NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.203
CP(IB)/76(MP)2025

Order under Section 7 IBC

IN THE MATTER OF:

Hinduja Leyland Finance Ltd ....**Applicant**
V/s
Owais Metal & Mineral Processing Ltd ....**Respondent**

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)
Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 13/08/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

SD/- **SD/-**

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

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IN THE NATIONAL COMPANY LAW TRIBUNAL

INDORE BENCH

CP(IB)/76(MP)2025

[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:

Hinduja Leyland Finance Limited

(CIN: U65993MH2008PLC384221), a non-banking financial company incorporated under the Companies Act, 2013, having its registered office at Plot No. C-21, Tower C (1–3 floors), G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051, represented through its Authorised Signatory and Legal Head, Mr. Harsh Kumar Operating from the office situated at: 212-214, 2nd Floor, Evershine Tower, Amrapali Circle, Vaishali Nagar, Jaipur - 302021 GST No.08AACCH1807P1ZD

…**Petitioner/Financial Creditor**

Versus

M/s Owais Metal & Mineral Processing Limited

(CIN: U14290MP2022PLC063833), a public company incorporated on 16.12.2022 under the Companies Act, 2013, having its registered office at 1, Wahid Villa, Wahid Nagar, Old Bypass Road, Ratlam – 457001, Madhya Pradesh.

...Respondent/Corporate Debtor

Order Pronounced on: 13.08.2026

CORAM:

Hon'ble Mr. Brajendra Mani Tripathi, Member (Judicial)

Hon'ble Mr. Man Mohan Gupta, Member (Technical)

APPEARANCE:

For the Petitioner/Financial Creditor: Mr. Shashwat Seth, Adv (Physical) a.w. Mr. Paritosh Seth, Adv (Physical)

For the Respondent/Corporate Debtor: Mr. Vivek Dalal, Adv (Online) a.w. Ms. Khushi Patel, Adv (Physical)

O R D E R

1. This is an Application filed by **Hinduja Leyland Finance Limited** ("the Financial Creditor"/"the Petitioner") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("the Code"/"IBC"), read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking initiation of the Corporate Insolvency Resolution Process ("CIRP") against **M/s Owais Metal & Mineral Processing Limited** ("the Corporate Debtor"), in respect of a financial debt and default alleged to aggregate Rs. 117,28,79,394.89/- (Rupees One Hundred Seventeen Crore Twenty-Eight Lakh Seventy-Nine Thousand Three Hundred Ninety-Four and Paise Eighty-Nine only), arising from eight interconnected credit facilities sanctioned and disbursed by the Petitioner in the year 2024 to the Corporate Debtor and other members of a common borrowing group.

2. Upon perusal of **PART I of Form 1**, it is noted that the application is filed by Hinduja Leyland Finance Limited (CIN: U65993MH2008PLC384221) is a non-banking financial company incorporated under the Companies Act, 2013, having registered office at Bandra Kurla Complex, Mumbai and the person authorised to file this application is one Mr. Harsh Kumar, who is posted as the Regional Legal Manager of the petitioner and in whose favour an Authority Letter dated 07.11.2025 is issued.

3. **Part II of the application in Form 1** reveals that the Respondent/Corporate Debtor i.e **Owais Metal & Mineral Processing Limited** (CIN: U14290MP2022PLC063833) is a public company incorporated on 16.12.2022, with its registered office at Ratlam, Madhya Pradesh, squarely within the territorial jurisdiction of this Tribunal under Section 60(1) of the Code.

4. **Part-III of the application in Form 1,** reveals that the Applicant has proposed the name of Mr. Rajesh Lohia (IBBI Registration No. IBBI/IPA-002/IP-N00049/2016-17/10093), AFA Valid till **31.12.2026**, as the Interim Resolution Professional ("IRP") together with his written communication of consent in Form 2, annexed as **Annexure P/19.**

5. **Part IV of the application vide Form 1** reveals that the amount claimed to be in default by the Applicant/Financial Creditor is Rs. **1,17,28,79,394.89/-.** The date of default stated by the Applicant in Part IV of the application is 05.08.2025 and in part

V as 15.07.2025). The account of the Respondent was declared as NPA on 05.08.2025. The Details of loan in tabulated as below:

S. No.	Loan Account No.	Sanctioned / Disbursed Amount (INR)	Primary Borrower	Status of Owais Metal & Mineral Processing Limited	Disbursement Date
1	**RJJPJPC000017 / RJJPJPA000127**	**15,00,00,000/-**	**M/s. Owais Metal & Mineral Processing Limited**	**Primary Borrower**	**05.08.2024**
2	RJJPJPC000013 / RJJPJPA000129	10,00,00,000/-	Mr. Sayyad Mohabbat Ali	Co-borrower	05.08.2024
3	RJJPJPC000014 / RJJPJPA000125	15,00,00,000/-	M/s. SMO Ferro Alloys Private Limited	Co-borrower	05.08.2024
4	RJJPJPC000015 / RJJPJPA000126	15,00,00,000/-	M/s Saiyyed Akhtar Ali	Co-borrower	05.08.2024
5	RJJPJPC000016 / RJJPJPA000127	15,00,00,000/-	Mrs. Rafia Ali	Co-borrower	05.08.2024
6	RJJPJPC000018 / RJJPJPA000132	15,00,00,000/-	Mr. Saiyyed Owais Ali	Co-borrower	05.08.2024
7	RJJPJPC000019 /	15,00,00,000/-	Mr. Saiyyed	Co-borrower	05.08.2024

	RJJPJPA 000133		Murtuza Ali		
8	RJJPJPC 000020 / RJJPJPA 000124	10,00,00,000/-	Mr. Sayyad Akhtar Ali	Co-borrower	05.08.2024
	Total	**1,10,00,00,000/-**			

SUBMISSIONS ON BEHALF OF THE PETITIONER/APPLICANT (AS PLEADED IN THE APPLICATION)

6. The facts narrated by the Applicant are stated hereinbelow:

6.1 A plurality of financial facilities, predominantly encompassing Loan Against Property (LAP) and various Term Loans, was sanctioned and subsequently disbursed by the Financial Creditor. These facilities were extended to the Corporate Debtor and associated Group Entities, notably M/s SMO Ferro Alloys Private Limited and M/s Saiyyed Akhtar Ali (Firm), in which the Corporate Debtor holds the capacity of either the principal obligor or a pivotal co-obligor/guarantor.

6.2 The financial accommodation extended was governed by a series of extant agreements. Explicit documentation has been furnished relating to Contract No. RJJPJPC000016 (under Application No. RJJPJPA000127) and Loan Agreement No. RJJPJPC000017. These two explicitly documented contracts are deemed representative of the Eight (8) separate loan accounts constituting the cumulative exposure, the aggregate sanction limit of which substantially exceeds the minimum threshold mandated for the institution of insolvency proceedings.

6.3 The aggregate financial indebtedness, quantified across the aforementioned eight (8) loan accounts and incumbent upon the Corporate Debtor and the associated co-obligors/guarantors to the Financial Creditor, approximates to the substantial sum of ₹110,00,00,000/- (Rupees One Hundred and Ten Crores Only). This documented quantum of default substantively exceeds the mandatory minimum threshold stipulated within the statutory provisions of the IBC.

6.4 The sanctioned loan amounts were duly disbursed by the Financial Creditor through established banking channels, a fact corroborated by the extant Loan Disbursement Statements. The crediting of said funds to the bank accounts of the primary borrower and the co-borrowers, including M/s SMO Ferro Alloys Private Limited, Partnership Firm & other private individuals, is therefore demonstrably verifiable.

6.5 In the context of security creation for the facilities granted, the Corporate Debtor and its promoters/co-obligors executed requisite documentation, including Loan Agreements, Demand Promissory Notes, and Deeds of Hypothecation. Furthermore, a registered Equitable Mortgage was created over identified immovable properties (as specifically detailed in the CERSAI Report, Asset ID 200086009537), alongside the institution of a Pledge of Shares of the Group Company, M/s SMO Ferro Alloys Private Limited, in favour of the Financial Creditor.

6.6 A conspicuous failure to adhere to the stipulated repayment regimen was subsequently manifested by the Corporate Debtor and its co-obligors. Said failure culminated in the commission of multiple defaults in the servicing of both the principal and interest components, which necessitated the subsequent mandatory classification of the accounts as Non-Performing Assets (NPA) by the Financial Creditor.

6.7 The precise date of default, characterized by the lapse of scheduled payments and the consequential account irregularity, is documented as having occurred on or before July 15, 2025. This event constituted the requisite trigger for the subsequent commencement of recovery mechanisms. That on 05th of August 2025 the financial creditor in lieu of default by the 'CD' was declared as NPA (Non-Performing Assest).

6.8 In direct consequence of the continuous and persistent nature of the payment defaults, the Financial Creditor was compelled to invoke its rights under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), thereby initiating formal recovery action.

6.9 A mandatory Demand Notice under Section 13(2) of the SARFAESI Act was formally issued on August 18, 2025. This legal instrument demanded the immediate repayment of the outstanding financial debt from the Corporate Debtor and all Co-Borrowers/Guarantors within the statutorily prescribed period of sixty (60) days.

6.10 Subsequent to the Section 13(2) Notice, a Legal Notice cum Intimation was dispatched on October 09, 2025, through the appointed counsel of the Financial Creditor. This document unequivocally articulated the demand for the full foreclosure amount and provided explicit intimation that the continued failure to remit payment would precipitate further judicial actions, inclusive of the enforcement of security interests and the necessary initiation of the CIRP under the IBC.

6.11 The determination of the exact monetary liability was formalised through a Prepayment Statement/Foreclosure Demand dated October 07, 2025, specifically pertaining to Contract No. RJJPJPC000016 & other contracts. This statement calculated the total outstanding and payable liability, incorporating principal, interest, foreclosure charges, and pending instalments, to be 117 crore as of the settlement date of October 10, 2025. This document constitutes primary documentary evidence of the debt and the ongoing default.

6.12 Pursuant to the documented evidence, the existence of a 'Financial Debt' extended by the Financial Creditor to the Corporate Debtor/Group has been definitively established. Concurrently, a 'Default' in the timely and complete repayment of this debt has been conclusively proven. The financial obligation is currently due, legally enforceable, and the established amount of default is demonstrably above the statutory minimum threshold.

6.13 In view of the sustained and unmitigated failure of the Corporate Debtor to remedy the extant default subsequent to the issuance of repeated and formal demands, the Adjudicating Authority is hereby petitioned for the immediate admission of this Application, the concomitant declaration of a statutory moratorium pursuant to Section 14 of the IBC, and the subsequent, requisite commencement of the Corporate Insolvency Resolution Process against the entity M/s Owais Metal & Mineral Processing Limited.

SUBMISSIONS ON BEHALF OF THE RESPONDENT/CORPORATE DEBTOR (AFFIDAVIT-IN-REPLY DATED 14.03.2026)

7. The Affidavit-in-Reply was affirmed by Mr. Sayyad/Saiyyed Owais Ali, Director of the Corporate Debtor, and raises the following preliminary submissions:

7.1 It is pleaded that the loan facility extended by the Petitioner was "intrinsically linked" to a payment due to the State Government of Rajasthan in relation to allocation of a mineralised mining block, and that the Sanction Letter dated 03.07.2024 records this linkage in its Special Conditions. Pursuant thereto, Rs. 100,00,00,000/- was paid by Mr. Sayyad Owais Ali — stated to be a co-borrower in the facilities — to the State Government of Rajasthan for the mining block allocation, after receipt of an auction certificate confirming the bid in his favour **(Annexure R/2).**

7.2 It is averred that the State Government of Rajasthan "illegally and arbitrarily" revoked the auction certificate, in consequence whereof **Writ Petition No. 18335 of 2025** was filed before the Hon'ble High Court of Rajasthan, and that interim relief was granted therein by order dated 23.09.2025 (Annexures R/3 and R/4). It is pleaded that the sum of Rs. 100 crore "*presently remains tied to the outcome*" of those proceedings, and that the default is, in consequence, "*purely temporary".*

7.3 It is submitted that the Corporate Debtor continues to be a "viable and operational" entity, with its financial solvency reflected in audited balance sheets (Annexure R/5), and that the default was "not caused due to financial mismanagement rather by the alleged illegal termination by the State Government, which is an extraneous factor."

7.4 Relying on Vidarbha Industries Power Ltd. v. Axis Bank Ltd., (2022) 8 SCC 352, it is submitted that the word “may” in Section 7(5)(a) of the Code confers discretion on this Tribunal to reject or keep an application in abeyance notwithstanding the existence of debt and default, and that the Corporate Debtor's case falls squarely within that principle. It is accordingly prayed that the present proceedings be kept in abeyance until the mining-block dispute is finally determined by the Hon'ble High Court of Rajasthan.

7.5 It is further pleaded that the enforceability of certain security documents relied upon by the Petitioner is under challenge in a suit filed by the Corporate Debtor and co-borrowers before the Commercial Court, Indore, seeking declarations regarding the validity of the mortgage deeds, and that the present proceedings have accordingly “become non-est” and ought to be stayed or kept in abeyance pending that suit.

7.6 It is contended that the Petitioner has failed to furnish an authenticated record of default from an Information Utility as required under Section 7(3) of the Code and IBBI Regulation 20(1A), rendering the Application “procedurally incomplete”.

7.7 Part IV, Sr. No. 1 (particulars of debt) is denied as vague, it being contended that the Corporate Debtor has **“admittedly received only Rs. 15,00,00,000/-”** in its own account and that the Application does not clearly identify the loan accounts said to aggregate Rs. 110 crore.

7.8 That the contents of Part IV Sr. No. 2 of the Application are denied as they have grave error and illegality regarding the alleged Date of Default and the Date of Classification of the account as a Non-Performing Asset (NPA). In the table containing the computation of the amount, the Financial Creditor has mentioned the date of default commencement to be 15/07/2025, wherein in fact in the subsequent paragraph below the table the date of default for all alleged loan account is mentioned as 05/08/2025.

7.9 It appears that the Financial Creditor itself is uncertain about the very date of default it seeks to rely upon. The Application reflects inconsistent dates without any clarification, suggesting that even the Financial Creditor is unable to clearly identify when the alleged default actually occurred. Such lack of clarity on a foundational requirement speaks for itself.

7.10 There is severe inconsistency in the date of default which is a serious lapse and cause of uncertainty leading to the Application filed under Section 7 to be rendered non-est.

7.11 Furthermore, the alleged computation of amount of Rs. 117 Crores only mentions the Corporate Debtor in one account, namely, Loan Account No. RJJPJC00017 as the borrower/co-borrower. The subsequent entries in the said table only reflects the name of other entity, namely, SMO

Ferro Alloy Pvt. Ltd., but not of the present Corporate Debtor. Such error is fatal to an application filed under Section 7 which, requires that the role and specifics in relation to the Corporate Debtor ought to be stated in unequivocal and clear terms. In the absence of the Financial Creditor having prima facie discharged the said burden, the Application under Section 7 of the Insolvency and Bankruptcy Code, 2016 does not warrant any further consideration.

7.12 Additionally, the above submission is further fortified by the Financial Creditor only having given the specific details and description of one Loan Account bearing No. RJJPJPC000127, wherein the loan was to the extent of Rs.15,00,00,000/- [Rupees Fifteen Crores Only]. Hence, in the absence of the specifics of the other alleged loan accounts makes the present Application to be vague and consequently non-est and void.

7.13 The Corporate Debtor prayed that this Tribunal may be pleased to: (i) dismiss the Section 7 Application; (ii) in the alternative, keep the proceedings in abeyance pending adjudication of Writ Petition No. 18335 of 2025 before the Hon'ble High Court of Rajasthan, applying Vidarbha Industries (supra); (iii) in the further alternative, keep the proceedings in abeyance pending adjudication of the suit before the Commercial Court, Indore; and (iv) pass such other order as deemed fit in the interest of justice.

REJOINDER FILED ON BEHALF OF THE PETITIONER (DATED 21.04.2026)

8. The Petitioner filed a Rejoinder dated **21.04.2026**, to the affidavit-in-reply filed by the Corporate Debtor, has denied the averments and contentions raised therein, except those specifically admitted. The Applicant has submitted that the Corporate Debtor's own reply acknowledges the sanction, disbursement and securing of the loan facility and the subsequent non-payment of the dues. According to the Applicant, the existence of financial debt and default is therefore not disputed by the Corporate Debtor.

9. The Applicant has further submitted that, as stated by the Corporate Debtor in its reply, the funds disbursed under the loan facility were utilised for making payment to the State Government of Rajasthan in connection with the mineral block allocation of the co-borrower, Mr. Sayyad Owais Ali. The Applicant has contended that the said utilisation of the

secured corporate funds was contrary to the purpose and end-use of the loan facility and has alleged that the funds were diverted towards the individual venture of the co-borrower. The deliberate alienation of corporate assets triggers the strict rigors of Section 66 of the IBC, exposing a coordinated by the current management to carry on the business of the company with the undeniable intent to defraud its institutional creditors.

10. The Applicant has contended that the subsequent revocation of the auction certificate by the State Government of Rajasthan and the pendency of Writ Petition No. 18335/2025 before the Hon'ble High Court of Rajasthan do not affect the Corporate Debtor's contractual obligation to repay the loan. It has submitted that the Financial Creditor did not finance the personal venture or litigation of the co-borrower and that the Corporate Debtor cannot defer repayment on the ground that the funds are allegedly involved in pending proceedings before the State authorities.

11. The Applicant has also disputed the Corporate Debtor's contention that the default is temporary and dependent upon the outcome of the proceedings before the Hon'ble High Court. It has submitted that the inability of the Corporate Debtor to repay the dues constitutes a continuing default and that the alleged pendency of litigation concerning the mineral block does not extinguish or suspend its liability towards the Financial Creditor.

12. The claim that the Corporate Debtor remains "viable and operational" is a gross factual misrepresentation and an insult to commercial logic. A corporate entity cannot legitimately claim operational viability when its management has actively diverted Rs. 100 Crores of its working capital to an external party's failed venture. Stripping a company of such immense capital severely jeopardizes its operational capacity and its ability to meet its financial obligations. The company is inherently distressed because its promoters deliberately chose to compromise its financial health to prioritize an individual's personal gain.

13. With regard to the reliance placed by the Corporate Debtor on ***Vidarbha Industries Power Limited v. Axis Bank Limited***, the Applicant has submitted that the said judgment has been incorrectly relied upon and has referred to ***M. Suresh Kumar Reddy v. Canara Bank & Ors.,*** In the said judgment, the Apex Court explicitly observed and clarified that the decision in Vidarbha was strictly restricted to its own unique facts specifically involving systemic, external statutory delays by the State Electricity Regulatory Commission in the power sector and that it does not in any manner dilute the absolute rule of mandatory admission under Section 7 once debt and default are established. The Supreme Court in M. Suresh made it abundantly clear that the discretionary power referenced in Vidarbha (supra) cannot be applied universally, nor can it be misused as an amnesty scheme for defaulting promoters. Since the

Corporate Debtor has explicitly confessed on affidavit to actively and deliberately siphoning Rs. 100 Crores of secured institutional funds to fund an individual co-borrower's personal mining venture, the protective, equitable umbrella of Vidarbha, as clarified by the strict observations in M. Suresht (supra), is completely and legally unavailable to them.

14. The Applicant has further contended that the circumstances relied upon by the Corporate Debtor do not justify keeping the Section 7 proceedings in abeyance.

15. The Applicant has further stated that the pendency of **civil proceedings before the Commercial Court, Indore**, concerning the security documents does not constitute a ground for keeping the present proceedings in abeyance. It has relied upon Section 238 of the IBC and has contended that the pendency of such proceedings does not, according to it, affect the maintainability of the application under Section 7. The Applicant has also denied the allegations that the Section 7 proceedings have been initiated as an arm-twisting or recovery measure.

16. In relation to the objection regarding the absence of an **Information Utility record,** the Applicant has submitted that Section 7(3) of the IBC permits the Financial Creditor to furnish a record of default from an Information Utility or such other record or evidence of default as may be specified. It has contended that the Corporate Debtor's own pleadings

regarding receipt and utilisation of the loan funds and its inability to repay the dues constitute sufficient material to establish the alleged default. The Applicant has accordingly disputed the Corporate Debtor's objection regarding the Information Utility record.

17. The Applicant has also disputed the Corporate Debtor's objections concerning the quantum and date of default. It has submitted that minor differences concerning computation of interest or the exact outstanding amount do not, according to it, affect the existence of the financial debt or the alleged default. It has further maintained that the loan amount was disbursed in accordance with the Master Facility Agreement and that the Corporate Debtor remains liable for repayment notwithstanding the manner in which the funds were subsequently utilised.

18. As regards the date of default, the dispute raised regarding the exact date of default is a legally meaningless red or herring and is hereby denied. The Corporate Debtor seems to argue that if the date is contested, the default disappears. Whether the default legally crystallized the very moment the funds were illicitly transferred out of the company to the State Government (in violation of the loan's end-use), or on the day the first scheduled EMI bounced due to lack of funds, the inescapable truth remains unchanged: a massive, uncured default exists and continues to grow with every passing day.

19. It has further contended that the Corporate Debtor's failure to service the loan in accordance with the agreed repayment schedule constitutes the alleged default and that the liability of the Corporate Debtor cannot be shifted to the individual co-borrower.

20. The Applicant has further denied the challenge to the NPA classification of the loan account. It has submitted that the classification was made in accordance with the applicable regulatory requirements following the failure to service the loan and has contended that the Corporate Debtor's objections to such classification do not negate the alleged default. The Applicant has also submitted that the Tribunal, in the present proceedings, is required to examine the existence of financial debt and default.

21. The Applicant has further disputed the Corporate Debtor's contention that initiation of CIRP would adversely affect a viable company. It has submitted that, in its view, initiation of CIRP would facilitate independent management of the affairs of the Corporate Debtor and enable examination and tracing of the funds allegedly diverted. The Applicant has accordingly contended that keeping the proceedings in abeyance would not be justified.

22. The Applicant has also relied upon the judgments referred to in its rejoinder, including Innoventive Industries Ltd. v. ICICI Bank Ltd., M. Suresh Kumar Reddy v. Canara Bank & Ors., and Anand Rao Korada v. Varsha Fabrics (P) Ltd., in support

of its submissions concerning the existence of debt and default, the effect of Vidarbha, and the pendency of parallel proceedings.

23. On the aforesaid basis, the Applicant has prayed that the reply filed by the Corporate Debtor be rejected and that the application filed under Section 7 of the IBC be allowed in terms of the prayers made therein.

ANALYSIS AND FINDINGS

24. We have heard learned counsel for the Petitioner and learned counsel for the Corporate Debtor at length, and perused the Application, the Affidavit-in-Reply, the Rejoinder, the Written Submissions, and the documents annexed thereto. The following issues arise for our consideration, and we deal with them in turn.

Issue I: Whether a financial debt is owed by the Corporate Debtor to the Petitioner, and whether default has occurred in a sum exceeding the threshold under Section 4 of the Code?

25. The existence of a financial debt within the meaning of Section 5(8) of the Code is amply borne out by the loan agreements, sanction letters, RTGS disbursement records, CERSAI registration, and account statements placed on record, none of which the Corporate Debtor has seriously disputed. The Corporate Debtor's own Reply admits execution of the facility, receipt of funds, and non-repayment;

it goes further and explains, in its own words, where the money went.

26. We note, in particular, that while the Corporate Debtor disputes the aggregate figure of Rs. 110,00,00,000/- (sanctioned) and Rs. 1,17,28,79,394.89/- (claimed in default) pleaded across the eight interconnected facilities, it expressly admits in its Reply that it has “admittedly received only Rs. 15,00,00,000/- (Rupees Fifteen Crores Only)” in its own account (Reply, para 23).

27. This admission is, by itself, dispositive for the purposes of admission. Rs. 15 crore is more than fifteen times the threshold of Rs. 1,00,00,000/- prescribed under Section 7 does not require this Tribunal to arrive at a final, rupee-precise determination of the entire claim before admitting an application; that exercise is properly one for the Interim Resolution Professional/Resolution Professional to undertake during collation and verification of claims under Regulations 12 and 13 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. We accordingly hold that the existence of the financial debt and the occurrence of default stand established, and the debt admittedly exceeds the statutory threshold. As regards the precise quantum attributable to the Corporate Debtor in respect of the remaining seven facilities, on which the parties are at variance, the same may be determined by the Resolution Professional in accordance with law during the

claims verification process. Such determination shall, however, be without prejudice to the maintainability and admission of the present Application.

Issue II: Effect of the inconsistency in the dates of default/NPA classification within the Petitioner's own pleadings ?

28. The Application contains an inconsistency with regard to the precise date of default, with 15.07.2025 being mentioned in the Part IV computation table and Part V of Form 1, while 05.08.2025 is stated elsewhere in the application. We have also perused the notice issued under Section 13(2) of the SARFAESI Act, wherein the date of NPA is stated as 05.08.2025. Since classification of an account as NPA is a consequence of a subsisting default, the default necessarily preceded the said date.

29. Further, the statement of account (Annexure P/13) reflects the EMI cycle, the amounts falling due and the continuing overdue position prior to 05.08.2025. The subsequent collection entries do not efface the earlier non-payment of instalments on their respective due dates. Thus, while the precise date of default is required to be specifically ascertained and reconciled, the material on record establishes that the default preceded the NPA classification dated 05.08.2025 and continued thereafter. However, considering that the existence of debt and default stands established and that the material on record, including the

date of NPA, shows that the default pertains to the year 2025, the precise discrepancy between 15.07.2025 and 05.08.2025 does not affect the question of limitation. Whichever of the aforesaid dates is taken as the date of default, the present Application, having been filed within three years therefrom, is within the prescribed period of limitation. Accordingly, the discrepancy in the dates stated in different parts of the Application calls for reconciliation of the record but does not negate the existence of default or render the present Application barred by limitation.

Issue III: Whether the absence of a record of default from an Information Utility renders the Application incomplete

30. Section 7(3)(a) of the Code requires a financial creditor to furnish, along with the application, a "record of the default recorded with the information utility or such other record or evidence of default as may be specified." An Information Utility record is one mode of proof, not the only one. Here, default is independently evidenced by the loan documentation, the disbursement trail, the SARFAESI notices, and most significantly the Corporate Debtor's own admission in its Reply. It is a settled proposition, as also mentioned by the applicant, that a sworn pleading which admits receipt of loan money, deployment of the money, and present inability to repay is itself irrefutable evidence of default. Facts admitted need not be formally proved over again.

31. We are accordingly unable to accept the submission that the absence of an Information Utility record renders the Application incomplete or non-est.

Issue IV: Effect of the pendency of Writ Petition No. 18335 of 2025 before the Hon'ble High Court of Rajasthan ?

32. The main defence of the Corporate Debtor is based on the pendency of Writ Petition No. 18335 of 2025, relating to the revocation of an auction certificate for allocation of a mining block, and the interim order dated 23.09.2025 passed therein. Having considered the record, we do not find any connection between the said proceedings and the debt or default involved in the present case. To begin with, the Petitioner is not a party to the said writ petition. The dispute in those proceedings is between the individual co-borrower, Mr. Sayyad Owais Ali, and the State Government of Rajasthan, in respect of a separate transaction.

33. More importantly, the interim order dated 23.09.2025, relied upon by the Corporate Debtor and filed as Annexure R/4, is confined to the issue of revocation of the auction certificate. The order does not deal with the loan facilities granted by the Petitioner, the default committed by the Corporate Debtor, or its obligation to repay the amounts due to the Petitioner. Thus, there is nothing in the said order, either by way of an interim observation or otherwise, which affects the Petitioner's claim against the Corporate Debtor. The debt and default in question are therefore independent of the writ

proceedings and cannot be made dependent upon the eventual outcome of those proceedings.

34. In this context, we find substance in the submission made by the Petitioner in its Rejoinder that it had not financed any speculative joint venture with the State Government of Rajasthan and, therefore, cannot be expected to bear the consequences of a dispute arising out of a separate transaction or to wait indefinitely for its outcome. The mere pendency of the said writ petition, particularly when the Petitioner is not a party thereto and its debt is not the subject matter of those proceedings, cannot defeat or postpone the Petitioner's right to proceed under the Code. The provisions of the Code, having regard to the overriding effect given to them under Section 238, operate independently of such proceedings unless there is a specific order or finding which directly affects the debt or default in question.

Issue V: Effect of the pending suit before the Commercial Court, Indore, challenging the security documents

35. The Corporate Debtor's reliance on the suit pending before the Commercial Court, Indore, challenging the validity of certain mortgage/security documents, stands on no firmer footing. Section 7 is concerned with the existence of financial debt and default; the enforceability of security is a distinct and severable question that does not bear on whether the underlying debt is owed. Even assuming the security documents are eventually held unenforceable in whole or in

part, the loan agreements and the obligation to repay would survive independently. No order of stay has, in any event, been shown to have been passed by the Commercial Court in relation to the present proceedings.

ORDER

36. We are satisfied that the present application is complete in all respects and the applicant Financial Creditor is entitled to claim its outstanding financial debt from the Corporate Debtor and that there has been default in payment of the Financial Debt.

37. In light of the above and in terms of the fact that existence of debt and its default by the Corporate Debtor has been established by the virtue of the material placed on record, this Tribunal admits the CP(IB)/76(MP)2025 **is admitted.**

38. The Corporate Insolvency Resolution Process is initiated against M/s Owais Metal & Mineral Processing Limited (CIN: U14290MP2022PLC063833) with immediate effect.

39. Moratorium is declared under Section 14 of the Code, prohibiting: (a) institution or continuation of suits/proceedings against the Corporate Debtor, including execution of judgments/decrees; (b) transferring, encumbering, alienating or disposing of any asset or legal right/beneficial interest therein; (c) any action to foreclose, recover or enforce any security interest, including under the SARFAESI Act, 2002; and (d) recovery of property occupied

by or in possession of the Corporate Debtor, in terms of Section 14(1)(a) to (d) of the Code. The moratorium shall not apply to transactions notified under Section 14(3), and shall remain in effect from the date of this order until completion of CIRP, subject to Section 14(4).

40. **Mr. Rajesh Lohia** (Registration No. IBBI/IPA-002/IP-N00049/2016-17/10093), AFA Valid till 31.12.2026, having furnished his written consent in Form 2 and disclosed no pending disciplinary proceedings against him, is appointed as the Interim Resolution Professional. He shall take charge of the management of the Corporate Debtor forthwith and exercise all powers contemplated under Sections 17 to 20 of the Code.

41. We direct the Applicant to deposit a sum of INR Rs. 1,00,000.00 (One Lakhs) with the Interim Resolution Professional, namely **Mr. Rajesh Lohia** to meet out the expenses to perform the functions assigned to her in accordance with regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within one week from the date of receipt of this order by the Financial Creditor.

42. The Interim Resolution Professional shall make a public announcement forthwith under Section 15 read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, calling for submission

of claims, and shall proceed to constitute the Committee of Creditors in accordance with law.

43. The Interim Resolution Professional shall perform all her functions contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, Rules and Regulations. It is further made clear that all the 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 Code to extend every assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day to day affairs of the 'Corporate Debtor'.

44. A copy of this order be communicated to the Petitioner, the Corporate Debtor, and the Interim Resolution Professional. The Registry shall further send a copy to the Registrar of Companies, Madhya Pradesh, and to the Insolvency and Bankruptcy Board of India for their records.

45. Hence, **CP(IB)/76(MP)2025** stands allowed.

SD/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

SD/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

Chandni – L.R.A