



IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH, COURT-I

RCP (IB) No. 3/ (KB)/2025

**An Application 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:

Tribute Trading and Finance Limited

.....Applicant/Financial Creditor

Versus

Florin Realtors Private Limited

..... Respondent/Corporate Debtor

Date of Pronouncement: - 24/09/2026

CORAM:

SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)

MS. REKHA KANTILAL SHAH, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For Tribute Trading and Finance Limited:

- 1. Mr. Shaunak Mitra, Adv.**
- 2. Ms. Joyshree Ghosh, Adv.**
- 3. Adv. Ms. Jyoti Barai, Adv.**

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ORDER

Per: Bidisha Banerjee, Member (Judicial)

1. The Court convened through hybrid mode.
2. The Learned Counsel for the Applicant was heard.

3. Brief Facts:

- 3.1. Tribute Trading and Finance Limited being the Financial Creditor was incorporated on December 4, 1986.
- 3.2. Florin Realtors Private Limited being the Corporate Debtor was incorporated on June 27, 2012.
- 3.3. The Financial Creditor filed the present Company Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of Corporate Insolvency Resolution Process against the Corporate Debtor, on the ground of default in repayment of a financial debt disbursed by way of an Inter-Corporate Deposit (“ICD”).
- 3.4. The Financial Creditor disbursed a sum of Rs. 1,45,00,000/- to the Corporate Debtor in four tranches.
- 3.5. The Corporate Debtor initially discharged its obligations in part by making payments towards the interest accrued for the Financial Years 2013-14 and 2014-15, aggregating to Rs. 15,18,030/-. However, the Corporate Debtor thereafter defaulted and ceased making any further payments towards the accrued interest.
- 3.6. After giving credit for the interest payments so made, a sum of Rs. 2,23,30,000/- stood due and payable as on March 31, 2021, comprising the outstanding principal of Rs. 1,45,00,000/- and accrued interest of Rs. 78,30,000/-, together with further interest at 9% per annum on the outstanding principal.
- 3.7. Consequently, the Financial Creditor issued a demand notice dated May 13, 2021, under cover of an email of the same date, to the Corporate Debtor and its Directors, calling upon them to repay the principal amount of Rs. 1,45,00,000/- together with accrued interest of Rs. 78,30,000/-, aggregating to Rs. 2,23,30,000/-, within seven days of receipt of the notice. The

Corporate Debtor replied through its advocates on May 18, 2021, but no payment was made.

- 3.8. On account of the continuing default, the Financial Creditor filed the Company Petition on June 25, 2021, registered as **CP(IB) No. 151/KB/2021**, with the date of default stated therein as May 21, 2021, and the amount in default stated as Rs. 2,23,30,000/-.
- 3.9. During the pendency of the Company Petition, the Corporate Debtor initiated settlement discussions with the Financial Creditor, which were recorded by this Tribunal in its order dated October 29, 2021. The said discussions culminated in a Settlement Agreement dated September 2, 2021, whereunder the Corporate Debtor accepted and admitted its liability to pay a sum of Rs. 1,45,00,000/- to the Financial Creditor in full and final satisfaction of all claims, payable on or before March 31, 2022. The Settlement Agreement further recorded that, in the event of default by the Corporate Debtor, the Financial Creditor would be entitled to seek revival of the Company Petition or to initiate fresh proceedings under the Code.
- 3.10. On the settlement being reported, this Tribunal, by its order dated November 10, 2021, dismissed CP(IB) No. 151/KB/2021 as withdrawn, granting liberty to the Financial Creditor to file an appropriate application for revival of the Company Petition in the event the settlement failed.
- 3.11. Pursuant to the Settlement Agreement, the Corporate Debtor made payments aggregating to only Rs. 25,00,000/-
- 3.12. On account of the said breach, the Financial Creditor invoked the liberty granted by this Tribunal and filed a Restoration Application, seeking restoration and revival of the Company Petition. By order dated September 9, 2025, this Tribunal allowed the said Restoration Application and disposed of the same, permitting the Company Petition to be brought back on record, and the Company Petition accordingly stood revived.

4. Submissions of the Applicant

- 4.1. The Financial Creditor is a Non-Banking Financial Company registered with the Reserve Bank of India.



- 4.2. The Financial Creditor had granted and disbursed ICD (Inter-Corporate Deposit) aggregating to an amount of Rs. 1,45,00,000/- bearing interest rate of 9% per annum to the Corporate Debtor. The amount of ICD granted and disbursed to the Corporate Debtor was repayable on demand.
- 4.3. The Amount of ICD aggregating to Rs. 1,45,00,000/- were disbursed to the Corporate Debtor as per the following particulars:
- a) Through a RTGS bearing UTR No. INDBH13344646689 dated December 10, 2013 for a sum of Rs.25,00,000/- by IndusInd Bank Limited, India Exchange Place Branch.
 - b) Through a cheque bearing No. 553894 dated December 11 2013 for a sum of Rs.50,00,000/- drawn on IndusInd Bank Limited, India Exchange Place Branch.
 - c) Through a RTGS bearing UTR No. INDBH133538904030 dated December 19, 2013, for a sum of Rs.30,00,000/- by IndusInd Bank Limited, India Exchange Place Branch.
 - d) Through a RTGS bearing UTR No. INDBH13355615438 dated December 21, 2013 for a sum of Rs. 40,00,000/- by IndusInd Bank Limited, India Exchange Place Branch. The above amounts towards ICD have been accepted and appropriated by the Corporate Debtor.
- 4.4. The Corporate Debtor has deposited Tax Deducted at Source ("TDS") as per the agreement and understanding between the Parties. Copies of the Form 26AS for the Financial Years 2013-14 & 2014-15 of the Financial Creditor evidencing deposit of the TDS by the Corporate Debtor.
- 4.5. The Corporate Debtor has from time to time acknowledged liability to make the payment of the outstanding dues to the Financial Creditor, however, on account of its financial inability, such amounts remain due and unpaid.
- 4.6. The Corporate Debtor has made payment of an aggregate amount of Rs.15,18,030/- from time to time towards part and portion of the interest amount being interest accrued for the Financial Years 2013-14 & 2014-15.



- 4.7. After appropriating and giving credit to the interest amount repaid by the Corporate Debtor aggregate amount of Rs.2,23,30,000/- [Rupees Two Crores Twenty-Three Lakhs Thirty Thousand Only comprising of the outstanding principal sum of Rs. 1,45,00,000/- (One Crore Forty-Five Lakhs Only) and outstanding interest amount of Rs. -(Rupees Seventy-Eight Lakhs Thirty Thousand Only] calculated up to March 31,2021 is due, outstanding and payable by the Corporate Debtor towards repayment of the ICD with its interest to the Financial Creditor. The Financial Creditor is also entitled to further interest on the principal amount calculated on and from April 1, 2021 @9% per annum till the entire principal amount is paid in full.
- 4.8. The Corporate Debtor was initially meeting their financial obligations by making of the interest accrued for the Financial Years 2013-14 & 2014-15 but thereafter started defaulting and neglecting in meeting such financial obligations towards payment of interest.
- 4.9. The Corporate Debtor had given repeated assurances with respect to regularizing the payments and repaying the outstanding ICD with accrued interest but has failed, neglected to make payment of the outstanding principal amount of the ICD.
- 4.10. Hence, the Financial Creditor issued a Notice dated May 13, 2021 under cover of their email dated May 13, 2021 to the Corporate Debtor along with its Directors demanding repayment of the principal amount of ICD amounting to Rs. 1,45,00,000/- along with accrued interest amounting to Rs. 78,30,000/- as on March 31, 2021, aggregating to Rs. 2,23,30,000/- within 7 days from the date of receipt of the Notice.
- 4.11. The Corporate Debtor through their advocates letter dated May 18, 2021, had replied to such Notice under cover of email dated May 18, 2021. However, despite receipt of the notice, the Corporate Debtor has failed, neglected and defaulted to make payment of Rs. 2,23,30,000/-.
- 4.12. It is submitted that the Financial Creditor is entitled to interest on the principal amount calculated at 9% per annum from April 1, 2021, till the amount is paid and liquidated in full, thus there is now due and payable an aggregate sum of Rs. 2,23,30,000/-

comprising of principal sum of Rs. 1,45,00,000/- and gross interest amounting to Rs. 78,30,000/- calculated at 9% interest per annum on the outstanding Principal amount of ICD on and from April 1, 2015, till March 31, 2021.

5. Submissions of the Respondent

- 5.1. None had turned upon behalf of the Respondents therefore CD was set ex-parte, on 06.08.2026 and the matter was taken up for hearing.

6. Analysis and Findings

- 6.1. 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 Insolvency and Bankruptcy, 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:”

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- 6.2. A bare reading of abovementioned Section makes it clear that we have to ascertain two things when dealing with a Section 7 Application i.e.:
- a) Whether a “financial debt” as defined under Section 5(8) of the Code is owed by the Corporate Debtor to the Financial Creditor, and,
 - b) Whether a “default”, as defined under Section 3(12) of the Code, has occurred in respect of the said debt.
- 6.3. Upon an examination of these two ingredients, this Tribunal has to either admit or reject the application based on our findings.
- 6.4. At this juncture we find it is pertinent to look into Section 5(8) of the Companies Act; the aforementioned Section is extracted below for brevity:

5(8) “financial debt” means a debt alongwith interest, if any, which is disbursed against the consideration for the time value of money and includes—

(a) money borrowed against the payment of interest;

(b) any amount raised by acceptance under any acceptance credit facility or its de-materialised equivalent;

(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(d) the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;

(e) receivables sold or discounted other than any receivables sold on non-recourse basis;

(f) any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;

Xxxxxxxxxx.....

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(emphasis added)

- 6.5. On a plain reading of Section 5(8) of the Code, it is evident that money advanced against payment of interest falls squarely within the meaning of a “financial debt”. In the present case, the record shows that a sum of Rs. 1,45,00,000/- was disbursed to the Corporate Debtor in four separate tranches, and after each such disbursement, a forwarding letter was issued to the Corporate Debtor confirming that the amount had been paid and that it carried interest at the rate of 9% per annum. These letters further record that the interest was payable annually and that the principal amount was repayable on demand. Given these facts, there can be little doubt that the transaction in question constitutes a financial debt within the meaning of Section 5(8) of the Code, having both the essential features of disbursement of money and the consideration for the time value of money in the form of interest.
- 6.6. The aforesaid facts, taken together, leave no doubt that the debt in question is duly established and acknowledged. Not only did the Corporate Debtor accept and appropriate the disbursed amounts, as reflected in the bank statements of the Financial Creditor, but it also deposited TDS on the interest component in terms of the agreement between the parties, as borne out by Form 26AS for the Financial Years 2013-14 and 2014-15. Such deduction of TDS is itself a strong contemporaneous acknowledgment on the part of the Corporate Debtor of its liability to pay interest on the amount received. This position is further fortified by the Confirmation of Accounts for the Financial Year 2013-14 and by the Corporate Debtor's own Financial Statements for the years ending March 31, 2014 through March 31, 2020, which consistently record the liability owed to the Financial Creditor in respect of the amount disbursed.
- 6.7. In ***Mahabir Cold Storage v. CIT, 1991 Supp (1) SCC 402: (1991) 188 ITR 91 at page 409*** the Hon'ble Apex Court enunciated that:

12. The entries in the books of accounts of the appellant would amount to an acknowledgement of the liability to M/s



Prayagchand Hanumanmal within the meaning of Section 18 of the Limitation Act, 1963 and extend the period of limitation for the discharge of the liability as debt. Section 2(47) of the Act defines 'transfer' in relation to a capital asset under clause (i) the sale, exchange or relinquishment of the asset or (ii) the extinguishment of any right thereof or — [clauses (iii) to (vi) are not relevant hence omitted]. Unfortunately the assessee did not bring on record the necessary material facts to establish that he became owner by any non-testamentary instrument acquiring right, title and interest in the plant and machinery nor the point was argued before the High Court and we do not have the benefit in this regard either of the Tribunal or of the High Court. In this view we decline to go into the question but confine to the first question and agree with the High Court answering the reference in favour of the revenue and against the assessee that the appellant is not entitled to the development rebate under Section 33(1) of the Act. The appeal is accordingly dismissed with costs quantified at Rs 5000.

(emphasis added)

- 6.8. The Corporate Debtor did make part-payments aggregating to Rs. 15,18,030/- towards interest for the Financial Years 2013-14 and 2014-15, which itself constitutes an acknowledgment of debt, but thereafter defaulted and ceased making any further payments. After giving credit for the payments made, a sum of Rs. 2,23,30,000/- stood due and payable as on March 31, 2021, comprising the principal amount of Rs. 1,45,00,000/- and accrued interest of Rs. 78,30,000/-. In view of the consistent and contemporaneous documentary trail which consists of the forwarding letters, bank statements, TDS deductions, Confirmation of Accounts, and the Corporate Debtor's own financial statements this Adjudicating Authority finds that the existence of financial debt stands duly established, and the Corporate Debtor's default in repayment thereof, as on the date of default, i.e., May 21, 2021, stands equally established.
- 6.9. The record further discloses that during the pendency of the Company Petition, which was filed on June 25, 2021, the Corporate Debtor initiated settlement discussions with the

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Financial Creditor, culminating in a Settlement Agreement dated September 2, 2021. Under the said Agreement, the Corporate Debtor unequivocally accepted and admitted its liability to pay a sum of Rs. 1,45,00,000/- to the Financial Creditor, in full and final satisfaction of all claims, the said amount being payable on or before March 31, 2022. On the basis of this settlement being reported before this Tribunal, the Company Petition was dismissed as withdrawn by order dated November 10, 2021, with liberty granted to the Financial Creditor to seek revival in the event the settlement failed. However, pursuant to the Settlement Agreement, the Corporate Debtor made payments aggregating to only Rs. 25,00,000/- between November 9, 2021, and March 23, 2022, which are shown in a table below:

Date	Mode of Payment	Amount (In Rs.)
November 9, 2021	RTGS (RBL Bank)	Rs. 10,00,000/-
December 6, 2021	RTGS (RBL Bank)	Rs. 5,00,000/-
December 7, 2021	RTGS (RBL Bank)	Rs. 5,00,000/-
March 23, 2022	RTGS (RBL Bank)	Rs. 5,00,000/-
TOTAL		Rs. 25,00,000/-

6.10. No further payments were made towards the settled amount. In view of such default, the Financial Creditor invoked the liberty granted by this Tribunal and filed a Restoration Application, which came to be allowed by this Tribunal on September 9, 2025, thereby reviving the Company Petition. By entering into the Settlement Agreement dated September 2, 2021, and admitting

therein its liability to pay Rs. 1,45,00,000/- to the Financial Creditor, the Corporate Debtor has, in effect, admitted the existence of the financial debt, and the part-payments made thereunder further reaffirm such acknowledgment. The subsequent default committed by the Corporate Debtor in honouring the terms of the said settlement lends further credence to the case set up by the Financial Creditor and reinforces the finding recorded hereinabove as to the existence of debt and default.

ORDER

7. In terms of the foregoing discussion, we **ALLOW** the application bearing **R.C.P.(IB) No.3/KB/2025** filed **under Section 7 of the I&B Code, 2016**, and accordingly, we admit the Corporate Debtor into CIRP and make the following orders:

- i. CIRP of the Corporate Debtor is hereby initiated.
- 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 asset or any legal right or beneficial interest therein;*
 - c. *Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);*

- d. *The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.*

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

- iv. The supply of essential goods or services to the corporate debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period.
- v. The provisions of sub-section (1) of the Section 14 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- vi. The Applicant has proposed the name of **Mr. Rakesh Kumar Agarwal**, Address: 20 N S Road, Room No. 15, Block A, 1st Floor, Kolkata, West Bengal ,700001, Registration No. IBBI/IPA-001/IP-P00443/2017-18/10786, Email: rakesh202@hotmail.com as the "IRP". We have perused that there is a written communication and consent of IRP in Form 2 with Affidavit, annexed to the petition, as per the requirement of Rule 9(l) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. There is a declaration made by him that there are no disciplinary proceedings pending against him with the Board or IIP of ICAI. In addition, necessary disclosures have been made by "**Mr. Rakesh Kumar Agarwal**" as per the requirement of the IBBI Regulations and he satisfies the requirement of the code. Hence, we appoint "**Mr. Rakesh Kumar Agarwal**" as the **Interim Resolution Professional (IRP)** of the Corporate Debtor to carry out the functions as per the I&B Code

subject to submission of a valid Authorisation of Assignment in terms of regulation 7A of the Insolvency and Bankruptcy Board of India (Insolvency Professional) Regulations, 2016. The fee payable to IRP or the RP, as the case may be, shall be compliant with such Regulations, Circulars and Directions as may be issued by the Insolvency & Bankruptcy Board of India (IBBI). The IRP shall carry out his functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the I&B Code.

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

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9. Post the Company Petition on 28/10/2026 for filing the Periodical Progress Report by the IRP as appointed herein.

Rekha Kantilal Shah

Smt. Bidisha Banerjee

Member (Technical)

Member (Judicial)

Order signed on 24.09.2026

RKM(LRA)