IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-II

CP (IB) No. 232/MB/2023

[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]

Ordered on: 16.07.2026

IN THE MATTER OF

CENTRAL BANK OF INDIA

[CIN: U99999MH1911PTC000337]

Central office at, Chandramukhi, Nariman Point,

Mumbai-400021, and

Asset Recovery Branch, at Zonal Office Building,

317, M.G. Road, Camp, Pune – 411001.

...Applicant/ Financial Creditor

VS

SUPERFINE METALS PRIVATE LIMITED

[CIN: U27203PN2004PTC019492]

Plot No. E-29, E-39, Supa MIDC

Village Supa Tal. Parner,

Dist. Ahmednagar-414302.

... Respondent/ Corporate Debtor

CORAM:

HON'BLE SHRI ASHISH KALIA, MEMBER (JUDICIAL)

HON'BLE SHRI SANJIV DUTT, MEMBER (TECHNICAL)

Appearances: Hybrid

For the Applicant(s) : Mr. Rahul Sarda i/b Mr. Aiqan Memon.

For the Respondent(s) : Counsel Mr. Shadabh Jan a/w Adv. Monali Solanki i/b Katariya & Associates.

ORDER

[PER:Coram]

1. BACKGROUND

1.1 This Company Petition bearing C.P. (IB) No.232/MB/2023 (hereinafter referred to as "the Application") was filed on 07.02.2023 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "the Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as "the AAA Rules") by **Central Bank of India**, the Financial Creditor (hereinafter referred to as "the Financial Creditor"), through **Mr. Amit Kumar** , working as Chief Manager of the Financial Creditor, authorized *vide* Power of Attorney dated 14.12.2017, for initiating Corporate Insolvency Resolution Process (hereinafter referred to as "CIRP") in respect of **Superfine Metals Private Limited** (hereinafter referred to as "the Corporate Debtor").

1.2 Subsequently an IA 5435 of 2023 was filed on 16.11.2023 for amendment of the Petition where the amendment of Form C was proposed and vide order dated 06.05.2024, the said amendment was allowed.

1.3 Hence the total amount claimed to be in default Rs.58,64,37,327.37/- (Rupees Fifty-Eight Crore Sixty-Four Lakh Thirty-Seven Thousand Twenty-Seven and Thirty-Seven Paisa only) including outstanding amount of 54,27,36,545/- and 4,37,00,782.37/- in Cash Credit Facility and Ad hoc Facility respectively up to 30.09.2023. The date of default as mentioned in Part-IV of the Application is 10.03.2020 for Cash Credit Facility and 24.03.2020 for Ad hoc Facility, i.e., the date on which the Corporate Debtor defaulted in the payment of the aforementioned loan facilities and a Demand Notice was served to the Corporate Debtor on 29.06.2022. Since the Corporate Debtor defaulted in payment of its outstanding dues, the Financial Creditor prays that CIRP may be initiated in respect of the Corporate Debtor under Section 7 of the Code.

2. AVERMENTS OF FINANCIAL CREDITOR

2.1 At, the outset, the Applicant/ Financial Creditor states that the FC has sanctioned and disbursed credit facilities viz., Cash Credit Facility, Term Loans Facilities, Funded Interest Term Loan (FITL) and Ad hoc (CC) limit.

2.2 However, the purpose of the present Petition is that the FC seeks to restrict its contention regarding default having been committed by the Corporate Debtor only to two facilities viz., Cash Credit Facility and Ad hoc (CC) limit.

2.3 In the year 2013, various Cash Credit Facility was sanctioned vide Sanction letter dated 28.11.2013. Later in the year 2019, the same facility was enhanced and renewed to the tune of Rs. 52,00,00,000/- vide Renewed Sanction Letter dated 24.06.2019. Additionally, in the year 2019, Ad hoc Facility was sanctioned vide its Sanction Letter dated 26.12.2019 to the tune of Rs. 3,70,00,00/-

2.4 Pursuant to the sanction of the aforesaid loan, the Corporate

Debtor executed various financing and security documents in favour of the Financial Creditor, including Hypothecation Agreements and Corporate Guarantee.

2.5 The Corporate Debtor availed and utilized the aforesaid credit facilities, but the CD failed to adhere to the repayment obligations as per the agreed terms and committed default in the repayment of the Cash Credit Facility on 10.03.2020 and Ad hoc (CC) on 24.03.2020.

2.6 Pursuant to the said default, the Financial Creditor sent the Loan Recall Notice dated 02.01.2023 to the Corporate Debtor calling upon them to repay the total outstanding amount. Despite receipt of the aforesaid notices, the Corporate Debtor failed to make payment of the outstanding amount.

2.7 The Financial Creditor has also placed on record the authenticated report of default dated 29.11.2020 issued by the Information Utility (NeSL), thereby further substantiating the occurrence of default on the part of the Corporate Debtor.

2.8 Since the Corporate Debtor has failed to pay the aforesaid outstanding amount till date despite receipt of loan recall notices, the Financial Creditor prays that the present Application be allowed and CIRP may be initiated in respect of the Corporate Debtor.

<u>3. CONTENTIONS OF CORPORATE DEBTOR</u>

3.1 The Corporate Debtor has denied all the allegations, averments and contentions made in the captioned Petition as being false and misleading. It has been submitted that, the present Petition is liable to be dismissed. The Respondent has further stated that all averments and allegations not specifically dealt with or admitted in the Reply shall be deemed to have been denied.

3.2 It is submitted that the date of default, as stated by the Petitioner in the present Petition, is 29.11.2020. It is contended that, on the Petitioner's own showing, the alleged date of default falls within the period covered under Section 10A of the Insolvency and Bankruptcy Code, 2016. Accordingly, the Respondent has submitted that the present Petition is barred by the provisions of Section 10A of the Code and is, therefore, not maintainable.

3.3 The Petitioner has stated the date of classification of the account as Non-Performing Asset (NPA) as 29.11.2020. It is contended that, if the date of NPA is taken as 29.11.2020, the date of default, computed as three months prior thereto, would be 29.08.2020. According to the Respondent, the said date also falls within the period from 25.03.2020 to 25.03.2021, which is covered under Section 10A of the Insolvency and Bankruptcy Code, 2016. It is, therefore, submitted that the present Petition is barred by Section 10A of the Code and is liable to be dismissed.

3.4 The Respondent has further submitted that the present Petition is incomplete and suffers from several defects. It is contended that the Petitioner has failed to place certain material documents on record and has relied upon documents that are inadequate, incomplete, inconsistent and defective. On this basis, the Respondent has submitted that the Petition is not maintainable in its present form.

3.5 It is submitted that the Petitioner has failed to establish the existence of any debt and default through cogent documentary evidence, computation of dues, or any other material on record. It is further contended that the claims made by the Petitioner against the Respondent are inflated and unsupported by the relevant records. Accordingly, the Respondent has disputed the maintainability of the present Petition.

3.6 The CD has further submitted that it is a going concern and is financially sound, and that it cannot be regarded as an insolvent company. It is contended that, in the facts and circumstances of the present case, this Adjudicating Authority ought to exercise its discretion not to admit the present Petition, as recognized by the Hon'ble Supreme Court in the matter of *Vidarbha Industries Power Limited v. Axis Bank Limited, reported in 2022 SCC OnLine SC 841.*

4. ANALYSIS AND FINDINGS

4.1 We have heard the Learned Counsel for the applicant and perused the materials available on record and upon careful consideration of the pleadings, documents placed on record and submissions advanced by the Learned Counsel for the Financial Creditor, the following issues arise for determination in the present case: (i) whether the Petition is barred by limitation or not (ii)whether the Financial Creditor has established the existence of a financial debt and default in repayment thereof and (iii) whether the Petition filed is barred by 10A period.

4.2 With regard to the existence of debt and default, it is observed that the Financial Creditor has placed on record copies of the duly executed Sanction Letter dated 28.11.2013, Revised Sanction Letter dated 24.06.2019, and the Deeds of Hypothecation. The aforesaid documents evidence the sanction of the credit facilities, the applicable rate of interest, the repayment obligations of the Corporate Debtor, and the security created in favour of the Financial Creditor. The disbursement of the loan facilities is further substantiated by the Statement of Accounts of the Corporate Debtor maintained by the Financial Creditor, which has been duly certified in accordance with the provisions of the Bankers' Books Evidence Act, 1891, and forms part of the record. It is further noted that upon the occurrence of default, the Financial Creditor issued a Recall Notice dated 02.01.2023 recalling the entire outstanding credit facilities.

4.3 With regard to the issue of limitation, it is observed that the present Application was filed on 07.02.2023. The date of default, as reflected in the amended Part IV of the Application, is 10.03.2020 in respect of the Cash Credit Facility and 24.03.2020 in respect of the Ad hoc (CC) Facility. Accordingly, this Tribunal is of the considered view that the present Application has been instituted within the prescribed period of limitation and is not barred by limitation.

4.4 It is observed from the Statement of Accounts placed by the Financial Creditor on record, that the outstanding amount as on 27.02.2020 was ₹51,99,68,600/-. The Financial Creditor has further submitted that interest amounting to approximately ₹48,00,000/- was debited on 29.02.2020, being the last day of the month. Consequently, the outstanding amount exceeded the sanctioned credit limit of ₹52,00,00,000/-. As per the terms and conditions of the sanction, the excess amount was required to be regularised on or before 10.03.2020. However, the Corporate Debtor failed to regularise the account within the stipulated time, resulting in the occurrence of default on 10.03.2020.

4.5 It is further observed that the Ad hoc (CC) Facility was sanctioned vide Sanction Letter dated 26.12.2019 for a period of 90 days. The terms of the said Sanction Letter specifically stipulated that the Ad hoc (CC) Facility was to remain valid for 90 days and was required to be adjusted on or before the expiry of the said period from the date of its availment. The date of default in respect of the said facility has been reflected as 24.03.2020, which is in accordance with the terms and conditions of the sanction. Accordingly, this Tribunal is satisfied that the Financial Creditor has established the existence of financial debt as well as the occurrence of default in respect of both the Cash Credit Facility and the Ad hoc (CC) Facility. Therefore, the requirement of proving debt and default stands duly satisfied.

4.6 The next contention raised by the Corporate Debtor is that the actual date of default ought to be reckoned from the date on which the account was classified as Non-Performing Asset (NPA), i.e., 29.11.2020, and therefore, the present Application is barred under Section 10A of the Code. This contention has been duly considered by this Tribunal. Upon perusal of the sanctioned terms governing the credit facilities, it is evident that the dates of default, as claimed by the Financial Creditor, are in accordance with the contractual terms mutually agreed upon between the parties. It is well settled by the

Hon'ble Supreme Court in Laxmi Pat Surana v. Union Bank of India that for the purpose of an application under Section 7 of the Code, the relevant consideration is the "date of default" and not the date on which the account is classified as an NPA. In the present case, the dates of default, namely 10.03.2020 and 24.03.2020, have been established in terms of the contractual stipulations and not on the basis of the NPA classification. Also, it is noticed from the record that the dates of default considered by the Financial Creditor in Part IV of the present application were amended *vide* IA 5435 of 2023, which was subsequently allowed *vide* order of this Adjudicating Authority dated 06.05.2024. It is also noted that the said order dated 06.05.2024 has meanwhile attained finality as the same does not appear to have been challenged by the Corporate Debtor in appeal. Accordingly, this Tribunal is of the considered view that the amended dates of default, as pleaded by the Financial Creditor, fall outside the suspension period covered under the provisions of Section 10A of the Code. Consequently, Issues (ii) and (iii) are decided in favour of the Financial Creditor.

4.7 In view of above discussions, we find that all pre-requisites of Section 7(5)(a) of the Code are fulfilled and, accordingly, we are satisfied that the instant Application is fit for admission under Section 7 of the Code.

4.8 The Financial Creditor, has proposed the name of **Mrs. Megha Agrawal** a registered Insolvency Professional having Registration Number- **IBBI/IPA-001/IP-P01456/2018-2019/12272** as the Interim Resolution Professional, to carry out the functions as mentioned under the Code. It has also provided valid AFA of the proposed IRP and given its written consent dated 11.03.2026, inter alia, stating that no disciplinary proceedings are pending against them by way of an Additional Affidavit dated 13.03.2026.

ORDER

In the result, this Application bearing **C.P. (IB) No.232MB/2023** under Section 7 of the Code read with Rule 4 of the AAA Rules, filed by the Applicant **Central Bank of India**, the Financial Creditor, for initiating CIRP in respect of Respondent **Superfine Metals Private Limited**, the Corporate Debtor is **admitted.**

We further declare moratorium under Section 14 of the Code, with consequential directions as follows:

I. We prohibit-

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

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

c) any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

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

III. Notwithstanding the above, during the period of moratorium: -

(a) 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;

(b) That the provisions of sub-section (1) of Section 14 of the Code shall not apply to-

(i) Such transactions as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(ii) A surety in a contract of guarantee to a corporate debtor.

IV. That the public announcement of the CIRP shall be made in immediately as specified under Section 13 of the Code 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 **Mrs. Megha Agrawal,** a registered Insolvency Professional having **Registration No. IBBI/IPA-001/IP-P01456/2018-2019/12272** and **e-mail address** **ip.meghaagrawal@gmail.com** and valid Authorisation for Assignment up to **30.06.2027** as the IRP to carry out the functions under the Code.

VI. The fee payable to IRP/Resolution Professional (hereinafter referred to as “RP”) shall be in accordance with the Regulations/Circulars issued by the Insolvency and Bankruptcy Board of India (hereinafter referred to as “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 Code. The officers and managers of the Corporate Debtor are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP within a period of one week from the date of receipt of this Order and shall not commit any offence punishable under Chapter VII of Part II of the Code. Coercive steps will follow against them under the provisions of the Code read with Rule 11 of the National Company Law Tribunal Rules, 2016 (hereinafter referred to as “NCLT Rules”) for any violation of law.

VIII. That the IRP/IP shall submit to this Tribunal periodical 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 (hereinafter referred to as "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. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.

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

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

Sd/-	**Sd/-**
SANJIV DUTT	**ASHISH KALIA**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**

//LRA-Mukund Mandrawaliya//