



IN THE NATIONAL COMPANY LAW
TRIBUNAL COURT-VI, NEW DELHI BENCH
COMPANY PETITION IB (IBC) NO. 549/ND/2025

A petition under section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

IN THE MATTER OF:

UJJIVAN SMALL FINANCE BANK LTD.

Having its Registered Address at,
Grape Garden No. 27,
3rd "A" Cross, 18th Main,
6th Block, Koramangala,
Bengaluru, Karnataka-560095.

...Applicant/Financial Creditor

Versus

M/S BLD METAL AND ALLOYS PVT LTD.

Having its Registered Address at
Khasra No-781/3, Gali No-04,
Mundka Industrial Area,
New Delhi-110004.

..... Respondent/Corporate Debtor

Order Delivered on: 03.06.2026.

CORAM:

JUSTICE JYOTSNA SHARMA
HON'BLE MEMBER (JUDICIAL)

MS. ANU JAGMOHAN SINGH
HON'BLE MEMBER (TECHNICAL)

APPEARANCES:

For the Applicant: Adv. Sumit Shukla

For the Respondent:

ORDER



1. This is a Company Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity “the Code”) read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by **Ujivan Small Finance Bank Ltd.** (hereinafter referred to as ‘**Financial Creditor**’), seeking to initiate Corporate Insolvency Resolution Process (“CIRP”) against **M/s BLD Metal and Alloys Pvt. Ltd.** (‘**Corporate Debtor**’).
2. The present application was filed on 15.10.2025 before this Adjudicating Authority on the ground that the Corporate Debtor has defaulted to make a payment of a sum of **Rs. 2,12,31,492.02/-** (Rupees Two Crores Twelve Lacs Thirty-One Thousand Four Hundred Ninety-Two and Paise Two Only) as on 10.09.2025 and the date of default is 05.03.2024.
3. **Submission made by Financial Creditor:**
- i. The Corporate Debtor on 12.09.2021 has approached the Applicant requesting grant of a Term loan facility of Rs 1,90,00,000/- (Rupees One Crores and ninety lakhs only). The Applicant agreed to the same and sanctioned Term loan facility of (Rupees One Crores and ninety lakhs only) vide sanction letter dated 06.10.2021.
 - ii. Pursuant to the Loan Agreement executed between the parties, the Defendants furnished, as primary security for repayment of the loan and adherence to financial discipline, an exclusive first charge by way of hypothecation over all the movable assets of the Borrower created out of the credit facility, in favour of the Applicant Bank.
 - iii. That the Financial Creditor disbursed the loan amount to the Corporate Debtor on 28.10.2021 in terms of the sanction and loan documents executed between the parties. It is further observed that the Corporate Debtor duly availed and utilized the aforesaid Term Loan facility for meeting its business requirements through the loan account maintained



in its name.

- iv. Further it was agreed that the term loan availed by the Corporate Debtor shall be repaid in 120 EMI's of Rs. 2,83,690.00 each along with the interest. The rate of interest is 13% fixed, p.a. with monthly rests. Moreover, in case of delayed payments, the Corporate Debtor will be liable to pay late payment charges i.e. addl. 2.50% p.a. on the overdue amount.
- v. That, owing to the Corporate Debtor's failure to adhere to the repayment obligations under the loan facility, the loan account was classified as a Non-Performing Asset (NPA) on 05.05.2024. Consequently, the Applicant Bank recalled the loan facilities vide Loan Recall Notice dated 15.05.2024, which was duly served upon the Corporate Debtor. Through the said notice, the Corporate Debtor was called upon to repay the outstanding dues amounting to Rs. 1,79,34,477.81/- (Rupees One Crore Seventy-Nine Lakh Thirty-Four Thousand Four Hundred Seventy-Seven and Eighty-One Paise Only) as on 13.05.2024.
- vi. The Financial Creditor has initiated recovery proceedings against the Corporate Debtor by filing Original Application bearing OA No. 443 of 2024 before the Ld. Debts Recovery Tribunal-I, New Delhi for recovery of its outstanding dues and the said Original Application is presently pending adjudication before the Ld. DRT-I, New Delhi.
- vii. That the total outstanding dues as on 10.09.2025 is Rs. 2,12,31,492.02/- (Rupees Two Crores Twelve Lacs Thirty-One Thousand Four Hundred Ninety-Two and Paise Two Only). Hence, this petition is being filed.

Analysis and Findings

4. Heard the Learned Counsel and perused the material on record.
5. This Adjudicating Authority, vide order dated 28.10.2025, directed the Financial Creditor to effect service upon the Corporate Debtor. Pursuant thereto, the Financial Creditor issued notice to the Corporate Debtor on 27.11.2025 and the said compliance was duly recorded vide order dated 05.12.2025. Despite due



service and sufficient opportunities having been granted, none appeared on behalf of the Corporate Debtor. Consequently, this Adjudicating Authority vide order dated 02.02.2026 proceeded ex parte against the Corporate Debtor.

6. It is observed from the record that the Corporate Debtor had approached the Financial Creditor for grant of a Term Loan facility of Rs. 1,90,00,000/- (Rupees One Crore Ninety Lakhs only). Pursuant thereto, the Financial Creditor sanctioned the said Term Loan facility vide Sanction Letter dated 06.10.2021 and the parties executed the requisite loan documents. It is further observed that the Corporate Debtor duly availed and utilized the said Term Loan facility through Loan Account maintained in its name. The loan facility was repayable in 120 EMIs of Rs. 2,83,690/- each along with interest @ 13% per annum with monthly rests. The loan documents further provided that in the event of delayed payment, additional penal interest @ 2.50% per annum on the overdue amount would also be payable by the Corporate Debtor.
7. The material placed on record further reflects that the Corporate Debtor failed to maintain financial discipline and committed persistent defaults in repayment of the instalments in terms of the Loan Agreement. Consequently, the loan account of the Corporate Debtor was classified as Non-Performing Asset (NPA) on 05.05.2024.
8. It is evident from the record that owing to the continued defaults committed by the Corporate Debtor, the Financial Creditor recalled the loan facility vide Loan Recall Notice dated 15.05.2024, which was duly served upon the Corporate Debtor, thereby calling upon it to clear the outstanding dues amounting to Rs. 1,79,34,477.81/- (Rupees One Crore Seventy-Nine Lakhs Thirty-Four Thousand Four Hundred Seventy-Seven and Eighty-One Paise only) as on 13.05.2024. However, despite service of the recall notice, the Corporate Debtor failed to pay the outstanding dues.
9. As the said loan facility was disbursed against consideration for the time value of money and carried interest @ 13% per annum, thereby satisfying the definition of 'Financial Debt' under Section 5(8) of the Insolvency and



Bankruptcy Code, 2016.

10. The present petition made by the Financial Creditor is complete in all respects as required by law. The Petitioner has established that the Corporate Debtor is in default of a debt due and payable and that the default is more than the minimum amount stipulated under Section 4(1) of the Code, stipulated at the relevant point of time. This Petition was filed on 15.10.2025, and the debt owed to the Financial Creditor on the date of filing of the petition is an amount of Rs. 2,12,31,492.02/- (Rupees Two Crores Twelve Lacs Thirty-One Thousand Four Hundred Ninety-Two and Paise Two Only) which meets the threshold of Rs. One Crore as laid down under Section 4 of the Code.
11. The **Hon'ble Supreme Court** in the judgement of “**Innoventive Industries Limited v. ICICI Bank and Another**” (2018) 1 SCC 407 has held that once NCLT is satisfied that the default has occurred, there is hardly a discretion left with NCLT to refuse admission of the Application under Section 7 of I & B Code, 2016. The relevant extract of the said judgment is reproduced hereunder as: “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.”
12. In the light of the above facts and circumstances, and in terms of Section 7(5) (a) of the Code, the instant petition **COMPANY PETITION IB (IBC)/549 (ND) 2025** filed by **Ujjivan Small Finance Bank Ltd.**, the Financial Creditor, under Section 7 of the Code read with Rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP against **M/s BLD Metal and Alloys Pvt. Ltd.**, the Corporate Debtor, stands admitted and CIRP of AF Enterprises Limited is initiated.



13. That the petitioner in part-III of the petition has proposed the name of **Mr. Sumit Shukla**, as Interim Resolution Professional, having Registration Number **IBBI/IPA-003/IP-N-00064/2017-2018/10550** and E-mail Id- sumit_shukla@rediffmail.com, is hereby appointed as an Interim Resolution Professional (IRP) for Corporate Debtor.

14. The Interim Resolution Professional is directed to file a revalidated Authorisation for Assignment (AFA) and Consent Form within one week from the date of pronouncement of this order by way of an appropriate Interlocutory Application (IA).

15. We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:

(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 IB Code 2016 also prohibits Suspension or termination of any 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, 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, concessions, clearances or a similar grant or right during the moratorium period.

- 16.** It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government and the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14 (3) (b) of the Code.
- 17.** In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (within 3 days) as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016) with regard to admission of this application under Section 7 of the Insolvency & Bankruptcy Code, 2016.
- 18.** We direct the applicant Financial Creditor to deposit a sum of Rs. 2 Lakhs (Two Lakh Rupees) with the Interim Resolution Professional namely **Mr. Sumit Shukla** to meet out the expenses to perform the initial functions assigned to him 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 three days from the date of receipt of this order by the Financial Creditor. The said amount, however, is subject to adjustment towards Resolution Process cost as per applicable rules.
- 19.** The Interim Resolution Professional shall perform all his functions as 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.
- 20.** 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'. In case there is any violation committed by the ex-management or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing appropriate orders.

- 21.** The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of his obligation imposed by Section 20 of the Code and perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.
- 22.** A copy of the order shall be communicated to the applicant, Corporate Debtor and IRP above named, by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records. Applicant is also directed to provide a copy of the complete paper book to the IRP. A copy of this order is also sent to the ROC for updating the Master Data. ROC shall send compliance report to the Registrar, NCLT.
- 23.** Accordingly, the instant application filed under Section 7 of the Code, 2016 bearing **C.P. I.B./549 (ND)/2025** stands admitted.
- 24.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-
(ANU JAGMOHAN SINGH)
MEMBER (TECHNICAL)

Sd/-
(JYOTSNA SHARMA)
MEMBER (JUDICIAL)