NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT VI

Item No. P1

C.P. (IB)/263(MB)2026

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **03.09.2026**

NAME OF THE PARTIES:- **The Canara Bank Limited**

v/s

Shrivallabh Pittie Enterprises Private Limited

Under Section 7 of the IBC

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)

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)

//Sumant//

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

VI

C.P. (IB)/263/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]

The Canara Bank Limited

[PAN: AAACU6160G]

Stressed Assets Management Branch,

Canara Bank, Circle Office Building,

8th Floor, B Wing , C-14 , G-Block

Bandra Kurla Complex, Bandra East,

Mumbai, 400051

…Financial Creditor

V/s

SHRIVALLABH PITTIE ENTERPRISES PRIVATE LIMITED

[CIN No. U52100MH2013PTC242864]

97,Maker Tower, 'F', Cuffe Parade,

Mumbai - 400005

...Corporate Debtor

Pronounced: 03.09.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant: Adv. Mr. Bharat Siddhapura , Adv. Mr. Roshan Gaud a/w. Adv. Mr. Tejas Singhi/b ORBIT LAW SERVICE

For Respondent: Ex-parte

ORDER

[PER: CORAM]

1. BACKGROUND

1.1. C.P. (IB) No.263/MB/2026 (Application) was filed on 09.03.2026 by Canara Bank, the Financial Creditor (FC), having PAN: AAACU6160G 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, for initiating Corporate Insolvency Resolution Process (hereinafter referred to as "CIRP") in respect of M/s Shrivallabh Pittie Enterprises Private Limited, the Corporate Debtor having CIN No. U52100MH2013PTC242864.

1.2. This Application has been affirmed by one Mr. Dheerendra Kumar Chaudhary, authorised signatory of the Applicant, authorised vide letter of Authority dated 02.09.2025

1.3. As per Part IV of the Application, the amount claimed to be in default is Rs.75,93,98,670.05/- (Seventy-Five Crore Ninety-Three Lakh Ninety-Eight Thousand Six Hundred Seventy And Five Paise Only).

1.4. As per Part IV of the Application the date of default is stated as 13.03.2023.

1.5. The Applicant has proposed the name of Mr.Sunil Kumra Kabra , an Insolvency Professional , having Registration No. IBBI/IPA-001/IP-P01011/2017-2018/11662, to act as the Interim Resolution Professional (IRP) (having valid Authorisation for Assignment up to 30.06.2027) (as per IBBI site), in case the Application is Admitted.

2. CONTENTIONS OF APPLICANT (FC)

2.1. The Applicant states that the Principal Borrower, M/s Shrivallabh Pittie South West Industries Limited, is a company incorporated under the provisions of the Companies Act, 2013. The Corporate Debtor, M/s Shrivallabh Pittie Enterprises Private Limited, has executed Corporate Guarantees in favour of the Applicant Bank and other consortium lenders, thereby guaranteeing due repayment of the credit facilities availed by the Principal Borrower.

2.2. It is stated that the Principal Borrower was sanctioned consortium credit facilities aggregating to Rs.410 Crores (Rs.160 Crores towards Term Loan + Rs. 250 Crores towards Working Capital Facilities) by various banks and financial institutions .

2.3. Subsequently, the Financial Creditor sanctioned Working Capital facilities of Rs.30 Crores vide Sanction Letter dated 16.01.2018 and executed the Working Capital Consortium Agreement dated 25.01.2018.

2.4. During the pandemic period, additional facilities under GECL were granted, including Rs. 5.93 Crores (GECL) and Rs. 3.17 Crores (GECL 2.0 Extension) by the Financial Creditor.

2.5. To secure the repayment of the said facilities, the Corporate Debtor executed a Corporate Guarantee dated 07.03.2022 in favour of the Financial Creditor, pursuant to a Board Resolution.

2.6. The Principal Borrower committed persistent defaults in repayment of dues, and its account was classified as Non-Performing Asset (NPA) on 11.08.2022.

2.7. The Financial Creditor issued a Recall Notice dated 03.03.2023 invoking the Corporate Guarantee and demanding payment of Rs. 43,80,97,048.70 as on 28.02.2023 along with further interest, costs, and charges.

2.8. Despite service of notice, the Corporate Debtor failed to discharge its liability under the Corporate Guarantee, thereby committing default and the Recovery proceedings were initiated before the Hon'ble DRT, Delhi (OA No. 474 of 2023).

2.9. Further, CIRP Application against the Principal Borrower had been filed by One of the Creditor Indian Overseas Bank under Section 7 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT, Mumbai Bench, which was admitted on 10.10.2023.

2.10. It is stated that Notice to the Corporate Guarantor was issued on 03.03.2023 and the same was delivered on 06.03.2023. As the Corporate Debtor defaulted in paying the amount demanded within 7 days from the date of receipt of notice, the date of default is taken on 13.03.2023.

2.11. The Applicant vide Additional Affidavit dated 31.07.2026 has placed on record the proof evidencing the service of demand notice to the Corporate Debtor.

2.12. The Applicant has attached the following documents along with the Application and /or additional affidavit.

a) Copy of the Sanction Letter dated 16.01.2018

b) Copy of Board Resolution dated 18.01.2018

c) Copy of Working Capital Consortium Agreement dated 25.01.2018

d) Copy of sanction of the WCTL under (GECL) dated 30th March 2021.

e) Copy of the Board Resolution dated 31st March 2021.

f) Copy of Board Resolution dated 17th January 2022.

g) Working Capital Term Loan (GECL) Consortium Agreement 27th January 2022.

h) Copy of Agreement of Guarantee dated 07.03.2022.

i) Copy of the recall notice dated 3rd March 2023 along with Postal Receipt from the Department of Posts.

j) Copy of Latest case status extracted from online portal of DRT

k) Copy of Order for admission of CIRP dated 10.10.2023 in respect of Principal Borrower i.e. M/s Shrivallabh Pittie South West Industries Limited

l) Copy of Statement of Account of Open Cash Credit A/c No. 5505261000004;

m) Copy of Statement of Account of Term Loan A/c No. 5505703000005;

n) Copy of Statement of Account of Term Loan A/c No. 170003479804;

o) Copy of Statement of Account of Canara Vehicle Loan Ale No. 5505603000010.

p) Copy of Statement of Account of Canara Vehicle Loan A/c No.5505603000019

q) Record of Default with NeSL

r) Details of Principal Borrower from Ministry of Corporate Affairs (MCA)

s) Details of Corporate Debtor/Corporate Guarantor from Ministry of Corporate Affairs (MCA).

3. REPLY BY CORPORATE DEBTOR

3.1. Notice was issued to the Corporate Debtor by this Tribunal vide order dated 18.03. 2026.The Applicant has placed on record the tracking report issued by the postal authorities, which confirms that the notice was successfully served upon the Respondent via Speed Post on 06.04.2026.

3.2. Subsequently, during the proceedings on 17.04.2026, this Tribunal, in the interest of justice, granted a final opportunity to the Respondent to file its reply within seven (7) days and to enter an appearance.

3.3. However, when the matter was taken up on 15.05.2026, neither was any reply filed nor was there any appearance on behalf of the Respondent. Consequently, the Respondent's right to file a reply was forfeited, and the Respondent was set ex-parte.

3.4. Thereafter at the hearing held on 03.08.2026 this Bench heard the arguments of the Ld. Counsel appearing on behalf of the Applicant and reserved the CP for orders.

4. WRITTEN SUBMISSION (Applicant)

4.1. The Applicant has relied upon the same argument as recorded in its Petition and for the sake of brevity we are not reproducing the same herein

5. ANALYSIS AND FINDINGS

5.1. We have heard the Ld. Counsel for the Applicant and have perused the pleadings as were produced before us.

5.2. On perusal of the documents, it is observed that the Principal Borrower i.e. M/s Shrivallabh Pittie South West Industries Ltd(earlier known as Platinum Textiles Limited) had taken various Loan facilities from the Consortium of Banks which includes Bank of Baroda , Punjab National Bank, Bank of Maharashtra and Canara Bank.

5.3. The loan facilities were renewed time and again and were secured by the Corporate Guarantee executed by the Corporate Debtor dated 22.03.2022.

5.4. The Principal Borrower went into CIRP vide order dated 10.10.2023 due to non-payment of the outstanding dues and hence debt and default by the Principal Borrower cannot be disputed.

5.5. Guarantee deed executed by the Corporate Debtor states that such guarantee shall be invoked by serving a notice with the Guarantor requiring payment. The relevant clause of deed of Guarantee is reproduced hereunder;-

"

Any demand for payment or notice under this Guarantee shall be sufficiently given if sent by post to or left at the last known address of the Guarantor or its successors or permitted assigns, as the case may be, such demand or notice is to be made or given, and shall be assumed to have reached the addressee in the course of post, if given by post, and no period of limitation shall commence to run in favour of the Guarantor until after demand for payment in writing shall have been made or given as aforesaid and in proving such notice when sent by post it shall be sufficiently proved that the envelope containing the notice was posted and a certificate by any of the officers of the Lead Bank/Lenders that to the best of their knowledge and belief, the envelope containing the said notice was so posted shall be

conclusive as against the Guarantor, even though it was returned unserved on account of refusal of the Guarantor or otherwise.

"

5.6. The Applicant vide recall notice dated 03.03.2023 invoked the Guarantee of the Corporate Debtor and thereby called upon the Guarantor to pay the outstanding within 7 days from the date of receipt of the Notice. The Corporate Debtor is addressee at serial no 4 in the notice and the service of the same is attached at page no. 3 and 4 of the Additional Affidavit dated 31.07.2026 wherein Sub-Postmaster (HSG-I), Colaba Post Office, Mumbai, vide letter No. Colaba/POD/RL/25-26 dated 06.02.2026, has confirmed that the Speed Post article bearing RL No. RM724014825IN dated 04.03.2023, was delivered to its addressee i.e. the Corporate Debtor on 06.03.2023. The relevant extract of the recall notice is reproduced herein;

"4. Shrivallabh Pittie Enterprises Pvt Ltd,

97 maker Tower F,

Cuff Parade, Mumbai-400005

……

(iv) Our clients state that you No.1 being Principal Borrowers of the credit facility, you are liable to pay the entire amount outstanding in the said Loan Accounts along with contractual interest accrued thereon till today. Our clients also state that You No.2 to 4 being guarantors, in terms of the Guarantee Agreements entered in to are also co-extensively, jointly and severally liable to pay to our client.

(v) Hence, our clients are compelled to issue this legal notice to you as a last chance to repay and clear the outstanding amount of the said facilities in order to avoid any further legal action.

(vi) Our clients state that, you No.1, 2, 3 and 4 are jointly and severally liable to pay to our client Rs. 43, 80, 93,789.70 (Rupees Forty-three Crore eighty lakhs ninety-three thousand seven hundred eighty-nine and paise seventy only) calculated as on 28.02.2023, the outstanding amount along with further interest thereon at the contractual rates of interest till payment and/ or realization as mentioned in Schedule C together with all costs, charges, expenses and incidental expenses.

(vii) In the above circumstance and also under instruction of our client, we call upon and demand you No.1,2,3 and 4 to pay a sum of Rs.43,80,93,789.70 (Rupees Forty-three Crore eighty lakhs ninety-three thousand seven hundred eighty-nine and paise seventy only) as on 28th February 2023 along with unapplied interest, penal interest, expense, cost and charges,etc. from 02.06.2022 under the Said Mortgage Loan Accounts within 7 (seven) days from the date of receipt of this notice."

5.7. Based on an examination of the above terms of the Guarantee Deed as well as the recall notice, we find that the Financial Creditor has invoked the Guarantee of the Corporate Debtor in terms of the stipulations in the deed of guarantee.

5.8. From the recall notice dated 03.03.2023 placed before us it is seen that the account of the Principal Borrower was classified as NPA on 11.08.2022.It is further seen that the guarantee was invoked on 03.03.2023 i.e. within the limitation period.

5.9. Further in Company Appeal No. (AT) (INS) 191 of 2023 **State Bank of India Vs. Deepak Kumar Singhania**, Hon'ble NCLAT has held that default shall arise on the part of Guarantor only when demand notice is issued as contemplated in the Deed of Guarantee.

5.10. The Corporate debtor defaulted in paying the outstanding within 7 days and as a result the date of default is 13.03.2023. Furthermore, it is also observed that till date the amount remains outstanding.

5.11. As the default occurred on 13.03.2023 and the present Application was filed on 09.03.2026. Thus, the same is well within limitation.

5.12. Moreover, as per the scheme of the Code, at the time of admission this Tribunal is required to consider whether the debt exceeding the threshold of Rs. One Crore is due and payable by the Respondent to the Applicant and whether the same is under default or not. Hence in our considered view, the Financial Creditor has placed enough evidence and documents including Sanction Letters, Consortium Agreemnt , Corporate guarantee, Statements of accounts in respect of different facilities and Copy of recall/invocation notice, to show that a financial debt is due and payable and the same is defaulted by the Corporate Debtor.

5.13. The Applicant has also attached NeSL Record of Default in Form D in respect of different facilities lent by the Applicant to the principal borrower and the said Record of Default reflects the status of Authentication of default as **“AUTHENTICATED”.**

5.14. Further this Tribunal has relied on the matter of **Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan, IRP of Hiranmaye Energy Ltd. and Ors. Civil Appeal No(s). 2211/2024,** wherein the Hon'ble Supreme Court while examining the validity of the admission of the Corporate Debtor to CIRP 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 crores 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. <u>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.</u> 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.

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 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)

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.

5.15. In view of the above discussion, we are of the view that the Applicant has successfully demonstrated the following:

i. existence of a debt against the Principal Borrower.

ii. execution of guarantee deed by the Corporate Guarantor in respect of the loan borrowed by the Principal Borrower.

iii. default by the Principal Borrower.

iv. invocation of guarantee by the Applicant.

v. default by the CD in making the outstanding payment as demanded by the Applicant.

5.16. Financial Creditor has also proposed the name of an Insolvency Professional (IP) i.e. Sunil Kumar Kabra, having Registration No. IBBI/IPA-001/IP-P-

01011/2017-18/11662 (has attached his Authorization for Assignment (AFA), which is valid upto 30.06.2027 as per IBBI portal) as the proposed IRP and as per the Form 2 attached along with the Application , no disciplinary proceedings are going on against the said IP. Further, this Application is complete as all the required documents have been attached along with the Application. Accordingly, the present Application is fit for admission under Section 7 of the IBC, 2016.

5.17. 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) 263/MB/2026 filed under Section 7 of IBC, 2016, by The Canara Bank , the Applicant (FC) ,for initiating CIRP in respect of Shrivallabh Pittie Enterprises Private Limited, the Corporate Debtor, 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**,** Sunil Kumar Kabra , having Registration No. **IBBI/IPA-001/IP-P-01011/2017-18/11662** and **e-mail address** jlnusco@gmail.com having valid Authorisation for Assignment up to 30.06.2027 (as per IBBI site) 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. That the IRP/IP shall submit to this Tribunal quarterly reports with regard to the progress of the CIRP in respect of the Corporate Debtor.

IX. 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.

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

XI. The IRP is directed to issue notice of Admission upon all the statutory authorities of Corporate Debtor without Fail.

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 Financial Creditor, the Corporate Debtor 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/-	**Sd/-**
NILESH SHARMA **MEMBER (JUDICIAL)**	**SAMEER KAKAR** **MEMBER(TECHNICAL)**

//Sumant//