**IN THE NATIONAL COMPANY LAW TRIBUNAL**

**NEW DELHI**

**COURT-IV**

**C.P. (IB) 70/ND/2023**

**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:**

Prudent ARC Ltd.

...Applicant/Financial Creditor

Versus

Prasar Metal Engineering Pvt. Ltd.

...Respondent/Corporate Debtor

**CORAM:**

**SHRI MAHENDRA KHANDELWAL**
**HON'BLE MEMBER (JUDICIAL)**

**SHRI ATUL CHATURVEDI**
**HON'BLE MEMBER (TECHNICAL)**

**Order delivered on: 11.08.2026**

**PRESENT:**

For the Applicant: Mr. Udit Chauhan, Mr. Sumeet Raj, Advocates

For the Respondent: Mr. Sanjeev Gupta, Advocate

**ORDER**

**PER: MAHENDRA KHANDELWAL, MEMBER (JUDICIAL)**

1. The present application C.P. (IB) 70/ND/2023 has been filed by Prudent ARC Limited ("Applicant/Financial Creditor/FC") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiating the Corporate Insolvency Resolution Process ("CIRP") against Prasar Metal Engineering Private Limited ("Respondent/Corporate Debtor/CD") on the ground that the Corporate Debtor had committed a default in payment of Rs. 2,25,87,827/- (Rupees Two Crores Twenty-Five Lakhs Eighty-Seven Thousand Eight Hundred and Twenty-Seven Only).
2. The Corporate Debtor i.e., Prasar Metal Engineering Private Limited having CIN: U27209DL2004PTC128866 is incorporated dated 08.09.2004 under the provisions of the Companies Act, 1956 having its registered office situated at 79 Suraj Apartment DDA MIG Flats Surajkund Road New Delhi DL 110044 IN. Since the registered office of the Corporate Debtor is in Delhi, this Tribunal having territorial jurisdiction over the NCT of Delhi is the Adjudicating Authority in relation to the prayer for initiation of Corporate Insolvency Resolution Process in respect of respondent corporate debtor under sub-section (1) of Section 60 of the Code.

**Earlier Disposal of the Application and Restoration**

3. This Application was filed on 20.01.2023. It seems from the beginning, the Applicant was not interested in pursuing their case. It is found that on 02.02.2023, 15.02.2023, 11.10.2023, 08.12.2023, 05.04.2024, 25.04.2024 and also on 13.05.2024, no one appeared on behalf of the Applicant. Therefore, vide order dated 13.05.2024, this Application u/s 7 IBC was dismissed for want of prosecution.
4. The Applicant thereafter filed Restoration Application 73/ND/2024. On 24.07.2024, no one appeared on behalf of the Applicant even on this Restoration Application. Also, the Restoration Application was filed after the period prescribed in the NCLT Rules, 2016. Vide order dated 03.04.2025, the Restoration Application as well as the Application for Condonation of Delay were dismissed.
5. On Appeal against the said Order [Company Appeal (AT) (Insolvency) No. 1193 of 2025], Hon'ble NCLAT vide order dated 04.09.2025 set aside the order dated 03.04.2025. Accordingly, vide order dated 30.01.2026 passed in IA No. 401/ND/2026, the CP (IB) 70/ND/2023 was restored.

6. **Contentions of the Applicant**

Brief facts of the case and contentions of the applicant as mentioned in the instant application are as follows:

i. The Financial Creditor, PRUDENT ARC LIMITED (PRUDENT TRUST 58/22) is an Asset Reconstruction Company registered as Securitisation and Asset Reconstruction Company pursuant to Section 3 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2022.

ii. A Master Service Agreement dated 02.07.2019 was executed between UGRO Capital Limited ("Lender/Assignor") and Hema Engineering Industries Limited ("Principal"). Through this agreement, the Principal agreed to identify and recommend the Lender, the names of its suppliers in need of financial assistance. The Lender can then grant short term financial facility to the suppliers on revolving and recurring basis in respect of sales made between the Corporate Debtor and the Supplier Party.

iii. In furtherance of the said agreement, the Assignor vide sanction letter dated 19.08.2020 sanctioned loan of credit limit for sum of Rs. 1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) in favour of the Corporate Debtor for goods/products supplied to Principal.

iv. Upon accepting the terms and condition of sanction letter dated 19.08.2020, a Facility Agreement dated 03.09.2020 was executed between Assignor and the Corporate Debtor. Later based on request of the Corporate Debtor, pursuant to RBI Notification dated 06.08.2020, on 'Micro, Small and Medium Enterprises (MSME) sector - Restructuring of Advances', the Assignor restructured the facility and a Supplementary Agreement dated 20.12.2020 was executed with revised repayment terms.

v. The Credit Facility was in the nature of revolving credit facility as extended to the Corporate Debtor specifically for the purpose of goods supplied by the Corporate Debtor to the Principal. Based on supply invoice raised by the Corporate Debtor on the Principal, the credit facility was provided for the amount equivalent to invoice.

vi. The Corporate Debtor agreed to repay each facility and/or drawings/tranche on its maturity date/due date for respective invoice from each disbursement.

vii. An Assignment Agreement dated 29.09.2021 was executed between UGRO Capital Limited and Prudent ARC Limited, pursuant to which the Financial Creditor has got all the rights, title and interest in the Financing Documents and underlying Security Interests, pledges and/or guarantees, if any, in respect of such Loans as defined under the said

Assignment Agreement. The account of Corporate Debtor is also one of the assigned accounts.

viii. The cause of action arose on 10.12.2022, when no payment was made by the Corporate Debtor upon raising demand of the default amount by the Financial Creditor vide its notice dated 28.11.2022 sent through its Counsel, which was dispatched on 28.11.2022 and deemed to have been served on 01.12.2022 and as per clause 14 of the Facility Agreement that constituted the event of default in terms of clause 10.1 of the Facility Agreement.

ix. The Corporate Debtor has failed and/or neglected to adhere to the terms and conditions stipulated under the Facility Agreement and to repay the respective credit facility within the stipulated time period and deliberately defaulted in repayment of the credit facility.

7. **<u>Contentions of the Respondent</u>**

The averments of the Respondent as contained in the reply on behalf of the Respondent are as follows:

i. UGRO Capital and the Principal agreed to very strict measures in the Master Service Agreement to restrict/avert huge loss to UGRO Capital. The Respondent relied on clauses of the agreement including suspension of supplies upon default, freezing of the Principal's limit in case repayments were not realized within seven days, obtaining post-dated cheques from the Principal, and suspension of defaulting suppliers until repayment of outstanding dues.

ii. Despite the first default occurring on 26.04.2020, UGRO Capital failed to invoke any of these contractual safeguards. Instead of suspending supplies from Respondent to Principal, UGRO Capital continued the financing facility. It is alleged that such inaction amounted to a breach of the agreements executed with both the Principal and the Respondent, and substantially increased the Respondent's financial exposure.

iii. The Principal regularly issued post-dated cheques corresponding to the disbursed amounts, but UGRO Capital has failed to disclose whether such cheques were ever presented for encashment or what action was taken upon their dishonour. According to the Respondent, had UGRO Capital enforced these securities in time, the losses could have been substantially mitigated.

iv. The Respondent has also presented a chronological account of events to demonstrate that although defaults had commenced in April 2020, UGRO Capital makes further disbursal, despite existing defaults. The Respondent, at multiple occasions, was assured by both UGRO Capital and the Principal that they are addressing the issue and Respondent should carry on with the transactions as usual.

v. Insolvency proceedings were admitted against Hema Engineering Industries Limited on 05.04.2021. During those proceedings, UGRO Capital lodged a financial creditor's claim of approximately ₹17.15 crores, which stood admitted by the Interim Resolution Professional. According to the Respondent, it is highly probable that the present dues also form part of the claim submitted against the Principal.

vi. The Respondent argues that if the amount claimed in the present Section 7 petition has already been included in the CIRP claim against Hema Engineering Industries Limited, then the Petitioner's own records acknowledge that the liability is payable by the Principal. Consequently, the present proceedings against the Respondent are stated to be legally unsustainable.

vii. After assignment of the account to Prudent ARC Limited on 29.11.2021, arbitration proceedings had already been initiated against the Respondent by UGRO Capital. However, according to the Respondent, the claimant deliberately allowed the arbitration proceedings to be dismissed for default and thereafter instituted the present petition under Section 7 of the Code. This application filed u/s 7 of the Code is an afterthought and an attempt to use the same as a recovery platform.

8. The Ld. Counsel for the Applicant submitted that the receivables were hypothecated with UGRO Capital as security for the repayment of outstanding amount. The receivables were used as the basis for extending credit to the Corporate Debtor, and the repayment obligation continued to remain with the Corporate Debtor. The Borrower (Corporate Debtor) was also required to issue irrevocable instructions to the Principal / buyer to deposit the receivables into the designated account of the lender. The lender was entitled to appropriate the receivables credited into the designated account towards repayment of the facility which clearly shows that deposit of receivables by the Principal / buyer into the designated account was only a mode of repayment arranged at the instruction of the Corporate Debtor.

9. The Ld. Counsel for the Applicant further submitted that Clause 5.2 of the Facility Agreement expressly provides that, if the Principal / buyer failed to deposit the receivables into the designated account on the last day of the credit period, the Borrower / Corporate Debtor would be liable to deposit all outstanding amounts, together with additional interest, into the designated account within one business day from expiry of the credit

period. The Facility Agreement conclusively demonstrates that the present transaction was a with-recourse receivables / bill discounting facility falling within Section 5(8)(e) of the Code.

10. The Ld. Counsel for the Applicant also submitted that the Supplemental Agreement dated 20.12.2020 executed by and between UGRO Capital Limited and the Corporate Debtor clearly shows that the restructuring was carried out at the request of the Corporate Debtor and related to the same existing facility granted under the Loan Facility Agreement. The Demand Promissory Note therefore further fortifies the case of the Financial Creditor that the Corporate Debtor had acknowledged a direct and continuing liability to repay the outstanding amounts under the Facility Documents.

11. The Ld. Counsel for the Respondent contended that there is a material contradiction in Form-1 Part-IV, Para 2 regarding Date of Default. In Form-1, Part-IV (Particulars of Financial Debt), Para 2, the Financial Creditor refers to Annexure P-10 and Annexure P-11 and pleads the "event of default" as 10.12.2022. However, in the very same paragraph, it is stated that the "default cum final demand notice" was issued on 28.11.2022. Further, in Annexure P-10 – Petitioner itself admits that default occurs on the Maturity Date and the Petition is Barred by Section 10A of the IBC.

12. The Ld. Counsel for the Respondent further contended that the Applicant has relied upon the RBI Circular dated 27.03.2020 (RBI/2019-20/186 DOR.No.BP.BC.47/21.04.048/2019-20) and the Press Release dated 22.05.2020, and introduced new dates of default in Column 9 as an attempt to overcome the Section 10A bar. Moreover, the said RBI circular applies only to Term Loans and Cash Credit/Overdraft (CC/OD) facilities. The present facility is a Supply Chain Finance / Bill Discounting facility linked to specific invoices.

13. Moreover, the Supplemental Agreement has not been signed or executed by UGRO Capital Limited and hence it does not constitute a valid enforceable contract. As per the records of UGRO Capital itself, the money is primarily payable by the Principal, who was required to deposit receivables directly into the designated account.

**FINDINGS AND ANALYSIS**

14. We have heard the arguments advanced by the Ld. Counsel for the Applicant and the Respondent and have perused the documents on record.

15. The Present Application has been filed by Prudent ARC Limited, which is an Asset Reconstruction Company registered as Securitisation and Asset Reconstruction Company pursuant to Section 3 of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2022. In the present case UGRO Capital entered into a Master Service

Agreement dated 02.07.2019 with Hema Engineering Industries Limited. Through this agreement, the Principal agreed to identify and recommend the Lender, the names of its suppliers in need of financial assistance. The Lender then granted short term financial facility to the suppliers on revolving and recurring basis in respect of sales made between the Corporate Debtor and the Supplier Party.

16. Such financial working facility was also provided to the present Respondent through Facility Agreement dated 26.07.2019. An Assignment Agreement dated 29.09.2021 was executed between UGRO Capital Limited and the Financial Creditor, pursuant to which the Financial Creditor got all the rights, title and interest in respect of such loans, including the loan granted to the Corporate Debtor.

17. The Applicant has submitted that the Corporate Debtor has failed to repay the respective credit facility within the stipulated time period and deliberately defaulted Rs. 2,25,87,827/- (Rupees Two Crores Twenty-Five Lakhs Eighty-Seven Thousand Eight Hundred and Twenty-Seven Only) in repayment of the credit facility.

18. It is well settled that at the stage of admission under Section 7, this Adjudicating Authority is only to ascertain whether there exists a financial debt and whether default has occurred as laid down in ***Innoventive Industries Ltd. v. ICICI Bank [(2018) 1 SCC 407]***.

19. In order to ascertain this primary issue at hand, it is required to examine the documents and agreements executed between the parties. Firstly, on examining the Master Service Agreement dated 02.07.2019 executed between UGRO Capital and Hema Engineering Industries Limited, it is clear that the arrangement was in the nature that Hema will provide list of its suppliers in need of Financial Assistance and UGRO Capital would provide financial assistance at its sole discretion to the supplier party on conducting its independent credit appraisal.

> B. By the way of this Agreement UGRO and the Principal are desirous of entering into an arrangement pursuant to which Principal shall provide UGRO with details, information, data and documentation regarding its Suppliers which require financial assistance.
>
> C. Pursuant to this arrangement, once UGRO receives such information from Principal about its Suppliers, it will be at liberty to carry out a credit appraisal of each of the Suppliers as the case may be, referred to it by the Principal, and extend such financial assistance as it may deem appropriate at its sole discretion determine, taking into account the Supplier's requirements and eligibility as per their respective financials.

20. On further examination of the Master Services Agreement it is further clear that the working capital facility provided to the prospective borrowers/Suppliers were on the basis of the invoices between Hema and the respective supplier and the arrangement was in the nature of discounting of Invoices. The Following clauses of the agreement are relevant in this regard:

UGRO shall upon receipt of Disbursement Request Form, disburse the Facility directly to such Supplier in the manner specified under this Master Service Agreement (into the designated account of the Supplier as informed by the Supplier in writing to UGRO) on the basis of the invoice raised by the Supplier on the Principal for supply of materials, goods etc. towards manufacture of the Products by Principal ("Supplier's Invoice"). It is hereby clarified that the Principal shall upon receipt of the Supplier's Invoice, provide his acceptance of the invoice in any manner including by way of any digital means such as email, as may be prescribed by UGRO.

"Undertaking" means an undertaking from the Principal in favour of UGRO that the Principal will credit all the receivables payable by it to the Supplier pursuant to Supplier's Invoice's discounted by the URGO, into the Escrow Account/Designated Account.

21. Moreover, the Principal i.e. Hema Engineering had the liability to repay these said working capital facilities of the suppliers by way of making payment in lieu of the invoices generated by the suppliers to Hema. The relevant excerpts from the agreement are as below:

It is hereby clarified that all payments in respect of the Supplier's Invoices shall be made by way of ECS (Electronic Clearing Service) or direct credit or RTGS (Real Time Gross Settlement) or NEFT (National Electronic Funds Transfer) or by way of payment through the post - dated cheques to be provided in favour of UGRO. The Principal shall not make any payments in respect of the Supplier's Invoices, discounted by UGRO, except into the Escrow Account/ Designated Account in the manner prescribed by UGRO under this Master Service Agreement.

The Principal shall ensure that it credits the total invoice amount mentioned in the Invoice raised by its Suppliers & discounted by the URGO, on or prior to its due date into the Escrow Account/ Designated Account in the manner specified under this Master Service Agreement, which shall be appropriated and utilized by UGRO solely towards repayment of the Facility granted by UGRO to such Supplier and other Outstanding Amounts payable in respect thereof, in terms of the Master Service Agreement, Facility Documents and the Escrow Agreement (if applicable). It is hereby clarified that, once invoice raised by Supplier is accepted by Principal, it shall be construed as delivery of the product has happened, quality check of the goods is done and payment terms including the due date have been acknowledged, agreed and accepted by the Supplier and the Principal. Also, it is clarified that once the acceptance of the invoices along with acknowledgement of the goods received has been provided to UGRO, then notwithstanding any dispute/disagreement between the Principal and the Supplier, the Principal shall credit the total invoice amount specified in the Invoice raised by its Suppliers on or prior to its due date into the Escrow Account/ Designated Account. Further, notwithstanding anything contained herein, in the event, the Principal fails to credit the Escrow Account/Designated Account with such amounts that are payable pursuant to Supplier's Invoice, on or before such date/ within such time period as stipulated under the Facility Agreement, then such Borrower shall repay the relevant Facility together with other Outstanding Amount, directly to UGRO on or before the date/ time period stipulated under the Facility Documents for such repayment.

5. M/s Hema Engineering Industries Ltd. should undertake to provide comfort and support on the below:
    a. To ensure the payment of dues generated against the Invoice discounted by UGRO Capital Limited on or before the due date on timely basis.
    b. All invoices which are acknowledged by M/s Hema Engineering Industries Ltd. for payment as construed as duly delivered and quality checked by M/s Hema Engineering Industries Ltd.
    c. Any dispute regarding quality/quantity etc. to be taken care by M/ Hema Engineering Industries Ltd with respective supplier / borrower. This shall not impact payment due to UGRO Capital Limited which is already accepted by M/s Hema Engineering Industries Ltd. as receipt.

**ANNEXURE II**
**Term Sheet**

| Sr.No. | FACILITY DETAILS | |
|---|---|---|
| 1. | Purpose of facility | Working Capital Facility to Supplier(s) |
| 2. | Program Coverage | Lending to Suppliers of Hema Engineering Industries Ltd |
| 3. | Overall program Limit | 25 Crs |
| 4. | Program Duration | One year (Applicable from the data of first vendor limit set-up) |
| 5. | Profile of Borrowers under the program | Supplier(s) of Hema Engineering Industries Ltd with 12 Months Minimum Vintage |
| 6. | Location of Program | Delhi |
| 7. | Facility Amount per Borrower | Minimum Rs 0.1Cr & Maximum Rs 5 Cr. |
| 8. | Minimum Tranche Size | 0.001 Cr |
| 9. | Tenor of Tranche Facility | Up-to 90 days |
| 10. | Limit Eligibility | Maximum 5 Cr per Supplier |
| 11. | Supplier Selection Criteria | Minimum turnover of Rs 1 Cr. |
| 12. | Invoice level Discounting | 100% of invoice amount, acknowledged by Hema Engineering Industries Ltd and Upfront deduction of Interest |
| 21. | Disbursement Mechanism | Disbursement in Suppliers / Borrowers account basis confirmation from the M/s Hema Engineering Industries Ltd |
| 22. | Repayment Mechanism | • Hema Engineering Industries Ltd to make bullet repayment of the discounted Invoice amount on or before due date from the date of disbursement<br>• Electronic Transfer from M/s Hema Engineering Industries Ltd<br>• Interest to be deducted upfront<br>• Principal repayment by the Hema Engineering Industries Ltd through Electronically in the designated account of U GRO<br>• Cooling period – 5 days, no penal interest will be charged during cooling period, however, post cooling period entire 6 days penal interest will be levied. |

22. The Schedule to Assignment Agreement dated 29.09.2021 executed between Applicant Prudent ARC (Prudent Trust - 58/22) and UGRO Capital delineating Details of Borrowers also mentions the nature of the Respondent's account as Vendor Bill Discounting.

| | | | | | |
|---|---|---|---|---|---|
| 1 | Name / Details of the Borrower | PRASAR METAL ENGINEERING PRIVATE LIMITED 79, Suraj Apartment Dda MIG Flats Surajund Road, New Delhi-110044 IN | | | |
| 2 | Details of the guarantor / Co-borrower | Jitendra Singh Rana | | | |
| 2.1 | Date of NPA Outstanding as on date of NPA (Principal outstanding +interest) | 90 DPD DATE- 28-Jun-21 Rs.1.4 cr (1.35+0.05) | | | |
| 3 | A/c No. as per Assignor's records | 990167221 | | | |
| 4 | Outstanding amount (Principal O/s + interest) as on cut-off date ( Account Wise) | Principal Outstanding as on 23/09/2021 (Rs in Crores) | Interest accrued as on 23/09/2021 (RS in Crores) | Total (Rs in Crore) | ROI (%) |
| | | 1.35 | 0.18 | 1.53 | 13 |
| 5 | Nature of credit facility | Vendor bill discounting | | | |

19 TRUE COPY

23. Ld. Counsel for the Applicant has submitted that the Receivables are hypothecated in the present case. On examining the Facility Agreement dated 26.07.2019 executed between UGRO Capital and the Respondent, Receivables are defined as:

1.18 "**Receivables**" shall mean the monies payable by the Principal to the Borrower in relation to an Accepted Invoice and against which the Lender has granted a Facility to the Borrower;

The Facility Agreement further stipulates:

7. **SECURITY**

7.1 As security for the repayment of the Outstanding Amounts, the Borrower hereby hypothecates, as and by way of a first and exclusive charge, the Receivables, unto the Lender, until the Final Settlement Date. The Borrower hereby represents, warrants and confirms that it has absolute authority to hypothecate the Receivables, and assures that other than this hypothecation, the Receivables are free from any encumbrance and is not subject to any *lis pendens*, attachment or other process issued by any governmental authority and that notwithstanding anything by the Borrower, done or executed or omitted to be done or executed or knowingly suffered to the contrary, the Borrower has the power to hypothecate the Receivables unto the Lender. The Borrower hereby agrees and undertakes to execute all such deeds, documents and assurances and do all such acts and things as the Lender may require for perfecting the hypothecation on the Receivables, and the Borrower shall from time to time and at all times after the hypothecation or other security becoming enforceable, execute and do all such deeds, documents, assurances, acts, and things as the Lender may require for securing the amounts and facilitating realization of the amounts due to the Lender and payable in terms hereof.

24. As reproduced above, it can only be inferred that the Receivables i.e. monies payable in lieu of the invoices generated by the Supplier to Hema are hypothecated. This hypothecation does not however, change the nature of the primary arrangement – discounting of invoices and raising working capital facilities for suppliers in need of Financial Assistance.

25. On further examination of repayment terms of the Facility Agreement, it is again clear that the primary liability to repay the dues as against the discounted invoices is of the Principal i.e. Hema Engineering.

5. **REPAYMENT**

5.1 The Borrower shall be liable to repay the Facility as a bullet payment on the last day of the Credit Period being the Tenor, unless extended by the Lender at its sole discretion. In this regard, the Borrower shall issue irrevocable instructions to the Principal to deposit the Receivables to the Designated Account. The Lender shall appropriate the Receivables credited to the Designated Account towards repayment of the Facility.

5.2 In the event the Principal fails to deposit the Receivables into the Designated Account on the last day of the Credit Period, the Borrower shall be liable to deposit all the Outstanding Amounts (together with Additional Interest) into the Designated Account no later than 1 (one) Business Day from the expiry of the Credit Period (**"Extended Repayment Period"**). It is clarified that no notice or reminder shall be given by the Lender either to the Borrower or the Principal to repay the Facility as per the agreed time lines.

26. An important note to make at this juncture is that the Supplemental Agreement dated 20.12.2020 supposedly executed between UGRO Capital and the Respondent regarding Restructuring of the Facility does not contain the stamp or signatures of UGRO Capital and hence cannot be taken into consideration in the nature of a valid enforceable contract.

27. It has been further brought to the attention of this Adjudicating Authority that the Principal Hema Engineering has been admitted for CIRP as on 05.04.2021 and UGRO Capital had filed a claim of Rs. 17.15 Crores in the process which stood accepted.

28. Therefore, in view of the foregoing discussion, we are of the opinion that the Applicant has failed to establish existence of Financial Debt and Liability to repay as against the Respondent. The status of the Applicant cannot be established as that of Financial Creditor towards the Respondent. Since the very jurisdictional requirement for maintaining an application under Section 7 of the Code is absent, this Adjudicating Authority cannot invoke the insolvency resolution process against the Corporate Debtor. The present proceedings under Section 7 of the Code are not maintainable.

29. Accordingly, **C.P. (IB) No. 70/ND/2023** filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 stands **dismissed**.

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **(ATUL CHATURVEDI)**<br>**MEMBER (TECHNICAL)** | **(MAHENDRA KHANDELWAL)**<br>**MEMBER (JUDICIAL)** |

**IN THE NATIONAL COMPANY LAW TRIBUNAL**
**NEW DELHI**
**COURT-IV**
**I.A. 1996/ND/2026**
**in**
**C.P. (IB) 70/ND/2023**

**Under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the National Company Law Tribunal Rules, 2016**

**IN THE MATTER OF:**
Prudent ARC Ltd.
…Applicant/Financial Creditor

Versus

Prasar Metal Engineering Pvt. Ltd.
…Respondent/Corporate Debtor

**AND IN THE MAIN MATTER OF:**
Prudent ARC Ltd.
…Applicant/Financial Creditor

Versus

Prasar Metal Engineering Pvt. Ltd.
…Respondent/Corporate Debtor

**CORAM:**

**SHRI MAHENDRA KHANDELWAL**
**HON'BLE MEMBER (JUDICIAL)**

**SHRI ATUL CHATURVEDI**
**HON'BLE MEMBER (TECHNICAL)**

**Order delivered on: 11.08.2026**

**PRESENT:**

For the Applicant: Mr. Udit Chauhan, Mr. Sumeet Raj, Advocates

**ORDER**

**PER: MAHENDRA KHANDELWAL, MEMBER (JUDICIAL)**

1. The present Interlocutory Application I.A. 1996/ND/2026 in C.P. (IB) No. 70/ND/2023 has been filed under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 read with Rule 11 of the NCLT Rules, 2016 by Prudent ARC Limited ("Applicant") against Prasar Metal Engineering Private Limited ("Respondent/Corporate Debtor") seeking condonation of delay and permission to place on record the Written Submissions along with Judgment and Citations pursuant to order dated 08.04.2026 passed in CP (IB) 70/ND/2023.

2. The Applicant has made the following prayers in this application:

   *"(i) Condone the delay of 20 days in filing the written submissions on behalf of the Financial Creditor;*
   *(ii) Permit the Financial Creditor to place on record the written submissions along with judgments and citations pursuant to order dated 08.04.2026 passed in Company Petition No. IB/70/ND/2023;*
   *(iii) Take the written submissions along with judgments and citations on record; and*
   *(iv) Pass such other and further order(s) as this Hon'ble Adjudicating Authority may deem fit and proper in the facts and circumstances of the present case."*

3. Contentions of the Applicant

Brief facts of the case and contentions of the Applicant as mentioned in the instant application are as follows:

   i. The present Application is being filed on behalf of the Financial Creditor seeking condonation of delay of 20 days in filing the written submissions along with judgments and citations, and seeking permission to place the same on record.

ii. This Adjudicating Authority, vide order dated 08.04.2026, was pleased to hear arguments on behalf of the Applicant as well as the Respondent and directed both parties to file written submissions along with judgments and citations, if any, within one week.

iii. In terms of the aforesaid order dated 08.04.2026, the written submissions were required to be filed within one week, i.e. on or before 15.04.2026. However, the written submissions could not be filed within the stipulated period and were filed on 05.05.2026, resulting in a short delay of 20 days in filing the written submissions on behalf of the Financial Creditor.

iv. The delay is neither intentional nor deliberate, it occurred due to bona fide reasons including the time required for collating and examining the pleadings, facility documents, assignment documents, demand notice, computation of dues, reply filed by the Corporate Debtor, and the additional contentions sought to be raised by the Corporate Debtor during the course of arguments, as well as for compiling relevant judgments and citations.

v. The written submissions along with judgments and citations are necessary for proper adjudication and no prejudice shall be caused to the Corporate Debtor if the delay is condoned.

4. We have gone through the documents on record as well as heard the arguments advanced by counsel of the Applicant.

5. This Adjudicating Authority deems it fit and proper to condone the delay of 20 days in filing the Written Submissions by the Applicant. The Written Submissions along with judgments and citations have already been filed and are taken on record.

6. Accordingly, the **I.A. No. 1996/ND/2026 in C.P. (IB) 70/ND/2023** stands **allowed** and disposed of**.**

| | |
|---|---|
| **Sd/-** | **Sd/-** |
| **(ATUL CHATURVEDI)** | **(MAHENDRA KHANDELWAL)** |
| **MEMBER (TECHNICAL)** | **MEMBER (JUDICIAL)** |