IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. I
KOLKATA

Company Petition (IB) No. 43/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 the Adjudicating Authority) Rules, 2016.

IN THE MATTER OF:
Grimus Exports Private Limited

... Financial Creditor/ Applicant.

Versus

Sunima Steel Marketing Private Limited

... Corporate Debtor/ Respondent.

Date of Pronouncement: 08.07.2026.

Coram:
SMT. BIDISHA BANERJEE, MEMBER (JUDICIAL)
MS. REKHA KANTILAL SHAH, MEMBER (TECHNICAL)

Appearance:
Mr. Mateen Ahmad, Adv.] For Financial Creditor

ORDER

PER Rekha Kantilal Shah, Member (Technical):

1. The Court congregated through hybrid mode.
2. Heard the Learned Counsels for both the parties.

3. **Factual matrix:**

The instant company petition has been filed under Section 7 of the Insolvency and Bankruptcy Code, for brevity I&B Code, read with Rule 4 of the Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules, 2016, by **"M/s Grimus Exports Private Limited"**, hereinafter referred to as **"Financial Creditor"/ "Applicant"** against " **M/s Sunima Steel Private Limited",** hereinafter referred to as "**Corporate Debtor"/ "Respondent"** seeking direction to initiate Corporate Insolvency Resolution Process (for brevity "CIRP") in respect of the Corporate Debtor due to a default in repayment of a financial debt amounting to Rs. 1,68,70,238/-.

4. **Submissions of the Applicant**:

4.1. It is submitted that the Corporate Debtor was facing a severe financial crunch post-COVID-19 in June 2021 and for that approached the Financial Creditor for a hand loan to meet its working capital requirements at an interest of 9% per annum.

4.2. The Financial Creditor extended a hand loan aggregating to Rs. 1,44,50,000/- (Rupees One Crore Forty-Four Lakhs Fifty Thousands Only) out of goodwill and existing cordial relations, in multiple tranches between 16.06.2021 and 28.03.2022, on an "as and when required basis," recoverable on demand.

4.3. Further the CD has repaid a sum of Rs. 5,00,000/- on 12.11.2021, and Rs. 2,00,000/- on 18.11.2021 to the FC and promised to repay the rest amount of Rs. 1,37,50,000/- (Rupees One Crore Thirty Seven Lakhs Fifty Thousands Only) on demand.

4.4. It is further submitted that the amount has been remitted to the Corporate Debtor through RTGS and is clearly reflected in the bank account statement of the Applicant. (Annexure E1 of the Application dated 06.02.2025, Annexure A of the Rejoinder dated 09.04.2025)

4.5. Further that on 06.06.2024, the Financial Creditor sent an intimation letter via email, demanding the principal amount of Rs. 1,37,50,000/- along with accumulated interest of Rs. 31,20,238/- (totalling Rs. 1,68,70,238/-) within 7 days, with subsequent reminders being sent on 07.06.2024 and 08.06.2024. [Annexure F (Colly), G, H of the Application]

4.6. Further that on 08.06.2024, the Corporate Debtor responded via email, acknowledged the debt and requested more time for repayment. (Annexure I of the Application)

4.7. It is further submitted that the Financial Creditor granted an additional four months for repayment of the Debt. However, the CD failed to clear its dues even after the extended period.

4.8. Further that the Financial Creditor issued a demand notice dated 04.10.2024 via email dated on 04.10.2024 and speed post Receipt

Dated 08.10.2024 demanding the outstanding balance of Rs. 1,68,70,238/- and granted a final 7 day period to the CD from the receipt of the legal notice for compliance, which expired on 15.10.2024. [Annexure J (Colly) of the Application].

4.9. It is contended that despite repeated demands, the Corporate Debtor failed to repay the debt, and default occurred on 15.10.2024.

4.10. Ld. Counsel for the Applicant further submitted that the hand loan advanced by the Financial Creditor to the Corporate Debtor, coupled with an agreement for interest at 9% per annum and recoverable on demand, squarely falls within the definition of "financial debt" as per Section 5(8) of the Insolvency and Bankruptcy Code, 2016 and placed reliance on ***Innoventive Industries Ltd. v. ICICI Bank*** and ***E.S. Krishnamurthy v. Bharath Hi-Tech Builders (P) Ltd. AIR 2017 SC,*** wherein the Supreme Court interpreted Section 7(5) of the Code and held that the National Company law Tribunal (NCLT) is required to satisfy itself only regarding the occurrence of a default for the admission of an application under Section 7 of the IBC. The Court further clarified that even if the debt is disputed, as long as the debt is "due" and a "default" has occurred, the Hon'ble National Company law Tribunal ("NCLT") must admit the application under Section 7 of the IBC, 2016.

4.11. Further the Ld. Counsel placed reliance on ***Laxmi Pat Surana v. Union Bank of India & Anr. AIR 2019 SC,*** wherein the SC reiterated that the definition of 'financial debt' is broad and includes any debt which is disbursed against the consideration for the time value of money and contended that a hand loan with interest, repayable on demand, perfectly fits this description.

4.12. Further reliance is placed on ***Dena Bank (now Bank of Baroda) v. Shivakumar Reddy & Anr. AIR 20121 SC,*** wherein the Hon'ble Supreme Court held that an acknowledgment of debt, even in the form of a balance sheet entry or a request for time to pay, can extend the limitation period for initiating CIRP under Section 7 of the IBC and since Corporate Debtor acknowledged the outstanding debt and sought more time for repayment, constitutes a clear acknowledgment of liability under Section 18 of the Limitation Act, 1963.

4.13. Ld. Counsel further placed reliance on ***Swiss Ribbons Pvt. Ltd. & Anr. v. Union of India & Ors., AIR 2018 SC,*** wherein the Hon'ble Supreme Court emphasized that the Adjudicating Authority, while dealing with an application under Section 7 is not required to go into the merits of the dispute but merely ascertain the existence of debt and default and in the present case since the Corporate Debtor has not raised any bonafide dispute regarding the existence of the debt or the default, but only seek more time for repayment, which is an admission of liability rather than a dispute.

5. It is observed that no reply affidavit is on record. However, the learned Counsel for the Applicant submitted that the rejoinder has already been filed on the basis of the advance copy of the reply served upon the Applicant. Since the reply affidavit has not been taken on record, the rejoinder is also not being considered at this stage. However, the rejoinder

dated 09.04.2025 is taken in substance as a supplementary affidavit only to the limited extent of placing on record the bank statements annexed thereto, and the same shall be considered only for the said limited purpose.

6. **Analysis and Findings:**

6.1. At the outset, it is pertinent to note that the scope of enquiry under Section 7 of the Insolvency and Bankruptcy Code, 2016 is limited to ascertaining the existence of a financial debt and the occurrence of default. The solvency of the Corporate Debtor or the feasibility of recovery are not determinative factors at the stage of admission. The relevant extract of Section 7 of the I&B Code, 2016 are:

"Section 7(4). The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), ascertain the ***existence of a default*** *from the records of an information utility or on the basis of other evidence furnished by the financial creditor under sub-section (3)*

Section 7(5). The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), by an order—

(a) ***admit the application****, if it is satisfied that* ***a default has occurred*** *and the application under sub-section (2) is complete, and there is no disciplinary proceeding pending against the proposed resolution professional; or*

(b) reject the application, if it is satisfied that a default has not occurred or the application under sub-section (2) is incomplete or a disciplinary proceeding is pending against the proposed resolution professional:

……………………………."

6.2. It is the case of the Financial Creditor that pursuant to requests made by the Corporate Debtor, financial assistance in the form of hand loan was extended from time to time between 16.06.2021 and 28.03.2022, aggregating to a sum of Rs. 1,44,50,000/-. The said disbursements are supported by bank statements, which have been placed on record.

6.3. It is further observed that the Corporate Debtor repaid an aggregate sum of Rs. 7,00,000/- (Rs. 5,00,000/- on 12.11.2021 and Rs. 2,00,000/- on 18.11.2021), leaving a balance amount of Rs. 1,37,50,000/-.

6.4. Further, the Financial Creditor, by email dated 06.06.2024, called upon the Corporate Debtor to repay the outstanding principal amount along with the accrued interest, followed by reminder emails dated 07.06.2024 and 08.06.2024, to which the Corporate Debtor by an email dated 08.06.2024, sought additional time for repayment of the outstanding amount. The Financial Creditor granted the Corporate Debtor a further period of four months to discharge its liability.

6.5. The Financial Creditor issued a legal demand notice dated 04.10.2024 through email and through speed post receipt dated 08.10.2024, demanding the repayment of the outstanding balance of Rs. 1,68,70,238/-, which includes the remaining Principal Amount of Rs.

1,37,50,000/- along with accumulated interest @9% per annum i.e., Rs. 31,20,238/-, within 7 days from the receipt of the legal notice i.e., by 15.10.2024.

6.6. In view of the aforesaid documentary evidence, this Adjudicating Authority is satisfied that the Financial Creditor has established the existence of a financial debt.

6.7. Once the “debt’ and “default” are admitted or established, the petition must be admitted.

6.8. We are fortified in our view with the decisions of Hon’ble Supreme Court which define “Financial Debt” and to initiate Corporate Insolvency Resolution process as under:

(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 disbursal of money to the borrower for utilization by the borrower and that the disbursal 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)

(c) Indus Biotech Private Limited* v. *Kotak India Venture (Offshore) Fund reported in **(2021) 6 SCC 436: MANU/SC/0231/2021 (para 14)** that:

> "***14.*** *... in order to trigger an application, there should be in existence four factors:* ***(i) there should be a 'debt' (ii) 'default' should have occurred (iii) debt should be due to 'financial creditor' and (iv) such default which has occurred should be by a 'corporate debtor'****...*"
>
> **(Emphasis added)**

(d) Innoventive Industries Ltd.* v. *ICICI Bank reported in **(2018) 1 SCC 407: MANU/SC/1063/2017 has** laid down that:

> "***27. The scheme of the Code is to ensure that when a default takes place, in the sense that a debt becomes due and is not paid, the insolvency resolution process begins****. ...*'
>
> "***28.*** *... 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,*** *...*"

xxx xxx xxx xxx

> **"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**.***"
>
> **(Emphasis added)**

7. In terms of the foregoing discussion, we **ALLOW** the application bearing **Company Petition (IB) No. 43/KB/2025** filed under **Section 7 of the I&B Code**, and accordingly, we order the initiation of **Corporate Insolvency Resolution Process (CIR Process)** in respect of the Corporate Debtor by the following **Orders**:

   i. The Application filed by **Grimus Exports Private Limited (Financial Creditors),** under Section 7 of the Insolvency & Bankruptcy Code, 2016, is hereby, **ADMITTED** for initiating the

Corporate Insolvency Resolution Process in respect of **Sunima Steel Marketing Private 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.

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 assets or any legal right or beneficial interest therein;

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

(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.

[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. Tanveer Ilahi", Address: D-158/AT. No.IV/145, Jaitpur Extn- II, ,Badarpur near Rampali Public school, New Delhi, National Capital Territory of Delhi -110044, Registration no. IBBI/IPA-001/IP-P-02553/2021-

2022/13874 Email IP.TANVEERILAHI@GMAIL.COM, as the "IRP". We have perused that there is a written communication and consent of IRP in Form 2, annexed as Annexure C 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 IPA with whom the member is registered. In addition, further necessary disclosures have been made by "Mr. Tanveer Ilahi" 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. Tanveer Ilahi" 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 or the RP, as the case shall 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. Any person who is or has been personnel of the Corporate Debtor or its promoter, or is associated with the management of the Corporate Debtor, or engaged under a contract for service with the Corporate Debtor, shall provide all documents in their possession and furnish all information within their knowledge, and extend all assistance and cooperation to the Interim Resolution Professional as may be required for managing the affairs of the Corporate Debtor or performing the duties conferred upon the Interim Resolution Professional within one week from the date of receipt of this Order, in default 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.

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.

8. 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.

9. Post the Company Petition on 24/08/2026 for filing the Periodical Progress Report by the IRP/RP as appointed herein.

REKHA KANTILAL SHAH
MEMBER (TECHNICAL)

BIDISHA BANERJEE
MEMBER (JUDICIAL)

This Order is signed on this, the 8th Day of July, 2026.

Sagar M. (LRA)