the default pleaded by the FC. The subsequent reduction in the outstanding amount by reason of payments made after filing cannot retrospectively convert a validly instituted Section 7 Application into one which was below the statutory threshold at its inception. To hold otherwise would mean that the maintainability of a proceeding validly instituted under Section 7 could fluctuate merely on account of subsequent part-payments.

6.15 Significantly, the subsequent OTS itself was for an amount of Rs.1.98 crore.

Thus, even based on the CD's own case, the liability which was sought to



be settled under the subsequent arrangement was substantially above the statutory threshold. The subsequent payments may reduce the quantum outstanding, but they do not erase the fact that the default giving rise to the Section 7 proceedings was above the threshold prescribed under Section 4. The decision in **M. Suresh Kumar Reddy v. Canara Bank**, (2023) 8 SCC 387, reinforces that once the Adjudicating Authority is satisfied that a financial debt is due and payable and that default has occurred, non-payment of even part of the debt constitutes default within Section 3(12), and the statutory consequence under Section 7 follows.

6.16 We also rely on the views of the Hon'ble NCLAT, New Delhi, in **Devika Resources Pvt. Ltd. v. MAA Manasha Devi Alloys Pvt. Ltd.**, Comp. App. (AT) (Ins) No.938 of 2024 & I.A. No. 3418, 3419 of 2024 [(2025) *ibclaw.in* 354 NCLAT], for this issue, wherein it held the following:

“18. It has been held in the aforesaid cases that the threshold has to be seen at the time of filing of the application and not at the time of the admission of the application.”

Accordingly, the second issue is answered.

6.17 One of the objections of the CD is also founded upon the Loan Account Statements dated 28.05.2026, wherein the accounts have been described as “Live”. This circumstance, by itself, cannot negate the default which had already occurred. The expression “Live” is an accounting or operational classification of the account and cannot be treated as a legal determination that no default had occurred within the meaning of Section 3(12) of the Code. The question before this Adjudicating Authority is whether there was a debt due and payable and whether the CD failed to pay the same when it became



due. It is not whether the account continued to remain operational in the books of the FC on a subsequent date. Further, the said statements dated 28.05.2026 cannot be read in isolation from the OTS Approval Letter dated 18.03.2026 and the subsequent failure to comply with the stipulated payment schedule. The contractual restoration of the loan accounts to their original position upon default is not negated merely because the FC's accounting system continued to describe the accounts as "Live".

6.18 The subsequent statements must, therefore, be read in their proper evidentiary context. They record the position of the loan accounts as on 28.05.2026, whereas the default relied upon by the FC had occurred prior thereto and the Section 7 Application had already been instituted. A later accounting description cannot retrospectively displace the contemporaneous documentary evidence of default, relied upon by the FC. The Hon'ble Supreme Court in *Dena Bank* has also recognised the importance of documentary material and permitted additional documents to be considered in determining the existence of financial debt and default. Accordingly, the third issue stands answered.

6.19 The objection that the FC is merely seeking recovery of its dues also does not constitute a ground for rejection where the statutory ingredients of Section 7 stand satisfied. The existence of other recovery proceedings or security enforcement measures does not, in the absence of a statutory bar, extinguish the remedy available under the IBC. The nature of the proceeding under Section 7 is determined by the existence of financial debt and default, and not merely by the fact that the FC has also pursued other remedies. In the present case, the subsequent OTS does not alter the fact that the



financial debt and default had already furnished the basis for invocation of Section 7. The subsequent contractual settlement, having failed in accordance with its own terms, cannot be relied upon to defeat the pending proceedings.

6.20 Thus, the subsequent OTS, the payments made thereunder, and the later description of the accounts as “Live” do not cancel out the fact that, as on the date of institution of the proceedings, the FC had established the existence of a financial debt and a default exceeding the statutory threshold. The subsequent payments can only be given credit in determining the amount outstanding, but cannot retrospectively invalidate the initiation of CIRP where the statutory requirements stood fulfilled on the date of filing. The position is further backed by the terms of the OTS itself, under which the failure to pay the settlement amount within the stipulated period resulted in withdrawal of the waiver and restoration of the loan accounts to their original position as on March 2026. Accordingly, the CD cannot simultaneously rely upon the concessional OTS amount for disputing the statutory threshold and disregard the very contractual condition under which such concession was granted.

6.21 In the facts of the present case, the OTS dated 18.03.2026 was a conditional settlement and not an unconditional extinguishment of the FC’s pre-existing liability. The CD made payments thereunder, the last such payment being on 28.04.2026, but failed to complete the stipulated payment schedule and made no further payment thereafter. The consequence expressly agreed under the OTS was that the settlement would stand rendered null and void with immediate effect, the waiver would stand withdrawn and the loan



accounts would stand restored to their original position. The subsequent Loan Account Statements dated 28.05.2026 showing the accounts as “Live” do not alter this contractual consequence. The payments made by the CD are nevertheless liable to be duly accounted for and credited against the outstanding liability.

6.22 In view of the aforesaid discussion, the disputed facts are answered as under:

- i. The subsequent OTS dated 18.03.2026 and the payments made thereunder do not render the Section 7 Application non-maintainable. The OTS was entered into after institution of the proceedings and was conditional upon timely payment. Since the CD failed to comply with the stipulated payment schedule, the OTS stood rendered null and void in terms of its own express provisions, without the necessity of any further act or recourse for giving effect to such contractual consequence.
- ii. The reduction in the amount payable under the OTS to below Rs.1 crore does not take the case below the threshold prescribed under Section 4 of the Code. The OTS was a conditional concessional arrangement and, upon its failure, the waiver stood withdrawn and the loan accounts were contractually restored to their original position as on March 2026. In any event, the Section 7 Application was instituted on 03.03.2026 when the FC claimed an outstanding amount of approximately Rs.2.66 crore, which was substantially above the statutory threshold.



- iii. The Loan Account Statements dated 28.05.2026 showing the loan accounts as “Live” do not negate the default pleaded by the FC. Such description is an accounting/operational classification and cannot override the documentary evidence of default or the express terms of the OTS governing the consequences of non-payment.

6.23 Accordingly, the objections raised by the CD with regard to the subsequent OTS, reduction of the outstanding amount below Rs.1 crore and the subsequent “Live” status of the loan accounts are devoid of merit. The FC has established the existence of financial debt and default satisfying the requirements of Section 7 read with Sections 3(12) and 4 of the Code. Once such default is established, the scope of discretion available to the Adjudicating Authority at the admission stage is limited. The Application is complete in all respects. There is no disciplinary proceeding against the IRP. Accordingly, **C.P. (IB) No. 242 of 2026 deserves to be admitted under Section 7 of the IBC, 2016.**

6.24 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, being **C.P. (IB) 242/MB/2026**, filed under Section 7 of IBC, 2016, by Capri Global Capital Ltd., the FC, for initiating CIRP in respect of Silver Jubilee Motors Ltd., the CD, is **admitted** and **IA(I.B.C.)/3409(MB)2026** is **maintainable**, and the **documents contained therein are taken on record**

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 CD 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 CD 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 CD in respect of its property, including any action under the Securitisation 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 CD.

II. That the supply of essential goods or services to the CD, 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 CD 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.
- V. That this Bench hereby appoints **Mr. Davinder Singh Saroya**, having Registration No. as IBBI/IPA-003/IPA-ICAI-N-00465/2025-2026/14514 and e-mail saroyaandsaroya@gmail.com, having valid Authorisation for Assignment up to 31.12.2027, from the panel as provided by the IBBI, as the IRP in this matter.
- 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 CD 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 CD are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the CD. Coercive steps will follow against them under the provisions of the IBC read with Rule 11 of the NCLT Rules, 2016 for any violation of the law.
- VIII. That the IRP/IP shall submit to this Tribunal quarterly reports with regard to the progress of the CIRP in respect of the CD.
- IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the OC 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 OC 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.

- X. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai for updating the Master Data of the Corporate Debtor.
- XI. Order to be communicated to all the Statutory Authorities by the IRP.
- XII. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.
- XIII. The Registry is directed to immediately communicate this Order to the OC, the CD and the IRP by way of Speed Post, e-mail and WhatsApp.
- XIV. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)
/AS//

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)