



IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. I
KOLKATA
C.P (IB) NO. 161/KB/2025

*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*

IN THE MATTER OF:

Indian Bank

...Financial Creditor

Versus

M/s. APL Metals Limited

...Corporate Debtor

Date of Pronouncement: 09.06.2026

CORUM:

Smt. Bidisha Banerjee, Member (Judicial)

Cmde Siddharth Mishra, Member (Technical)

APPEARANCE:

Mr. Santosh Kumar Ray, Adv.] For the Financial Creditor

Ms. Ashmita Lohia, Adv.]

Ms. Varsha Khowala, Adv.]

Mr. P.P. Bishwal, Adv.] For the Corporate Debtor

Ms. A. Dey, Adv.]



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O R D E R

Per: Smt. Bidisha Banerjee, Member (Judicial)

1. The Court convened through hybrid mode today.
2. The Ld. Counsels of both the parties were heard.
3. The instant application has been filed by Indian Bank, hereinafter referred to as the '**Applicant**', under section 7 of the Insolvency and Bankruptcy Code, for brevity 'IBC', read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, to initiate Corporate Insolvency Resolution Process ('CIRP', in short) in respect of APL Metals Limited.

SUBMISSIONS OF FINANCIAL CREDITOR

4. DETAILS OF THE PARTIES

- 4.1 **Indian Bank** is the Financial Creditor ('FC' in short) and Applicant herein.
- 4.2 The Corporate Debtor ('CD' in short) is **M/s. APL Metals Limited** (formerly known as 'Associated Pigments Ltd.') which is a company incorporated under the provisions of the Companies Act, 1956 and is engaged in the business to manufacture, buy, sell, import, export, manipulate, treat and prepare pigments and dyes of all varieties, specially Litharge, Red Lead, White Lead, Zinc Oxide, Chrome Colours, Lithophone, Titanium oxide, Synthetic Oxide of Iron, zinc and copper, etc. and paints of all varieties, specially out of the pigments.

5. DETAILS OF FINANCIAL DEBT AND DEFAULT

- 5.1 The CD/Principal Borrower namely M/s. APL Metals Limited, along with its guarantors, approached the Financial Creditor for credit facilities in the year 1996 and the same was duly approved and sanctioned by the Financial Creditor, security documents were executed by and between the Principal Borrower along with its guarantors and the Financial Creditor herein and a sanction letter dated 19.09.1996 annexed as annexure 'A-3' was issued.



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- 5.2 At the request of the Principal Borrower and its guarantors, the credit facilities were renewed, reviewed and enhanced from time to time by the Financial Creditor and as such several security documents were executed by financial creditor from time to time.
- 5.3 In the year 2023, the Principal Borrower and its guarantors were sanctioned credit facilities under a Consortium Credit Facilities sanctioned by Indian Bank in consortium arrangement with AXIS Bank Limited wherein the Consortium lender herein sanctioned 107.24 Crores vide sanction letter dated 17.10.2023, annexed as Annexure 'A-4'.
- 5.4 The Applicant vide the sanction letter dated 17.10.2023 has reduced the Overall Limit to Rs. 107.24 crores, comprised of the following Limits:-

Sl. No.	Facilities	Existing	Proposed
	FBWC		
1	CC	24.00	24.00
2	IBD LIMIT	30.00	30.00
3	EPC/EPCFC [Sub-Limit of CC]	(20.00)	(20.00)
4	PSC/PSCFC/FBN/FBP [sub-limit of CC]	20.00	20.00
5	WCTL under GECLS 2.0	17.00	10.24
6	WCTL under GECLS 2.0 (Ext)	9.00	9.00
	Total Funded	80.00	73.24
	Total Funded NFBWC		
1	Letter of Credit	33.00	33.00
2	Bank Guarantee	1.00	1.00
	Sub-Total (B)	34.00	34.00
	Grand Total	114.00	107.24

- 5.5 Pursuant to such sanction under a Consortium, the following security documents were executed :-
- Copy of Extract of Minutes of Meeting of the Defendant no.1 dated 14.11.2023.
 - Copy of Inter Se Agreement dated 13.12.2023.
 - Copy of Letter of Authority dated 13.12.2023 issued by the Applicant Bank.



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- iv. Working Capital Consortium Agreement dated 13.12.2023.
- v. Copy of Joint Deed of Hypothecation dated 13.12.2023.
- vi. Copy of Omnibus Counter Guarantee Agreement dated 13.12.2023.
- vii. Copies of Deed of Guarantee dated 13.12.2023 executed by the personal guarantors.

All are annexed as annexures A-5 to A-11.

- 5.6 Under the said agreement the CD was mandated to repay the sums, but the CD, after making part payments from time to time, failed and/or neglected to make repayments of the principal debt and interest thereon and thereby committed breach of the said sanction.
- 5.7 The Financial Creditor was constrained to declare the account of the Principal Borrower as NPA (Non-Performing Asset) on 29.08.2024 as per the prevailing directives/guidelines relating to asset classification issued by the Reserve Bank of India. The date of default is **15.05.2024**.
- 5.8 The Financial Creditor has a charge over the properties of the CD detailed as under:

A. Primary Security- Hypothecation of all Stocks, book-debts & other current asset of the company both present & future.

Collateral Security-1- Factory Land & Building and Plant & Machinery situated on Land admeasuring 15 Bighas 12 Kotha 12 Chittak a little more or less situated in Mouza- Sukhchar, Dag No. 1254/1593, 1576, 1252/1589, 1253 in Khatian No. 143, Dag No. 1252/1590, 1252/1591, 1252/1594 in Khatian No. 144, Dag No. 1252/1577, 1252/1587, 1252 in Khatian No. 1038, Dag No. 1251, 1254/1585, 1252/1588 and 1252/1586 and in Khatian No. 1165 situated at 260, B.T. Road, Sukchar, Sodepur, 24 Parganas (N).

B. Factory Land & Building and Plant & Machinery situated on Leasehold Land admeasuring 13005.00 Sq. Mtr. situated at Plot No. B-4 & B-5 in UPSIDC Industrial Area, Malwan, Tahshil-Bindaki, Fatehpur (U.P.) (Malwan Unit).



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C. Factory Land & Building and Plant & Machinery situated on Land admeasuring 5.99 acres more or less situated at Kanakpur, P.O Naranda (Panskura), Purba Mednipur, Pin 721139 (Panskura Unit).

The particulars are also available in MCA records as in Annexure A-2

- 5.9 A Demand Notice, being Annexure 'A-12', was also issued on 17.12.2024 through the Financial Creditor's Learned Advocate invoking the guarantee furnished by guarantors.
- 5.10 The financial creditor filed an Original Application under Section 19 of the Recovery of Debts and Bankruptcy Act 1993 before the learned DRT-I, Kolkata on 24.12.2024, and the said OA being No. 31 of 2025, is still pending adjudication.
- 5.11 The CD had acknowledged its liability from time to time till 02.01.2024, thereby extending the period of limitation as Section 18 of the Limitation Act, 1963 contemplates.
- 5.12 Thus the present application under section 7 of the IBC has been filed within the prescribed period of limitation of three years.
- 5.13 The outstanding sums due and payable by the Corporate Debtor to the Financial Creditor amounts to Rs. 1,14,87,34,238.89 (Rupees One Hundred and Fourteen Crore Eighty-Seven Lac Thirty-Four Thousand Two Hundred Thirty-Eight and Paise Eighty-Nine Only) inclusive of interest as on 20.06.2025 in respect of the credit facilities.
- 5.14 Having no other alternative the Financial Creditor has preferred this 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 to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor.



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SUBMISSIONS OF CORPORATE DEBTOR

6. The Corporate Debtor has not denied the debt and default. No reply is on record. Despite opportunity, no Written Arguments have been filed. However, it seems that a rejoinder has been filed, and the registry has accepted that, but the same cannot be accepted in absence of the reply.

ANALYSIS AND FINDINGS

7. Both the Learned Counsels were present at hearing and we have heard the Ld. Counsels for both the parties and perused the materials placed on record by the Petitioner.

8. DISCERNIBLE FACTS:

- 8.1 The sanction of credit limit is not disputed. There is no denial of 'debt' and 'default' by the CD.
- 8.2 The creation of charge over the properties of the CD as mentioned in the Part V is also not disputed.
- 8.3 The CD has in fact offered to settle with FC at an amount of Rs. 96 crores which the FC has refused to accept. Various OTS proposals from 03.03.2025 to 10.11.2025 have been brought on record by way of Supplementary Affidavit filed on 13.01.2026 and there is no denial of the same by the CD.
- 8.4 There is thus emphatic acknowledgement of debt by the CD.
- 8.5 The petition is not barred by Limitation, the date of default as per petition being 15.05.2024.
- 8.6 The threshold prescribed under section 7 of IBC is duly met.
- 8.7 The petition has been duly filed by authorized representative in terms of a Power of Attorney as attached in Annexure A-1.
- 8.8 The disbursal of money against consideration for the time value of money is established. Thus, debt is in the nature of a "financial debt"



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for which this petition under section 7 of the IBC is **squarely maintainable**.

9. JUDICIAL DECISIONS

9.1 We are fortified in our view that the 'debt' is in the nature of a financial debt with the decisions of Hon'ble Apex Court which define "Financial Debt" as follows:

(a) Pioneer Urban Land and Infrastructure Ltd. v. Union of India reported in (2019) 8 SCC 416:

"any debt to be treated as financial debt, there must happen disbursement of money to the borrower for utilization by the borrower and that the disbursement must be against consideration for time value of money."

(Emphasis added)

(b) Anuj Jain, Interim Resolution Professional for Jaypee Infratech Ltd. v. Axis Bank Limited reported in (2020) 8 SCC 401:

"the essential condition of financial debt is disbursement against the consideration for time value of money."

(Emphasis added)

10. CONCLUSION

The petition being complete in all respects therefore deserves to be admitted. Accordingly, we **allow** this application filed under Section 7 of I&B Code, and order the initiation of Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor.

11. ORDER:

- i. The Application filed by the Indian Bank (Financial Creditor), under Section 7 of the Insolvency & Bankruptcy Code, 2016, is hereby admitted for initiating the Corporate Insolvency Resolution Process in respect of M/s. APL Metals Limited (Corporate Debtor).
- ii. As a consequence of this Application being admitted in terms of Section 7 of the I&B Code, moratorium as envisaged under the provisions of Section 14(1) of the Code, shall follow in relation to the Respondent/(CD) as per clauses (a) to (d) of Section 14(1) of the Code. However, during the pendency of the moratorium period, terms of Section 14(2) to 14(3) of the Code shall come into force.



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iii. Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016, prohibits the following, as:

- 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 asset 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 (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.*

[Explanation.--For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;]

- iv. The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period.
- v. The provisions of sub-section (1) of the Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- vi. The Applicant has proposed the name of **“Mr. Santanu Brahma”**, Address: AH 276, Salt Lake, Sector II, Kolkata- 700091, West



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Bengal. Registration no. IBBI/IPA-001/IP-P01482/2018-2019/12251 Email: ip.santanubrahma@gmail.com, as the “IRP”. We have perused that there is a written communication and consent of IRP in Form 2 with Affidavit, annexed to the petition, as per the requirement of Rule 9(l) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. There is a declaration made by him that there are no disciplinary proceedings pending against him with the Board or IIP of ICAI. In addition, further necessary disclosures have been made by “**Mr. Santanu Brahma**” as per the requirement of the IBBI Regulations. Accordingly, he satisfies the requirement of Section 7(3)(b) of the code. Hence, we appoint “**Mr. Santanu Brahma**” as the **Interim Resolution Professional** (IRP) of the Corporate Debtor to carry out the functions as per the I&B Code subject to submission of a valid Authorisation of Assignment in terms of regulation 7A of the Insolvency and Bankruptcy Board of India (Insolvency Professional) Regulations, 2016. The fee payable to IRP or the RP, as the case may be, shall be compliant with such Regulations, Circulars and Directions as may be issued by the Insolvency & Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the I&B Code.

- vii. In pursuance of Section 13 (2) of the Code, we direct the IRP to cause a public announcement immediately with regard to the admission of this application under Section 7 of the Code and **call for the submission of claims** under Section 15 of the Code. The public announcement referred to in Clause (b) of sub-section (1) of Section 15 of the Insolvency & Bankruptcy Code, 2016, shall be made immediately. The expression immediately means within three days as clarified by Explanation to Regulation 6 (1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- viii. During the CIR Process period, the management of affairs of the Corporate Debtor shall vest in the IRP or the RP, as the case may be, in terms of Section 17 of the I&B Code. 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 within one week from the date of receipt of this Order, in default



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of which coercive steps will follow. There shall be no future opportunities in this regard.

- ix. The Interim Resolution Professional is also free to take police assistance to take full charge of the Corporate Debtor, its assets and its documents without any delay, and this Court hereby directs the concerned **Police Authorities** and/or the **Officer-in-Charge** of Local Police Station(s) to render all assistance as may be required by the Interim Resolution Professional in this regard.
- x. 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 CIR Process in respect of the Corporate Debtor.
- xi. The Financial Creditors shall be liable to pay to IRP a sum of **Rs. 3,00,000/-** (Rupees Three Lakh Only) as payment of his fees as advance, as per Regulation 33(3) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, which amount shall be adjusted at the time of final payment. The expenses relating to the CIRP are subject to the approval of the Committee of Creditors (CoC).
- xii. In terms of sections 7(5) and 7(7) of the Code, the **Registry of this Adjudicating Authority** is hereby directed to communicate this Order to the Financial Creditor, the Corporate Debtor and the Interim Resolution Professional by Speed Post and through email immediately, and in any case, not later than two days from the date of this Order.
- xiii. Additionally, the **Registry of this Adjudicating Authority** shall serve a copy of this Order upon the Insolvency and Bankruptcy Board of India (IBBI) for their record and also upon the Registrar of Companies (RoC), to whom the company is registered with, by all available means for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within seven days from the date of receipt of a copy of this order.



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- xiv. The Resolution Professional shall conduct CIRP in a time-bound manner as per Regulation 40A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulation, 2016.
- xv. The IRP/RP shall be liable to submit the periodical report, including the minutes of the CoC of the Corporate Debtor, with regard to the progress of the CIR Process in respect of the Corporate Debtor to this Adjudicating Authority from time to time.
- xvi. The order of moratorium shall cease to have effect as per Section 14(4) of the I&B Code.
12. We note that a Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 bearing CP(IB) No. 5/KB/2025 has been also filed by Mr. Arvind Miharia, Proprietor of National Glass Works, against the same Corporate Debtor. In view of the admission of the present Application and the consequent commencement of the CIRP, the Applicant in the said Section 9 Petition shall submit his claim before the Interim Resolution Professional appointed under this Order in accordance with the applicable provisions of the Code and the Regulations framed thereunder.
13. Certified copies of this order, if applied for with the Registry of this Adjudicating Authority, be supplied to the parties upon compliance with all requisite formalities.
14. Post the Company Petition on **16/07/2026** for filing the Periodical Progress Report by the IRP as appointed herein.

Cmde. Siddharth Mishra

Bidisha Banerjee

Member (Technical)

Member (Judicial)

This Order is signed on 09.06.2026

Bhatt, O. [LRA]