IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.304
C.P.(IB)/225(AHM)2026

Under Section 7 IBC

IN THE MATTER OF:

CFM Asset Reconstruction Private Limited ....**Applicant**
V/s
Capbridge Venture LLP ....**Respondent**

Order delivered on: 30/07/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

—SD—

SD/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

SHAMMI KHAN
MEMBER (JUDICIAL)

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD BENCH

CP (IB) No.225/7/AHM/2026.

(An application 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)

<u>In the Matter of:</u>

CFM Asset Reconstruction Private Limited
(CIN: U67100GJ2015PTC083994)
Registered Office: Block No. A/1003,
West Gate, Near YMCA Club,
Survey No. 835/13, S.G. Highway,
Makarba, Ahmedabad, Gujarat – 380051.

...Applicant/Financial Creditor

VERSUS

M/s Capbridge Venture LLP
(LLPIN: AAT-2035)
Registered Office: 15th Floor,
A Block, Westgate Business Bay,
S.G. Road, Jivraj Park,
Ahmedabad, Gujarat – 380051.

...Respondent/Corporate Debtor

<u>Order Pronounced On: 30.07.2026</u>

<u>C O R A M:</u>

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

<u>A P P E A R A N C E:</u>

For the Applicant/FC : Mr. Sumit Parikh, Advocate.

For the Respondent/CD : Mr. Rahul K. Kanoujia, Advocate.

O R D E R
Per Bench

1. This Company Petition, registered on 16.07.2026, has been filed by CFM Asset Reconstruction Private Limited ("Financial Creditor") 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 seeking initiation of Corporate Insolvency Resolution Process ("CIRP") against M/s Capbridge Venture LLP ("Corporate Debtor") on an alleged default in repayment of Financial Debt amounting to Rs.58,55,65,117.24, together with applicable interest and other charges.

2. On perusal of Part-I of Form-1, it is revealed that the Applicant is a company incorporated under the Companies Act, 2013 on 31.07.2015 having CIN U67100GJ2015PTC083994 and its registered office at Ahmedabad, Gujarat. The Petition has been instituted through its authorised representative, Mr. Chetan Rajpurohit, Chief Manager, pursuant to the Authorisation Letter annexed as Annexure-13.

3. On perusal of Part-II of Form-1, it is revealed that the Respondent is a Limited Liability Partnership incorporated on 02.08.2020 under the Limited Liability Partnership Act, 2008 having LLPIN AAT-2035 and its registered office at Ahmedabad, Gujarat. The Master Data of the Respondent issued by the Ministry of Corporate Affairs has been placed on record as Annexure-1.

4. On perusal of Part-III of Form-1, it is revealed that the Applicant has proposed Mr. Bhavesh Manubhai Rathod, Registration No. IBBI/IPA-001/IP-P01200/2018-2019/11910, as Interim Resolution Professional under Section 16 of the Code. His written communication in Form-2, Authorisation for Assignment and Certificate of Registration are annexed collectively as Annexure-14.

5. On perusal of Part-IV of Form-1, it is revealed that the Applicant has claimed a Financial Debt of Rs.58,55,65,117.24 as on 31.05.2026, comprising Rs.46,67,42,921.79 towards principal outstanding and Rs.11,88,22,195.45 towards penal interest and other charges. The date of default has been stated as

04.07.2025, being the date on which the loan account was classified as Non-Performing Asset (NPA).

6. The facts pleaded by the Applicant in Parts IV and V of Form-1 may be summarised as under: -

6.1 It is stated that Poonawalla Fincorp Limited, the Original Lender, sanctioned a Loan Against Property facility of Rs.25,00,00,000/- in favour of the Corporate Debtor and its co-borrowers vide Sanction Letter dated 28.12.2023 and Loan Agreement No. LAP0031100000016719628. The Sanction Letter, Loan Agreement, Mortgage Deed dated 28.12.2023 and allied loan documents are annexed as Annexure-2 (Colly.).

6.2 It is further stated that, upon the borrowers' request, an additional top-up loan of Rs.25,02,93,820/- was sanctioned vide Sanction Letter dated 19.12.2024 under Loan Agreement No. LAP0031100000019054234. The documents relating to the additional financial assistance also form part of Annexure-2 (Colly.).

6.3 In consideration of the aforesaid facilities, the Corporate Debtor and the co-borrowers executed the requisite loan and security documents and created an equitable mortgage over Apartment No. CM706A, 6th Floor, Tower No.7, The Camellias, Village Wazirabad, Gurugram, Haryana. The Statements of

Account maintained by the Original Lender have been placed on record as Annexure-3 (Colly.).

6.4 The first instalment became due on 05.01.2025, and the borrowers committed defaults in repayment. Consequently, the loan account was classified as Non-Performing Asset (NPA) on 04.07.2025, which has been treated as the date of default for the purposes of the present Petition.

6.5 Following the classification of the account as NPA, the Original Lender issued a Demand Notice dated 08.07.2025 under Section 13(2) of the SARFAESI Act, 2002, followed by legal demand notices dated 23.06.2025 and 17.07.2025, Possession Notice dated 09.09.2025 under Section 13(4) of the SARFAESI Act, 2002 and publication thereof dated 10.09.2025. These documents are annexed as Annexure-4, Annexure-5 (Colly.) and Annexure-6 (Colly.), respectively.

6.6 It is further stated that, before possession of the secured asset could be taken, the mortgaged property came to be provisionally attached by the Directorate of Enforcement under Provisional Attachment Order No.04 of 2026, annexed as Annexure-7. Thereafter, the entire financial debt together with all underlying rights and securities was assigned by Deed of Assignment dated

31.03.2026 in favour of the Applicant, annexed as Annexure-8.

6.7 The Applicant has submitted that the assignment was communicated to the Corporate Debtor and the co-borrowers by notice dated 19.05.2026, along with proof of delivery, annexed as Annexure-9. The Statement of Account maintained by the Applicant evidencing the outstanding dues has been placed on record as Annexure-10 (Colly.).

6.8 According to the Applicant, a sum of Rs.58,55,65,117.24 remained due and payable as on 31.05.2026, comprising Rs.46,67,42,921.79 towards principal outstanding and Rs.11,88,22,195.45 towards penal interest and other charges. Despite repeated demands, the Corporate Debtor failed to discharge the outstanding Financial Debt.

6.9 The Applicant has further relied upon the Information Utility Form-C issued by National E-Governance Services Limited (NeSL), recording defaults on 04.07.2025 and 03.08.2025, which has been annexed as Annexure-11. The Applicant has also relied upon the CAM Report annexed as Annexure-12 in support of the present Petition.

6.10 On the basis of the aforesaid pleadings and documents comprising Annexure-1 to Annexure-14

(Colly.), the Applicant has prayed for admission of the present Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 and initiation of the Corporate Insolvency Resolution Process against the Respondent/Corporate Debtor

7. Upon issuance of notice, the Corporate Debtor entered appearance and filed its Reply through e-mode on 24.07.2026, opposing the admission of the Petition. The defence raised by the Corporate Debtor is summarised as under: -

7.1 The Corporate Debtor submitted that the Petition is not maintainable and has been instituted on incorrect facts. It denied all averments except those specifically admitted and prayed for dismissal of the Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016.

7.2 It was stated that the Respondent is a Limited Liability Partnership incorporated on 02.08.2020 with a contribution of Rs.1,00,000/-. The Applicant is stated to be an assignee of the alleged financial debt under the Deed of Assignment dated 31.03.2026, originally advanced by Poonawalla Fincorp Limited.

7.3 The Respondent contended that it is merely a co-borrower and not the principal borrower, the principal borrower being Mr. Anmol Singh Jaggi. It was submitted that the loan was availed for the business requirements of the principal borrower and, therefore, initiation of CIRP only against the Respondent is not maintainable.

7.4 It was further contended that initiation of CIRP against an LLP having a contribution of Rs.1,00,000/- for the alleged financial debt is unwarranted. According to the Respondent, its financial position and repayment capacity were fully known to the Original Lender at the time of sanction of the loan.

7.5 The Respondent disputed the date of default, contending that while the Petition mentions 04.07.2025 for both loan accounts, the Information Utility record reflects 03.08.2025 in respect of one account. It was further submitted that the account became irregular after the Enforcement Directorate froze the account.

7.6 The Respondent questioned the Applicant's status as a Financial Creditor, contending that it is merely an assignee under the Deed of Assignment dated 31.03.2026. It was submitted that the validity, legality and enforceability of the assignment and the notice thereof require judicial scrutiny.

7.7 It was further contended that the Original Lender had already initiated proceedings under the SARFAESI Act, 2002 before assignment of the debt.

According to the Respondent, filing the present Petition after assignment amounts to pursuing parallel proceedings for recovery rather than insolvency resolution.

7.8 The Respondent further submitted that the secured asset has been provisionally attached by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002. It was contended that such attachment affects the feasibility of CIRP and the availability of the secured asset for the resolution process.

7.9 It was also contended that the Insolvency and Bankruptcy Code, 2016 cannot be invoked as a recovery mechanism. The Applicant, according to the Respondent, has adequate remedies under the SARFAESI Act, 2002, and the present proceedings have been initiated solely for recovery of the outstanding dues.

7.10 The Respondent disputed the existence and quantum of the alleged Financial Debt and challenged the computation of the outstanding amount, including the levy of penal interest. It also questioned the admissibility and evidentiary value of certain documents relied upon by the Applicant, alleging that some were unsigned or unstamped.

7.11 The Respondent further submitted that the Petition does not satisfy the requirements of Sections 3(12), 5(8) and 7 of the Insolvency and Bankruptcy Code, 2016. It relied upon Annexure/Exhibit-1 to Annexure/Exhibit-12.

7.12 The Respondent has relied upon the judgments in Swiss Ribbons Pvt. Ltd. & Anr. v. Union of India & Ors., (2019) 4 SCC 17, Vidarbha Industries Power Ltd. v. Axis Bank Ltd., (2022) 8 SCC 352, and Innoventive Industries Ltd. v. ICICI Bank & Anr., (2018) 1 SCC 407, while praying for dismissal of the Petition.

8. The Financial Creditor has also filed a rejoinder on 29.07.2026 vide inward diary no. D-6266, denying most contentions raised by the Corporate Debtor in its reply. The contents of the Rejoinder are summarised as under: -

8.1 The Applicant submitted that the Reply substantially raises two objections, namely, that the Corporate Debtor is only a co-borrower and that there is a discrepancy in the dates of default. According to the Applicant, neither objection affects the maintainability of the present Petition.

8.2 Replying to the first objection, the Applicant relied upon Section 3(8) of the Insolvency and Bankruptcy Code, 2016 and submitted that a corporate person owing a debt falls within the definition of a Corporate Debtor. It was contended that the liability of the Respondent as a co-borrower is sufficient to invoke Section 7 of the Code.

8.3 With regard to the second objection, the Applicant submitted that 04.07.2025 has rightly been mentioned in Form-1 as the date of default since the loan account was classified as Non-Performing Asset (NPA) on that date. It was contended that the said disclosure correctly reflects the occurrence of default.

8.4 The Applicant further clarified that the loan sanctioned on 19.12.2024 was only a top-up facility to the existing loan and not an independent borrowing. According to the Applicant, the separate entry in the NeSL Information Utility record resulted in different default dates without affecting the underlying transaction.

8.5 It was submitted that the variation in the dates recorded in the Information Utility does not affect the existence of the Financial Debt or the occurrence of default. The Applicant asserted that such variation is inconsequential for determining the maintainability of the present Petition under Section 7 of the Code.

8.6 The Applicant further submitted that the essential ingredients for admission of the Petition stand satisfied, namely, the existence of a Financial Debt, the occurrence of default and the record of default placed on record. It was contended that the statutory requirements of Section 7 are fully established.

8.7 In support of its case, the Applicant relied upon the Sanction Letters dated 28.12.2023 and 19.12.2024, the Possession Notice dated 09.09.2025, the Notice of Assignment dated 19.05.2026, and the documents annexed with the Petition as Annexure-2 (Colly.), Annexure-6 (Colly.), Annexure-8, Annexure-9 and Annexure-11.

8.8 On the aforesaid grounds, the Applicant prayed that the Rejoinder be taken on record, the objections raised by the Respondent be rejected and the present Company Petition be admitted by initiating the Corporate Insolvency Resolution Process against the Respondent/Corporate Debtor in accordance with law.

9. We have heard the learned Counsel appearing for the parties, perused the pleadings, the documents placed on record including Annexure-1 to Annexure-14, the Reply, the Rejoinder and the written submissions. The records have been considered in the light of the provisions of the Insolvency and Bankruptcy Code, 2016 and the judicial precedents cited by the parties.

10. The Applicant has placed on record the Sanction Letters dated 28.12.2023 and 19.12.2024, the Loan Agreements, Mortgage Deed, Statements of Account, Deed of Assignment dated 31.03.2026, Notice of Assignment dated 19.05.2026, NeSL Information Utility record, and other supporting documents. The execution and disbursement of the loan facilities are not disputed.

11. The material on record establishes that the loan account was classified as Non-Performing Asset on 04.07.2025 and a Demand Notice under Section 13(2) of the SARFAESI Act, 2002 was thereafter issued. The Applicant has also relied upon the Information Utility record evidencing the occurrence of default.

12. The principal objection of the Respondent is that it is only a co-borrower and not the principal borrower. This contention deserves to be rejected as the loan documents disclose that the Respondent is a borrower and owes liability under the loan transactions forming the subject matter of the present Petition.

13. The objection regarding different dates of default reflected in the Information Utility is also without merit. The record indicates that the second facility was a top-up loan, while the account was classified as NPA on 04.07.2025, which has been consistently disclosed in Form-1 and supported by the material placed on record.

14. The Applicant derives its rights under the Deed of Assignment dated 31.03.2026, whereby the entire financial debt together with the underlying securities and enforcement rights stood assigned in its favour. The Notice of Assignment dated 19.05.2026 evidences communication of the assignment to the Respondent.

15. The contention that proceedings under the SARFAESI Act, 2002 bar the present Petition is untenable. The remedies available under the SARFAESI Act and the Insolvency and Bankruptcy Code operate in different fields, and initiation of statutory recovery measures does not preclude proceedings under Section 7 of the Code.

16. The provisional attachment of the secured asset by the Directorate of Enforcement under the Prevention of Money Laundering Act, 2002 also does not affect the maintainability of the present Petition. Such attachment may have implications during the CIRP, but it does not extinguish the Financial Debt or the occurrence of default.

17. The Hon'ble Supreme Court in *Innoventive Industries Ltd. v. ICICI Bank & Anr., (2018) 1 SCC 407, E.S. Krishnamurthy & Ors. v. Bharath Hi Tech Builders Pvt. Ltd., (2022) 3 SCC 161, M. Suresh Kumar Reddy v. Canara Bank & Ors., (2023) 9 SCC 209*, and *Power Trust v. Bhuvan Madan, IRP, 2026 ibclaw.in 87 SC*, has held that once the Adjudicating Authority is satisfied regarding the existence of a Financial Debt and the occurrence of default, the Petition under Section 7 deserves admission. The principles laid down in the aforesaid judgments squarely apply to the facts of the present case.

18. The decision in *Vidarbha Industries Power Ltd. v. Axis Bank Ltd., (2022) 8 SCC 352*, relied upon by the Respondent, is distinguishable on facts and does not assist the Respondent in the facts of the present case. On the material placed before us, the Financial Debt and the default stand duly established by the loan documents, Statements of Account and the Information Utility record.

19. Accordingly, we are satisfied that the Applicant has established the existence of a Financial Debt, the occurrence of default, and its entitlement to maintain the present Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016. Accordingly, the objections raised by the Respondent are rejected.

20. In view of the foregoing discussion and for the reasons recorded hereinabove, the present Company Petition is liable to be admitted. Accordingly, it is, **hereby ordered** as under: -

(i) The present Company Petition bearing CP (IB) No.225/7/AHM/2026 filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 is **admitted** and the Corporate Insolvency Resolution Process against **M/s Capbridge Venture LLP** is hereby commenced.

(ii) In terms of Sections 13, 14 and 15 of the Insolvency and Bankruptcy Code, 2016, the Corporate Insolvency Resolution Process (CIRP) is hereby commenced against the Respondent/Corporate Debtor with effect from the date of this Order.

(iii) The declaration of Moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 shall come into operation forthwith. The prohibitions contained in Section 14(1)(a) to (d) shall remain in force during the CIRP. However, Section 14(1) shall not apply to transactions notified by the Central Government under Section 14(3)(a) of the Code.

(iv) As proposed by the Financial Creditor, we appoint **Mr. Bhavesh Manubhai Rathod**, having Registration No. IBBI/IPA-001/IP-P01200/2018-2019/11910. (e-mail: bhavesh76@gmail.com) under section 16(1) of the Code to act as Interim Resolution Professional **(IRP)** subject to there being no disciplinary proceedings pending against him**.**

(v) The IRP so appointed shall make a public announcement (e.g., newspapers, websites) under Regulation 6(2) of IBBI Regulations, 2016, of the initiation of the Corporate Insolvency Resolution Process and call for submissions of claims under section 15 within three days of his appointment as per Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as required by Section 13(1)(b) of the Code.

(vi) The IRP shall perform all his functions as contemplated, inter-alia, by sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its promoters, or any other person associated with the management of the Corporate Debtor are under legal obligation as per section 19 of the Code to extend every assistance and cooperation to the IRP. Where any personnel of the Corporate Debtor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

(vii) The Interim Resolution Professional shall immediately take control and custody of the assets, books of account, records and management of the Corporate Debtor in accordance with Sections 17, 18 and 20 of the Insolvency and Bankruptcy Code, 2016. If necessary, he shall be at liberty to seek appropriate assistance from the concerned authorities in accordance with law.

(viii) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Debtor company' and manage the operations of the Corporate Debtor company as a going concern as a part of the obligation imposed by section 20 of the Code.

(ix) The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority a periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.

(x) The Applicant/Financial Creditor shall deposit an amount of **Rs.5,00,000/-** with the Interim

Resolution Professional within **three days** towards initial CIRP expenses, subject to adjustment by the Committee of Creditors in accordance with law.

(xi) The Registry is directed to communicate a copy of this Order to the Applicant/Financial Creditor, the Respondent/Corporate Debtor, the Interim Resolution Professional and the Insolvency and Bankruptcy Board of India (IBBI) forthwith.

21. Accordingly, this **CP (IB) No.225/7/AHM/2026** stands **admitted** in the aforesaid terms. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)