



**IN THE NATIONAL COMPANY LAW TRIBUNAL,
SPECIAL BENCH – II, CHENNAI
CP(IB)/28(CHE)/2025**

*(Filed under Section 9 of the Insolvency and Bankruptcy Code, 2016, R/w, Rule 6 of the
Insolvency and Bankruptcy Rules, 2016)*

In the matter of K. I. (International) Limited

GRETA STEELS PRIVATE LIMITED,
Represented by its Director, Mr. Rajesh Kumar,
No.39, ABC Trade Centre, 4th Floor,
Inside Devi Theatre Complex,
Anna Salai, Chennai – 600 002.

**... Petitioner/ Operational Creditor
V/s**

K. I. (INTERNATIONAL) LIMITED,
No.664 T.H Road, Tondiarpet,
Chennai – 600 081.

... Respondent/ Corporate Debtor

Order pronounced on 24.07.2025

CORAM:

Shri. SANJIV JAIN, MEMBER (JUDICIAL)

Shri. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

Present:

For Applicant : Mr. P J Sri Ganesh, Advocate

For Respondent : Mr. Premkumar, Advocate

ORDER

(Heard through Hybrid Mode)

This Application under Section 9 of IBC has been filed by **Greta Steels Private Limited**, represented by its Director, Mr. Rajesh Kumar, Petitioner/ Operational Creditor herein against **K. I. (International) Limited**, Respondent /



Corporate Debtor herein for initiating Corporate Insolvency Process (CIRP) against the Corporate Debtor.

2. SUBMISSIONS OF THE APPLICANT:

2.1. Part I of the Application contains the particulars of the Applicant Greta Steels Private Limited represented by its Director, Mr. Rajesh Kumar. Part II of the Application sets out the details of the Corporate Debtor. It was incorporated on 20.01.2005 with paid up share capital of Rs. 5,98,10,400/- and address at No.664, T.H. Road, Tondiarpet, Chennai – 600 081, within the jurisdiction of this Tribunal. In Part III of the application, the Operational Creditor has proposed Mr. Piyush Kisanlal Jani, having Registration No: IBBI/IPA-001/IP-P01439/2018-19/12164, as the IRP. Part IV of the application sets out the details of the debt being Rs.19,14,54,142/- (Rupees nineteen crore fourteen lakhs fifty four thousand one hundred and forty two only) with date of default as 08.06.2019. This application has been filed on 04.12.2024.

2.2. It is submitted that the Operational Creditor, Greta Steels Private Limited, is engaged in the business of supplying various goods and materials, including steam coal. The applicant had a longstanding business relationship with the Corporate Debtor, K.I. International Ltd., beginning from November 2013. In furtherance of this commercial relationship, the parties executed a High Seas Sales Agreement dated 08.02.2019 for the supply of imported steam coal in bulk. The transaction under this agreement was valued at Rs.12,22,42,431/-, and the same was supported by a valid sales invoice raised on the same day, along with accompanying documentation such as the bill of lading and bill of entry.

2.3. It is submitted that pursuant to the said agreement and in accordance with the terms of trade, the Operational Creditor effected timely delivery of the contracted goods. In part discharge of their liability, the Corporate Debtor made payments aggregating to Rs.7,35,02,650/-, with the last such payment having



been made on 26.02.2019. However, despite repeated follow-ups and reminders, a substantial balance amount of Rs.9,72,80,900/- remained unpaid. In addition to the liability arising under the High Seas Sales Agreement, the Operational Creditor had raised multiple tax invoices from February 2019 to March 2019 towards other supplies, which were also left unpaid. Consequently, as on the date of the application, a total sum of Rs.19,14,54,142/- (Rupees Nineteen Crores Fourteen Lakhs Fifty-Four Thousand One Hundred and Forty-Two Only) stood due and payable by the Corporate Debtor.

2.4. It is submitted that despite the unequivocal legal obligation to pay the operational debt, the Corporate Debtor failed to settle the outstanding dues. The petitioner issued a demand notice under Form 3 dated 14.10.2024, in compliance with Section 8 of the IBC. The notice was duly served and acknowledged by the Corporate Debtor. However, the Corporate Debtor did not respond to the demand notice either by making payment or by raising any dispute as contemplated under the Code. It is stated that multiple oral and written representations were made seeking release of the dues, but the Corporate Debtor remained indifferent, prompting the initiation of the present application.

2.5. It is submitted that the default committed by the Corporate Debtor caused serious financial hardship to the applicant. The prolonged non-payment has disrupted the Operational Creditor's working capital cycle, damaged its financial credibility in the market, and exposed it to a significant interest burden due to borrowing costs incurred to sustain its business operations. The applicant has emphasized that the Corporate Debtor's continued failure to discharge its undisputed debt has materially affected its liquidity and functioning.

2.6. It is stated that the Operational Creditor relies upon balance confirmation letters issued by the Corporate Debtor on multiple occasions, specifically on 09.06.2021, 25.05.2022 and 31.03.2023, which clearly acknowledge the outstanding debt and reaffirm the Corporate Debtor's liability. These



confirmations serve as a continuing acknowledgment under Section 18 of the Limitation Act, 1963, thereby effectively extending the period of limitation. Accordingly, it is submitted that the application filed on 04.12.2024 is well within the prescribed limitation period.

2.7. It is stated that the present application under Section 9 of the IBC has been filed in the prescribed format and is accompanied by all relevant documents to substantiate the claim, including the High Seas Sales Agreement, tax invoices, balance confirmations, the statutory demand notice, postal acknowledgment, and an affidavit verifying the application.

3. SUBMISSIONS OF THE RESPONDENT:

3.1. The Respondent begin by questioning the maintainability of this application. It is asserted that the petition is liable to be rejected at the threshold since the applicant has wrongly classified the debt as an “operational debt,” and correspondingly, the applicant is not an “operational creditor” in the eyes of law in respect of the transaction in question.

3.2. The Respondent contends that the transaction does not fall within the purview of an operational liability, but pertains to a commercial arrangement involving disputed contractual obligations, which require independent civil adjudication and not the summary insolvency proceedings.

3.3. It is further emphasized that there exists a long-standing, genuine, and pre-existing dispute between the parties, which disqualifies the present application under Section 9. The Respondent points to a series of correspondences and internal records that quality defects in the coal supplied, quantity shortfalls, and delays in delivery timelines. These disputes were contemporaneously raised during the course of the business and remained unresolved. It is stated that the existence of such disputes is sufficient to bar the admission of a Section 9



application, in line with the settled principles laid down by the Hon'ble Supreme Court in *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.*

3.4. It is asserted that they take strong objection to the reliance placed by the Applicant on certain confirmation of balance letters dated 09.06.2021, 25.05.2022, and 31.03.2023. It is submitted that these confirmations were not given voluntarily nor it acknowledged the alleged debt unconditionally. According to the Respondent, the said letters were signed under coercion or commercial pressure and lacked any accompanying statement of accounts or detailed reconciliation. Therefore, they cannot be treated as valid acknowledgements under Section 18 of the Limitation Act, 1963, to extend the limitation period.

3.5. It is further asserted that the petition is barred by limitation, as the cause of action, if any, arose in early 2019 following the alleged last part payment dated 26.02.2019. The present application, filed only in December 2024, is well beyond the three-year statutory limitation period. It is contended that the petitioner is attempting to camouflage a time-barred claim by relying on unverified and allegedly invalid documents which, in law, cannot extend or revive a barred claim.

3.6. It is submitted that the invocation of the Corporate Insolvency Resolution Process is inappropriate and mala fide in the present case. The Respondent argues that the applicant is abusing the process of the Insolvency Code to exert coercive pressure and recover what is essentially a disputed sum. It is stressed that IBC proceedings are not intended to be used as an alternative to civil remedies or arbitration where issues of fact and law require detailed adjudication. The Respondent contends that the Code is a mechanism for resolving genuine insolvency, and not for recovery of contested dues.



3.7. In conclusion, the Respondent submits that the application is not only devoid of legal justification but also constitutes an abuse of the process of law, and urges the Tribunal to protect the sanctity of the IBC framework by rejecting the same.

4. FINDINGS OF THE TRIBUNAL

4.1. We have heard both the parties.

4.2. The Operational Creditor places reliance on a High Seas Sales Agreement dated 08.02.2019 (Annexure – 2A), executed between the parties, for the supply of imported steam coal, supported by invoices, delivery documents, and part payments amounting to Rs.7,35,02,650/-. It is averred that the Corporate Debtor, having failed to honour the outstanding balance of Rs.9,72,80,900/-, along with subsequent invoices raised between February and March 2019 (Annexure – 2B), in the regular course of business, has defaulted in payment of an admitted operational debt.

4.3. In furtherance thereof, a demand notice under Section 8 of the Code was issued on 14.10.2024 (Annexure – 2F), which stands duly served and acknowledged. In support of its claim, the applicant has placed on record, balance confirmations dated 09.06.2021, 25.05.2022, and 31.03.2023, (Annexure – 2C, 2D, 2E) and other corroborative documents.

4.4. Per contra, the Corporate Debtor rests on three principal grounds: firstly, that the nature of the transaction does not qualify as an “operational debt” under the Code; secondly, there existed a pre-existing dispute regarding the quality and quantity of the goods supplied; and thirdly, the present petition is barred by limitation, as the default occurred in 2019, notwithstanding the issuance of balance confirmation letters.

4.5. Upon perusal of the documents placed on record and the pleadings of both parties, this Tribunal is not persuaded by the objections raised by the Corporate Debtor and in fact, we find that the claim of the Operational Creditor is well-



documented and supported by contractual arrangements, tax invoices, and demand notice duly acknowledged by the Corporate Debtor. The issuance of balance confirmations dated 09.06.2021, 25.05.2022, and 31.03.2023, all bearing the seal and signature of the Corporate Debtor, remains undisputed and unaccompanied by any protest or qualification at the time of issuance. Therefore, the respondent's contention that the confirmations were given under coercion remains unsubstantiated.

4.6. As regards the limitation aspect, this Tribunal finds merit in the applicant's argument as these letters, in the absence of contrary evidence, constitute unequivocal acknowledgments of debt in writing, squarely falling within the ambit of Section 18 of the Limitation Act, 1963, and thus the application filed on 04.12.2024, is within the period of limitation.

4.7. As regards the alleged "pre-existing dispute," it is trite law that the threshold for determining such dispute under Section 9 has been authoritatively settled by the Hon'ble Supreme Court in *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.*, wherein it was held that the dispute must be real and substantial, requiring further investigation, and not spurious, illusory, or mere bluster. The threshold is not whether the defence is likely to succeed, but whether the dispute is plausible, genuine, and not illusory or spurious.

4.8. In the present case, while vague allegations of quality and supply issues have been made, the Corporate Debtor has failed to place on record any contemporaneous material such as debit notes, emails, or correspondence evidencing that such disputes were raised or were pending resolution prior to the issuance of the statutory demand notice. Mere self-serving averments made in the reply, devoid of substantiation, cannot constitute a genuine dispute under the law.



4.9. The Tribunal also notes about the Corporate Debtor's failure to either settle the undisputed dues or take any steps to resolve the alleged disputes through adjudicatory forums prior to the initiation of the insolvency process. The conduct of the Corporate Debtor appears to be evasive, and devoid of bona fide intent. The application, having been filed on 04.12.2024, is held to be within the period of limitation, as reckoned from the last acknowledgment dated 31.03.2023.

4.10. It is also imperative to reiterate that the Code is not a forum for the recovery of disputed dues, but where an operational creditor successfully establishes the existence of operational debt and default, and where no credible pre-existing dispute exists, the Tribunal is bound to admit the application. "*Acta exteriora indicant interiora secreta*" – external acts indicate internal thoughts. The conduct of the Corporate Debtor, in failing to respond meaningfully to the demand notice or to substantiate the alleged disputes, unequivocally reflects its defaulting intent and financial distress.

4.11. In the solemn discharge of its duties under the Insolvency and Bankruptcy Code, this Tribunal is not to be swayed by mere technicality or cloaked evasions, but must uphold the legislative intent, to ensure timely resolution of genuine financial defaults in a creditor-debtor relationship. When a creditor approaches this forum with clean hands, fortified by cogent documentation, and the debtor fails to demonstrate even a prima facie credible dispute, the doors of justice cannot remain shut.

4.12. The silence of the debtor in the face of repeated acknowledgments, and its belated invocation of disputed liability, speaks louder than the documents it now seeks to disown. Law favours the vigilant, not the indolent. It is neither the mandate of this Tribunal to permit commercial parties to convert insolvency proceedings into arenas of tactical delay nor to allow procedural safeguards to be wielded as instruments of evasion.



4.13. In light of the foregoing, the Tribunal is of the considered view that the present application satisfies the legal requisites under Section 9 of the Code. The operational debt stands established, the default is substantiated by unimpeached documentation, no pre-existing dispute is discernible, and the application is within limitation.

4.14. Accordingly, the application is fit to be admitted for initiation of CIRP against the Corporate Debtor.

4.15. In the present case, the Operational Creditor has named the Insolvency Resolution Professional in Part – III of the Application and this Tribunal appoints Mr. Piyush Kisanlal Jani, having Registration No: IBBI/IPA-001/IP-P01439/2018-19/12164, (email id: capiyushj@gmail.com) who is having Authorization for Assignment till 31.12.2025 as the “Interim Resolution Professional” (IRP) in respect of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Code, more specifically in terms of Section 15,17,18 of the Code and file the report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

4.16. As a consequence of the Application being admitted in terms of Section 9 (5) of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor:

- a. The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent 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 respondent.

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 licence, permit, registration, quota, concession, clearance 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 or a similar grant or right during moratorium period;”

4.17. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) and 14(3) as extracted hereunder:

“(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

(a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(b) a surety in a contract of guarantee to a corporate debtor.”

4.18. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:



“(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process: Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.”

4.19. The Operational Creditor is directed to pay a sum of Rs.2,00,000/- (Rupees Two Lakhs only) to the Interim Resolution Professional upon the Interim Resolution Professional filing the necessary declaration form as required under the provisions of the Code to meet out the expenses to perform the functions assigned to her in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

4.20. Based on the above terms, the Application stands admitted in terms of Section 9(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order shall be communicated to the Operational Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

5. Accordingly, **CP(IB)/28/(CHE)/2025 is allowed.**

-Sd-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)