



NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT VI

Item No. P-1

C.P.(IB)/1001(MB)2025

CORAM

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING DATED **16.02.2026**

NAME OF THE PARTIES : **Union Bank Of India Limited**

Vs

Heera-Ind Trading Private Limited.

Under Section 7 of the IBC, 2016.

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/-
SAMEER KAKAR
MEMBER (TECHNICAL)

//SS//

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)



**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH – VI**

CP(IB)/1001/MB/2025

*(filed 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

UNION BANK OF INDIA

Having its registered Office at 1st Floor,
Asset Recovery Branch, Suyog Plaza,
1278, Jangali Maharaj Rd, Above
McDonald's, Deccan Gymkhana, Pune,
Maharashtra 411004

... Applicant/Financial Creditor

M/S. HEERA—IND TRADING PRIVATE LIMITED

Having its registered Office at
Krida Bhavan Bldg., B/H Municipal Council,
Nandurbar - 425412. Maharashtra, India

... Respondent/Corporate Debtor

Order pronounced on 16.02.2026

CORAM :

SH. NILESH SHARMA, HON'BLE MEMBER (JUDICIAL)

SH. SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)

APPEARANCE (IN HYBRID MODE)

For Financial Creditor: Adv. Mr. Rohit Gupta a/w Adv. Mr. Aayush
Kothari a/w Adv. Ms. Niharika Jalan & Adv.
Mr. Parth Chaurasiaya

For Corporate Debtor: Adv. Mr. Avinash R. Khanolkar a/w Adv. Mr.
Gajendra A. Rajput



O R D E R

PER: SAMEER KAKAR, MEMBER (TECHNICAL)

1. This is an Application filed under Section 7 of Insolvency and Bankruptcy Code, 2016 by **Union Bank of India (hereinafter referred to as “the Financial Creditor”)** against **M/s Heera—Ind Trading Private Limited (hereinafter referred to as “the Corporate Debtor”)** seeking commencement of CIRP, appointment of IRP and declaration of moratorium upon the Respondent.
2. Perusal of the Part I of the Application reveals that the Applicant is one **Union Bank of India** (hereinafter referred to as “**the Financial Creditor**”) “having its registered Office at 1st Floor, Asset Recovery Branch, Suyog Plaza, 1278, Jangali Maharaj Rd, Above Mcdonald’s, Deccan Gymkhana, Pune, Maharashtra 411004 through its Authorised Officer **Mr. Amit Bhaskarrao Thorat** duly authorised in this regard. The Corporate Debtor has its PAN as AAACU0564G and was incorporated on 11.11.1919.
3. Part II of the application reveals that the Corporate Debtor is one **M/s Heera—Ind Trading Private Limited**. The Corporate Debtor is registered under CIN: U52208MH2012PTC230086 and was incorporated on 23.04.2012. The registered office of the Corporate Debtor is located at Krida Bhavan Bldg., B/H Municipal Council, Nandurbar - 425412. Maharashtra, India.



4. Perusal of the Part III reveals that the Applicant has named **Mr. Mahesh Goverdhan Bagla**, 404 and 405, Sahil Kohinoor Gokul Nagar 2, State Bank Of India Lane ,Katraj Kondhwa Highway, Kondhwa Budruk ,Shikshak Society Lane-1 ,Pune ,Maharashtra ,411048 Email ID: **maheshgbagla@gmail.com** having **IP Registration No IBBI/IPA-002/IP-N00689/2018-2019/12207**.
The proposed IRP has given his consent in Form No. 2 which is appended at Page No. 20 to 22. The AFA of the proposed IRP is valid till 30.06.2026.
5. Perusal of the Part IV reveals that Applicant has granted a loan of Rs. 47,40,00,000/- (Rupees Forty-Seven Crores Forty Lakhs only) to the Respondent out of which of a sum of Rs. 40,00,00,000/- (Rupees Forty Crores Only) was by way of cash credit limit and a sum of Rs. 7,40,00,000/- (Rupees Seven Crores Forty Lakhs Only) was towards term loan.
6. It is stated that the Applicant has disbursed the Cash Credit Facilities of Rs. 40,00,00,000/- (Rupees Forty Crores Only) on 30.09.2019. The term loan of Rs. 7,40,00,000/- (Rupees Seven Crores Forty Lakhs Only) was disbursed on 26.11.2021.
7. The Applicant has placed before us the relevant account statements to prove the disbursement along with Bankers Books Evidence Act certificate and certificate under Section 65(b) of the Evidence Act.



8. The total claim in this Application is Rs. 65,56,15,020.85/- (Rupees Sixty-Five Crore Fifty-Six Lakhs Fifteen Thousand Twenty and Eighty-Five Paisa only).
9. The above amount comprises of principal amount of Rs. 49,15,43,056.22/- (Rupees Forty-Nine Crores Fifteen Lakhs Forty-Three Thousand Fifty-Six and Twenty-Two Paisa) and Rs. 16,40,71,964.63/- (Rupees Sixteen Crores Forty Lakhs Seventy-One Thousand Nine Hundred Sixty-Four and Sixty-Three Paisa) towards interest.
10. It is stated that the Corporate Debtor could not keep the Financial discipline and the account of the Corporate Debtor was classified as NPA on 16.04.2023.
11. The Date of Default is mentioned has 16.04.2023.
12. It is stated that the Applicant has first time sanctioned the cash credit limit vide sanction letter dated 23.08.2019 and various security documents were executed to secure the loan facility.
13. It is stated that due to Covid-19 Pandemic, the Corporate Debtor faced some liquidity issues in conducting its business and therefore Corporate Debtor approached the Financial Creditor for the loan of amount of Rs. 4 Crore which was sanctioned vide letter dated 03.08.2020 under the Covid Emergency Line of Credit Scheme (ECLGS), which was subsequently disbursed on 04.08.2020.



14. It is stated that the Corporate Debtor repaid the entire Emergency Line of Credit Scheme (ECLGS) loan on 26.11.2021, accordingly the said loan account was closed.
15. It is stated that upon the request of the Corporate Debtor, the Financial Creditor vide sanction letter dated 24.11.2021 sanctioned the term loan facility of Rs. 7.4 crores for a period of 48 months with moratorium of 12 months.
16. The entire amount of the term loan facility was disbursed on 26.11.2021.
17. It is stated that post the account of the Corporate Debtor turning NPA on 16.04.2023 the Financial Creditor issued a notice dated 24.04.2023 under Section 13(2) of the SARFAESI Act, 2002.
18. It is stated that certain payments were made by the Corporate Debtor from May, 2023 to August, 2023, however the Corporate Debtor failed to make any further payment and thereafter notice dated 01.09.2023 under Section 13(4) of SARFAESI Act, 2002 was issued.
19. The Corporate Debtor thereafter failed to make repayment in respect of the loan amount and hence the present Application.
20. The Applicant is holding the following securities: -
 - I. NA Residential Plot No. 1 to 4 situated at Survey No. 177/1+2, Bansilal Nagar, Nandurbar.
 - II. Non-Agriculture City Survey No. 1197 & 1204 situated at Nandurbar, Maharashtra.



- III. NA Plot No. 1 to 54.56 & 57 situated at S. No. 368/I, Indumati Nagar. Nandurbar.
- IV. NA Residential Plot No. 6A, 6B, 7A, 7B, 8A, 8B, 9, 10, 11A, 11B, 12A, 12B, I3A, 13B, 79B, 80A, 80B, 81A, 81B, 82A, 83B, 84A, 84B, 85A, 85B, 86A, 87B, 88A, 88B, 89A, 89B, 90A, 91B, 92A, 92B, 93A, 93B, 94A, 95B. 96A, 96B, 97A, 97B, 98A, 99, 100A, 100B, 101A, 101B, 102, 103, 108A, 108B, 109A, 109B, 110A, 110B, III, 112, 113A, 113B, 114A, 114B, 115A, 115B, II6A, 116B, 117A, 117B, 118A, 118B, 119, 120A, 120B, 121A, 121B, I22A, 122B, I23A, 123B, I24A, 124B, 125A, 125B, 126, 127, 128A, 128B, 129A, 129B, 130A, 130B, 131A, 131B, I32A, 132B, I33A, 133B, 134, I35A, 135B, 136A, 136B, 137A, 137B, 138A, 138B, I39A, 139B, 140A, 140B, 141, I42A, 142B, I43A, 143B, 144A, 144B, 145, 146A, 146B, 147A, 147B, 148, 149, 150A, 150B, 15IA, 15IB, 152, 153, I54A, 154b, 155A, 155B, 156, 157, I58A, 158B, I59A and 159B situated at Survey No. 48/1A, 48/1B, 49 at Kakaji Nagar, Tokartale, Nandurbar.
- V. NA Residential Plot No. IA, 1B, 2A, 2B, 3A, 3B, 4A, 4B, 5A, 5B, 6A, 6B, 7A, 7B, 8A, 9A, 9B, 10 TO 27, 32, 33A, 33B, 34A, 33B, 35A, 35B, 35B, 35B,36A, 36B, 37A, 37B, 38A, 38B, 39A, 39B, 40A, 40B, 41, 42, 43A, 43B, 44A, 44B, 45A, 45B, 46A, 46B, 47A, 47B, 48A, 48B, 49A, 49B, 51, 54, 55A, 55B, 56A, 56B, 57A, 57B, 58A, 58B, 59A, 59B, 60A, 60B, 61, 62,



63A, 63B, 64A, 64B, 65A, 65B, 66A, 66B, 67A, 67B, 68, 69, 70A, 70B, 71A, 71B, 72A, 72B, 73A, 73B, 74A, 74B, 75, 76, 77A, 77B, 78A, 78B, 79A, 79B, 80A, 80B, 81A, 81B, 82A, 82B, 83, 84, 85A, 85B, 86A, 86B, 87A, 87B, 88A, 88B, 89A, 89B, 90A, 90B, 91, 104, 105A, 105B, 106A, 106B, 107A, 107B, 108A, 108B, 109, 110A, 110B, 111, 112A, 112B, 113A, 113B, 114A, 114B, 115A, 115B, 116A, 116B, 117A, 117B, 118A, 118B, 119, 120, 121A, 121B, 122A, 122B, 123A, 124 situated at Survey No. 51/IA/IA, 51/1A/IA/1, 51/IA/IB, 51/1A/2, 51/I/B and 51/2, Rakaswada, Nandurbar, Maharashtra.

VI. Heera Palace, Commercial Plot and construction thereon at Cts. No. 432/1 A/A/3, Nandurbar, Maharashtra.

VII. Hotel Heera Executive, Commercial Hotel Building and Plot at Survey No. 298/1/3, Dhule Road Taluka, Dist. Nandurbar, Maharashtra 425412

VIII. Flat No. 201, Plot No. 23/B & 23/C, Sector - 6, Elcastillo, Palm beach Road, Nerul West, Thane, Navi Mumbai, Maharashtra - 400706.

21. The Applicant has attached NeSL record of default being Form-C.

22. The Applicant relies upon the following documents: -

I. Annexure E — Copy of the Sanction Letter dated 20th August, 2019.



- II. Annexure F — Copy of the Mortgage Deed dated September, 2019.
- III. Annexure G — Copy of the Sanction Letter dated 24th November, 2021.
- IV. Annexure H — Copy of the Charge Registration w.r.t. the Cash Credit Facility.
- V. Annexure I — Copy of the 13(2) notice dated 24th April, 2023.
- VI. Annexure J — Copy of the 13(4) notice dated 1st September, 2023.
- VII. Annexure K — Copy of the Original Application filed before the Hon'ble DRT, Aurangabad.
- VIII. Annexure L — Copy of the Account Statement of the Term Loan Facility.
- IX. Annexure M — Copy of the Account Statement of the Cash Credit Facility.
- X. Annexure N — Copy of the Form AOC-4 along with relevant extract of acknowledgement of Financial Statement(s) downloaded from the MCA Portal.
- XI. CIBIL Report of the Corporate Debtor attached as Annexure "N".
- XII. Copy of the Bankers Book Evidence Act, 1891, Certificate are attached as Annexure "O".
- XIII. Annexure D - Copy of the Working Computation.



23. This Application was affirmed by one Mr. Amit Bhaskarrao Thorat duly authorized under power of Attorney dated 14.09.2009.

24. Notice was issued by this Tribunal vide order dated 24.09.2025.

Reply :-

25. The Corporate Debtor filed a reply through an affidavit dated 10.01.2026 affirmed by one Mrs. Vandana Ravindra Chaudhary authorized signatory duly authorized by board resolution dated 03.12.2025. The following defense has been taken in the reply: -

- I. The present petition is not maintainable as petitioner is not doing anything other than to recover its amount by help of this Tribunal which is not permissible under the provisions of this Code.
- II. The petitioner cannot seek specific performance of the terms of the *inter-se* agreement entered between the parties.
- III. The petitioner has no authority to initiate the present petition. The power of attorney attached along with petition is not conferring any power to the signatory to institute the present petition. There is no resolution appended to the Power of Attorney.
- IV. The date of default dated 16.04.2023 is incorrect.
- V. The Petitioner itself has averred that the Account of the Respondent was irregular and during period of Pandemic COVID —19 the Corporate Debtor faced huge liquidity crunch



and therefore, the Petitioner sanctioned additional financial assistance to the Respondent.

- VI. It is stated that the Cash Credit Account of the Respondent was irregular during COVID period neither the limits were renewed nor the account was declared as Non —Performing Asset(NPA) by the Petitioner in that period only.
- VII. It is stated that the Applicant has violated the relevant RBI norms to declare the account of the Corporate Debtor as NPA more particularly to the master circular of RBI dated 01.09.2001 and para 4.2 thereunder.
- VIII. Thereafter Respondent relies upon the decision of Hon'ble Apex Court in the matter of Ramesh Kymal Vs. Siemens Gamesa Renewable Power Pvt. Ltd, (2021) 3 SCC 224 wherein it is categorical held that petitioner cannot change the date of Default as per its convenience.
- IX. It is the case of the Respondent that the Date of Default lies elsewhere and somewhere in the Covid period exempted under Section 10A of the Code.
- X. It is stated that there is a breach of the contract by the Petitioner and that Respondent has not defaulted.
- XI. It is stated that the Respondent in the business of liquor trading and wholesale distribution since more than a decade.



- XII. It is stated that the Applicant sanctioned the credit facilities more particularly (CC Account) to take over the loan form the Nasik Merchants Co-operative Bank Limited, Nashik.
- XIII. It is stated that though certain facilities were sanctioned on paper, Petitioner has failed to disburse the entire sanctioned amount, thereby severely affecting the working capital cycle and day-to-day operations of the Respondent.
- XIV. It is stated that the excessive rate of interest, arbitrary debit entries, non-application of concessional rates as assured by the Financial Creditor were applied.
- XV. It is stated that the Applicant Bank has unilaterally declared the account of the Respondent as NPA without any notice.
- XVI. It is stated that the petitioner has not adhered to the RBI guidelines for restructuring of Loan/Credit Facilities granted to MSME Entity.
- XVII. It is stated that the Corporate Debtor should be given fair chance of revival thereafter the Respondent has relied upon the Judgment of Hon'ble Supreme Court in the matter of M/s. Vidarbha Industries Power Limited v Axis Bank {(2022) 8 SCC 352}.
- XVIII. It is stated that Respondent says it is solvent company and very much in a position to serve the debt.
- XIX. Thereafter, the Respondent seeks dismissal of the present Application.



Rejoinder by the Applicant: -

26. Affidavit in Rejoinder dated 21.01.2026 was filed by the Applicant herein duly affirmed by one Mr. Amit Bhaskarrao Thorat Chief Manager of the Financial Creditor.

27. **The salient points of the Rejoinder is as under: -**

- I. It is stated that affidavit in reply is affirmed by Mrs. Vandana Ravindra Chaudhary who has herself initiated proceeding in the capacity of the Personal Guarantor of the Corporate Debtor under Section 94 of the IBC Code, 2016 bearing CP/(IB)/794 of 2025 and that acting upon such petition vide an order dated 20.08.2025 this Tribunal has appointed a resolution professional for the Personal Guarantor (Mrs. Vandhana Ravindra Chaudhari). It is stated that the debt in default claimed in the CP/IB/794 of 2025 pertains to the present Corporate Debtor and the Applicant herein.
- II. It is stated that the reply is ex-facie unsustainable since signed by Director who is not competent to do so in view of the disqualification as provided in Section 167 of the Companies Act, 2013 according to which an insolvent person should vacate the office of the director.
- III. It is stated that under Section 7 petition this Adjudicating Authority has to merely see the Debt and Default which is reflected in the NeSL report.



- IV. The Adjudicating Authority is not required to conduct roving enquiry into disputes unless the debt is disputed with substantial grounds.
- V. It is stated that the present petition is not recovery action but a statutory remedy available to the petitioner under Section 7 of the Code, triggered upon the Corporate Debtor's default in servicing the financial debts and the same is confirmed by Mrs. Vandana Chaudhari in her Petition filed under section 94 of the Code.
- VI. It is stated that qua the Date of Default the petitioner submits that the Date of Default is correct and which is demonstrated by the pleadings.
- VII. It is stated that the Board of Directors of the Financial Creditor by way of Board resolution dated 06.12.2008 authorized Mr. LNV Rao and Mr. KR Vijayendra to delegate and further authorize. Accordingly, by this Authority both of them have authorized Mr. Amit Bhaskarrao Thorat as an authorized representative of the Financial creditor. The said authorization expressly empowers Mr. Amit Bhaskarrao, Thorat to commence, prosecute, endorse, defend, answer and /or oppose any suit or other legal proceedings including any civil or criminal proceedings in any court or Tribunals.



- VIII. It is stated that the any Court or Tribunal includes statutory Tribunals such as National Company Law Tribunal and Mr. Amit Bhaskarrao Thorat has requisite authority.
- IX. It is stated that the petition is complete in all respect and the Respondent has not shown that its account was irregular during the Covid period.
- X. The Applicant has sanctioned the Covid Emergency Line of Credit at the request of the Corporate Debtor in line with the Reserve Bank of India ("RBI") Guidelines.
- XI. It is stated that the Financial Creditor under Union Guaranteed Emergency Credit Line scheme (UGECL) sanctioned Rs. 7.4 crores vide sanction letter dated 24th November, 2021, which was disbursed on 26th November, 2021.
- XII. It is stated that the as on 24th November,2021, account of the Corporate Debtor was shown as "standard", and that is why UGECL Loan was sanctioned by the Financial Creditor to the Corporate Debtor.
- XIII. It is stated that during the Covid Period, there was a moratorium imposed by the RBI on payment of the interest and hence it cannot be construed that the account was irregular or there was a default.
- XIV. It is stated that the Respondent is misguiding this Tribunal.



- XV. It is stated that there is a clear default in view of the petition filed by Mrs. Vandana Ravindra Chaudhary under Section 94 of the Code which also establishes the date of default.
- XVI. It is stated that the Applicant took over the cash credit limit of Rs. 12 crores from Nashik Marchant Co-operative Bank Limited which were enhanced to Rs. 40 Crore by the Applicant and which were entirely disbursed to the Corporate Debtor.
- XVII. It is stated that so far as the exercising remedy under IBC more particularly Section 7, 9 or 10, the declaration of NPA has no relevance. It is on the event of the default that the petition under Section 7 can be filed.
- XVIII. It is stated that the plea of “solvency” as taken by Corporate Debtor cannot be relied upon and in case the Corporate Debtor is solvent company, they should pay the entire balance outstanding to the Applicant herein.
- XIX. It is stated that the if company was solvent there was no reason why Mrs. Vandana Ravindra Chaudhary would file petition under Section 94 of the Code.
28. In view of the above the Applicant presses for admission of the present Application.
29. The Applicant has filed an Additional Affidavit dated 02.01.2026 exercising liberty given by this Tribunal vide order dated 24.09.2025 placing on record the form-D issued by NeSL.



30. Perusal of the same reveals that NeSL has issued the form-D in respect of cash credit facilities recording the date of default as 16.04.2023 and amount of the default to be Rs. 57,68,29,738.49/- with the status of authentication of default as “Authenticated”. It is also seen that the authentication was completed on 27.09.2025.
31. At Page No. 2 another record of default in Form-D in respect of Term Loan facilities has been attached on Page No. 17 which shows the date of default as 16.04.2023 the amount in default to be Rs. 8,46,15,149/- status of authentication “Authenticated” and authentication completed on 14.11.2025.
32. During the hearing held on 28.01.2026, The Applicant’s counsel has relied upon the following Judgments:-

Sr. No.	Name of the Judgment	Citation	Page No.
1.	Innovative Industries Limited Versus ICICI Bank & Anr	In the Hon’ble Supreme Court of India. (2018) 1 SCC 407	1-61
2.	Elegna Co-op Housing and Commercial Society Versus Edelweiss Asset Reconstruction Company Limited & Anr	In the Hon’ble Supreme Court of India. Civil Appeal No. 10261 of 2025	62-114



3.	Vipul Himatlal Shah & Anr Versus Teco Industries & Anr	In the Hon'ble National Company Law Appellate Tribunal, Delhi. Company Appeal (AT) (Insolvency) No. 470 of 2022	115- 129
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33. The primary thrust of the Applicant's Counsel was on Para-30 of Innovative (Supra) which is reproduced below:-

On the other hand, as we have seen, 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.

34. The Applicant Counsel thereafter also relied upon Vipul Himatlal Shah & Anr. (Supra) more particularly para 16 & 17 which are reproduced below:-

"16. In the light of the detailed discussion as above, it is clear that in case the record of information Utility shows that there is a debt which is in default, the Adjudicating Authority or the Appellate Authority are not required to further examine the record maintained by the information Utility, moreso when the record of the Information Utility is deemed authenticated and no dispute or



refutation of said record has been done by the Corporate Debtor earlier. We also note that in the judgment of **Rushabh Civil Contractors Pvt. Ltd. vs. Centrio Lifespaces Ltd. (supra)**, which has been cited by the Learned Counsel for Appellant, the record that formed the basis for financial debt and default was found to be forged and fabricated, which is not the case in the present appeal. Therefore, this judgment does not come to the rescue of the Appellant.

17. In view of the detailed discussion in the aforesaid paragraphs, we are of the opinion that the Adjudicating Authority has not committed any error in admitting the section 7 application filed by the financial creditor M/s. Teco Industries. The Appeal is therefore dismissed as being devoid of merit and disposed of accordingly.”

35. The facts were reiterated by the Ld. Counsel for the Applicant.
36. On the other hand, Ld. Counsel for the Respondents Mr. Avinash R. Khanolkar pressed upon only two points i.e. authority of the Applicant and the Date of Default. He clearly gave up the other defences contained in the reply. The same is also recorded in the order dated 28.01.2026. The relevant portion of the order dated 28.01.2026 is reproduced hereunder:-

Analysis and Findings:-

37. We have heard both the sides and perused the pleadings placed before us.



38. It is case of the Applicant that they sanctioned and disbursed cash credit limit amounting to Rs. 40,00,00,000/- and Term Loan of Rs. 7,40,00,000/ to the Respondent on different dates.
39. The Applicant has presented necessary evidence to show that the loan was against time value of money and hence the debt is financial debt.
40. In reply the Corporate Debtor has not disputed the factum of loan and that they were sanctioned and disbursed the debt against time value of money.
41. It is case of the Applicant that the Corporate Debtor after availing the loans defaulted in there payment/interest payment and that the account of the Corporate Debtor was classified as NPA on 16th April, 2023.
42. The total claim made in this Application is Rs. Rs. 65,56,15,020.85/- and the Respondent in its reply has not disputed that the debt.
43. The Applicant has placed before us the records of default being Form-D issued by NeSL with respect to two loans, which are under “Authenticated” status.
44. The Applicant has also placed before us a copy of the Power of Attorney issued in favour of **Mr. Amit Bhaskarrao Thorat**. We are of the view the said Power of Attorney authorizes the said **Mr. Amit Bhaskarrao Thorat** to file present Application. As such the issue raised by the Respondent in this regard is not maintainable.



45. The Applicant has brought to the notice of this Tribunal that the deponent on behalf of the Respondent, who has filed the reply preferred an Application under Section 94 of the Code, bearing CP/(IB)/794 of 2025 in which Coordinate Bench of this Tribunal has already appointed an RP. The debt in default in the said CP/(IB)/794 of 2025 is that at the Applicant herein payable by the Corporate Debtor herein, which is guaranteed by the said deponent. In this regard, the applicant has on page Nos. 14 -17 of its rejoinder dated 21.01.2026 attached a copy of the order dated 20.08.2025 passed by the Ld. co-ordinate court of the Mumbai Bench of NCLT vide which an RP has been appointed in a Section 94 Application filed by Ms. Vandhana Ravindra Chaudhary, who has filed the Reply dated 10.01.2026 on behalf of the Corporate Debtor.
46. As such in our view the deponent is on the one hand admitting the default whereas on the other hand challenging the same.
47. It is cardinal principal of jurisprudence that the person cannot **approbate and reprobate** in the same breath whereas on the one hand the Deponent who is the Applicant in Section 94 Application is admitting the default CO/IB/294/2025 in CP/(IB)/794 of 2025, in the present petition she is opposing the debt and default.
48. The Applicant has placed before us Judgment of Hon'ble Supreme Court of India in "**Innovative Industries Limited Vs. ICICI Bank & Anr.**" and of Hon'ble National Company Law Appellate Tribunal in "**Vipul Himatlal Shah & Anr. Vs. Teco Industries & Anr.**"



Hon'ble Supreme Court has in the Innovative matter has held that in case of a Section 7 Application, the Adjudicating Authority has merely to see the record of information utility or other evidence produced by the Financial Creditor to satisfy itself that default has occurred. Relevant portion of the said Judgment with further analysis is provided in subsequent part of this order. Under the Vipul Himatlal Judgement, the Hon'ble NCLT has clearly held that the moment a default is established by placing the record of default issued by Information Utility, this Adjudicating Authority is left with no choice, in case the Application is complete, but to order for commencement of CIRP.

49. In our view the Application is complete in all respect.
50. The Applicant has placed before us proof for existence of debt in default exceeding Rs. 1 crore.
51. The Respondent has contended that its account was irregular during Covid Period, however, the Applicant did not declare the bank account as NPA in violation of applicable RBI master circular and therefore, the date of NPA, which is declared as the date of default in the Application being 16.04.2023. The Applicant has in rejoinder stated that as on 24.11.2021 (which was after the period falling within Section 10A of IBC, 2016) the loan account of the Corporate Debtor was standard and for the said reason only further loan of Rs. 7.40 crores was sanctioned on 24.11.2021 and disbursed on 26.11.2021. The Applicant has further stated that due



to moratorium imposed by the RBI on payment of interest during Covid Period, the account was not treated as irregular. However, in our view, this Adjudicating Authority is not having the jurisdiction to decide the issue as to the wrong classification or non-classification of account as NPA and is only concerned as to whether a default has taken place in repayment of debt exceeding Rs. One Crores as per Section 4 of IB, 2016 and the debt falls well within the limitation period as two the Respondent has even made certain payments during the period from May, 2023 to August, 2023 and that both the loans were, recalled vide notice U/s 13(2) dated 01.09.2023 after accounts were classified as NPAs on 16.04.2023. In view of the same there are no merits in the defence taken by the Respondent.

52. Application is filed on **11.09.2025**, which is within limitation period i.e. within 3 years from the date of default **16.04.2023**.
53. The applicant has vide additional affidavit dated 02.01.2026 brought on record NeSL records of default in Form-D, which are attached on page No. 2 and 17 of the said additional affidavit. The said records of default reflect the date of default as 16.4.2023 and status of authentication of default as "AUTHENTICATED".
54. In view of the facts as stated supra and also in view of the 'financial debt' which is proved by the Financial Creditor and the 'default' being committed on the part of the Corporate Debtor, this Tribunal is left with no other option than to proceed with the present case



and initiate the Corporate Insolvency Resolution Process in relation to the Corporate Debtor. We also notice that the Application is complete as all the required details and documents are provided/attached. We also find that against the IRP proposed to be appointed under the Application, as per the consent form attached, no disciplinary proceedings are pending.

55. Further, the Hon'ble Supreme Court in the case of ***Innoventive Industries Limited v. ICICI Bank Limited***, (Civil Appeal Nos. 8337-8338 of 2017) (2017) 8SCR 33 has discussed extensively the scope of the power of the Adjudicating Authority under section 7 of the IBC and has held that the same is limited to assessing the records provided by the financial creditor to satisfy itself that the default has occurred. The relevant portion of the said Judgment is reproduced below:

“28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the explanation to Section 7(1), a default is in respect of a financial debt owed to any financial creditor of the corporate debtor – it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in part III, particulars of the financial debt in part IV and documents, records and evidence of default in part V. Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the registered office of the



corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important. This it must do within 14 days of the receipt of the application. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the “debt”, which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under sub-section (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be.

.....

30. On the other hand, as we have seen, 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”.

56. As a consequence of the above analysis, the present Application being **CP(IB)/1001/MB/2025** is being admitted in terms of Section 7 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor.



57. In view of the forgoing, we order for commencement of Corporate the Insolvency Resolution Process against the Corporate Debtor herein in terms of the following.

- i. The Respondent/Corporate Debtor- **M/S. HEERA—IND TRADING PRIVATE LIMITED** is admitted in the Corporate Insolvency Resolution Process under Section 7 of the IBC, 2016.
- ii. As a consequence, thereof, the moratorium under Section 14 of the IBC, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the IBC, 2016:
 - a. the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - b. transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
 - c. any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
 - d. the recovery of any property by an owner or lessor where



- such property is occupied by or in the possession of the Corporate Debtor;
- e. The provisions of sub-section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to the Corporate Debtor.
- iii. The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33 of the IBC, 2016, as the case may be.
- iv. It is further directed that the supply of essential goods/services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period as per provisions of sub-sections (2) and (2A) of Section 14 of IBC, 2016.
- v. Since the Applicant has named an IRP, we hereby appoint **Mr. Mahesh Goverdhan Bagla**, having registration no **IP Registration No – IBBI/IPA-002/IP-N00689/2018-2019/12207**. as the IRP of the Corporate Debtor.



- vi. The IRP shall perform all his functions as contemplated, inter-alia, under Sections 17, 18, 20 & 21 of the IBC, 2016. 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 under section 19 of the IBC, 2016 for extending assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.
- vii. This Adjudicating Authority directs the IRP to make a public announcement for the initiation of CIRP and call for the submission of claims under Section 15, as required by section 13(1)(b) of the IBC, 2016.
- viii. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever.
- ix. The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- x. The IRP shall be under duty to protect and preserve the value of the property of the Corporate Debtor and manage



the operations of the Corporate Debtor as a going concern, to the extent possible, as a part of obligation imposed by Section 20 of the IBC, 2016.

- xi. **The Financial Creditor is directed to pay an advance of Rs. 3,00,000/-** (Rupees Three Lakhs Only) to the IRP within a period of 7 days from the date of this order **to meet the cost of CIRP** arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- xii. The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the IRP and the concerned Registrar of Companies, after completion of necessary formalities, within seven working days and upload the same on the website immediately after the pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specifically mentioning regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.
- xiii. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.
- xiv. The IRP is directed to issue notice of admission upon all the statutory authorities of the Corporate Debtor without fail.



58. **Accordingly, CP(IB)/1001/MB/2025** stands admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)
(frk)

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)