



IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO. I
KOLKATA
C.P (IB) NO. 193/KB/2025

*An Application under Section 7 of the Insolvency and Bankruptcy Code, 2016
read with Rule 4 of the Insolvency and Bankruptcy (Application to
Adjudicating Authority) Rules, 2016*

IN THE MATTER OF:

State Bank of India

...Financial Creditor

Versus

Buxa Dooars Tea Company (India) Limited

...Corporate Debtor

Date of Pronouncement: 12.06.2026

CORUM:

Smt. Bidisha Banerjee, Member (Judicial)

Cmde Siddharth Mishra, Member (Technical)

APPEARANCE:

Mr. Sneshasish Chakraborty, Adv.] For the Financial Creditor

Mr. Aishik Chakraborty, Adv.] For the Corporate Debtor



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O R D E R

Per: Smt. Bidisha Banerjee, Member (Judicial)

1. The Court convened through hybrid mode today.
2. The Ld. Counsels of both the parties were heard.
3. The instant application has been filed by State Bank of India, hereinafter referred to as the '**Applicant**', under section 7 of the Insolvency and Bankruptcy Code, for brevity 'IBC', read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, to initiate Corporate Insolvency Resolution Process ('CIRP' in short) in respect of Buxa Dooars Tea Company (India) Limited.

SUBMISSIONS OF FINANCIAL CREDITOR

4. DETAILS OF THE PARTIES

- 4.1 **State Bank of India** is the Financial Creditor ('FC' in short) and Applicant herein.
- 4.2 The Corporate Debtor ('CD' in short) is **Buxa Dooars Tea Company (India) Limited** which is a public limited company incorporated under the provisions of the Companies Act, 2013, having its Registered office at Om Palace Ram Krishna Sarani, Ashrampara, Siliguri, West Bengal, India- 734001 and is engaged in the business of producing tea and other related items.

5. DETAILS OF FINANCIAL DEBT AND DEFAULT

- 5.1 The CD/Principal Borrower namely Buxa Dooars Tea Company (India) Limited, approached the Financial Creditor for financial assistance and the Financial Creditor approved and sanctioned secured credit facilities for a sum of Rs. 17.50 Crore by a sanction letter dated 18.08.2012, annexed as Annexure '1-E'.
- 5.2 At the request of the the Corporate Debtor, the credit facilities were renewed, revived and enhanced from time to time by the Financial Creditor and as such several security documents were executed by financial creditor from time to time. In the meanwhile, the Financial



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Creditor also granted FITL facility of Rs. 34,49,510/- to the Corporate Debtor to overcome financial distress that took place on account of COVID 19 pandemic.

- 5.3 Thereafter, in the year 2023, the Corporate Debtor was sanctioned credit facilities by the State Bank of India for an enhanced aggregate limit of Rs. 7.07 Crores vide sanction letter dated 31.03.2023, annexed as Annexure '2-J', comprised of the following limits:

Letter No.: BR/ADV/2022-23/919
Dear Sir / Madam,
Date: 31/03/2023

ADVANCES TO SME SEGMENT
SANCTION OF CREDIT FACILITIES

With reference to your request for sanction/ renewal of Working Capital Limits and/ or Term Loan Limits at existing / enhanced levels and subsequent correspondence in this regard, we have pleasure in advising sanction of the following credit facilities, which are available subject to your acceptance / fulfillment of the Terms and Conditions detailed in Annexure A & B:

Facility	Existing	Proposed	[Rs. Crore]
FBL			
a) Cash Credit	6.50	6.50	
ii. Term Loan	1.66	1.07	
iii. Term Loan (WCTL)	0.00	0.00	
iv. Term Loan (FITL)	0.13	0	
Total FBL[A]	8.29	7.07	
NBFL[B]			
i. Letter of Credit (Inland)	---	---	
ii. Bank Guarantee	0.60	0	
Total NBFL[B]	0.00	0.00	
TOTAL LIMIT [A+B]	8.29	7.07	

- 5.4 The Corporate Debtor, on 31.03.2023, in the meeting of its Board of Directors resolved to avail loan to the extent of Rs. 7,07,00,000/- from the Financial Creditor which is secured by hypothecation/ Pledge of the Company's entire property movables and in as much as other assets present and future, including documents of the title of property and goods and other assets, and *inter alia* also resolved to accept terms and conditions as stipulated by the financial creditor.



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- 5.5 The Corporate Debtor by executing letter of balance confirmation on 01.04.2023, attached as Annexure 2-L, confirmed and acknowledged that an aggregate sum of Rs. 7,54,38,895.53/- as on 31st March, 2023 was due and payable by the CD to the FC.
- 5.6 The Corporate Debtor defaulted in repayments in its loan account, first being on 14.03.2024, and consequently, the loan accounts of the corporate debtor became irregular and consequentially got **classified as Non-performing Asset on 14.03.2024** and as such the corporate debtor has defaulted in repayment of the dues on 14.03.2024. Further, The Financial Creditor has also attached the NeSL report as annexure '2-Q' which states the default amount to be INR 6,27,88,871.00 **as on 16.12.2023**.
- 5.7 Pursuant to default committed by the corporate debtor, the Financial Creditor issued the statutory Demand Notice under Section 13(2) of the SARFAESI Act, 2002 on 09.05.2024 upon the CD and called upon it to pay a sum of Rs. 7,32,08,306.00/- (Rupees Seven Crore Thirty Two Lacs Eight Thousand Three Hundred Six only) inclusive of interest calculated upto 09.05.2024 together with further interest at the contractual rate till full and final payment, to the financial creditor, within 60 days of such statutory demand notice.
- 5.8 Further, the financial creditor through its Ld. Advocate issued demand notice on 02.06.2024 upon the corporate debtor to pay to the financial creditor the said aggregate sum of Rs. 7,32,08,306.00/- (Rupees Seven Crore Thirty Two Lacs Eight Thousand Three Hundred Six only) within 7 (seven) days from the date of the said notice.
- 5.9 In spite of such notices, the corporate debtor has failed to pay the dues to the financial creditor bank.
- 5.10 The Financial Creditor has charge over the properties of the CD detailed as under:

SCHEDULE 'A'
(DESCRIPTION OF HYPOTHECATED PROPERTIES)



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- i. Hypothecation on entire Current Assets including Stocks, Stocks in Trade, Receivables, Consumable Stores, Spares, finished goods, Book Debts, Bills and other current assets of the company both present and future mentioned in the documents (Schedule B).
- ii. Hypothecation of Plant & Machineries of the company.
- iii. Hypothecation of Trucks/ trolleys/Vehicles of the company.

SCHEDULE - 'B'
MORTGAGED PROPERTIES

ALL THAT piece and parcel of Land with structure, an area of 4291.30 acres of land comprised in Kalchini Tea Garden under Mouza Kalchini Cha Bagan, J.L. No. 29, Police Station- Kalchini in the district of Jalpaiguri after transferring an area of 1309.49 acres of land from the leasehold area of 5600.79 acres of Kalchini Tea Garden as allowed to be retained under sub-section (3) of section 6 of the West Bengal Estate Acquisition Act, 1953 by G.O. No. 28504-L. Ref. dated-24/11/1975 to M/s Shimangsu Vyaprik Kendra Ltd. for Chinchula Tea Garden as G.O. No.758-L. Ref./3T-63/01 G.E(M) dated 27.02.2001 of Land and Land Reforms Department and sanctioning renewal of lease for a further period of 30 (thirty) years with effect from 13.01.2007 vide L&LR Department's no. 2653-LP/3T-10/2012 dated 04/06/2013 as described in Lease Deed No.1-02551 of 2013 dated 01.07.2013 executed between the Governor of the State of West Bengal (Lessor) and M/s. Buxa Doors Tea Company (India) Limited (Lessee).

- 5.11 A Demand Notice, being Annexure '2-N', was also issued on 02.06.2024 through the Financial Creditor's Learned Advocate invoking the guarantee furnished by guarantors.
- 5.12 The date of first default is 14.03.2024 and the present application is filed within the prescribed period of 3 years from such date of first default, i.e., on 01.07.2025, hence is timely.



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- 5.13 Thus the present application under section 7 of the IBC has been filed within the prescribed period of limitation of three years.
- 5.14 The outstanding sums claimed to be due and payable by the Corporate Debtor to the Financial Creditor amounts to Rs. 9,03,57,078.00/- (Rupees Nine Crore Three Lac Fifty-Seven Thousand Two Hundred Thirty-Eight and Paise Seventy-Eight Only) inclusive of interest as on 13.05.2025. Statements of Account in support of the said claim has been attached by the Financial Creditor as Annexure 2-O.
- 5.15 Having no other alternative the Financial Creditor has preferred this application 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 to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor.

6. SUBMISSIONS OF CORPORATE DEBTOR

- 6.1 The Corporate Debtor, in its reply, *inter alia* submits that it's operations and revenue generation were materially disrupted and ultimately paralysed due to the Gazette Notification dated 06.11.2024 and the consequential alleged unlawful takeover and occupation of the tea gardens and assets by a third party pursuant to a SOP, rendering the CD incapable of functioning as an autonomous commercial entity during the relevant period.
- 6.2 The Corporate Debtor alleges the Financial Creditor to be misusing the Code as a coercive recovery mechanism.
- 6.3 The Corporate Debtor further submits that the Financial Creditor is not entitled to invoke the provisions of the Code when the subject matter of the claim is pending adjudication before the Learned DRT, Siliguri, in proceedings including SA No. 215 of 2014 filed by the Corporate Debtor and O.A. No. 80 of 2024 filed by the Financial Creditor, which have a direct bearing on the alleged liability as claimed by the Financial Creditor.
- 6.4 The Corporate Debtor contends that the concept of "default" under Section 7 of the Insolvency and Bankruptcy Code requires a failure



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to pay a debt in the ordinary course of commercial functioning by an autonomous entity.

- 6.5 The Corporate Debtor disputes *inter alia* the date of first default, amount of default, the reliability of the contents of statement of account furnished by the Financial Creditor and the occurrence of any legally enforceable default, but has failed to furnish any ground or documents in support thereof.

ANALYSIS AND FINDINGS

7. Both the Learned Counsels were present at hearing and we have heard the Ld. Counsels for both the parties and perused the materials placed on record by the Petitioner.
8. It is relevant to note the following provisions of the IBC:

“Section 7: Initiation of corporate insolvency resolution process by financial creditor.

...

(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:

Explanation I.—For the purposes of this sub-section, it is hereby clarified that where the requirements under clause (a) have been complied with, no other ground shall be considered to reject an application filed under this section.”

(Emphasis Added)



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9. Hence, The Tribunal is bound to admit the application upon being satisfied of the existence of a default and the completeness of the application. Once such satisfaction is arrived at, no other ground remains available to the Tribunal to justify rejection. The mandate of the statute is unambiguous and peremptory in nature.
10. None of the grounds raised nor any document placed on record by the Corporate Debtor is sufficient to negate the Financial Creditor's claim with respect to the occurrence of default, which forms the subject matter of the present petition. In view thereof, this Tribunal finds no merit in entertaining such grounds in the present proceedings.

11. **DISCERNIBLE FACTS:**

- 11.1 The sanction of credit limit is not disputed. Statement of Account placed on record vividly establishes the 'debt' and 'default'.
- 11.2 Although the Corporate Debtor disputes the occurrence of any legally enforceable default, but has failed to attach proofs of payments to the Financial Creditor regarding the dues owed to it.
- 11.3 The petition is not barred by Limitation, the first date of default as per petition being 14.03.2024.
- 11.4 The threshold prescribed under section 7 of IBC is duly met.
- 11.5 The disbursal of money against consideration for the time value of money is established. Thus, debt is in the nature of a "financial debt" for which this petition under section 7 of the IBC is **squarely maintainable**.

12. **JUDICIAL DECISIONS**

- 12.1 We are fortified in our view that the 'debt' is in the nature of a financial debt with the decisions of Hon^{ble} Apex Court which define "Financial Debt" as follows:
- (a) Pioneer Urban Land and Infrastructure Ltd. v. Union of India reported in (2019) 8 SCC 416:



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“any debt to be treated as financial debt, there must happen disbursal of money to the borrower for utilization by the borrower and that the disbursal must be against consideration for time value of money.”

(Emphasis added)

(b) Anuj Jain, Interim Resolution Professional for Jaypee Infratech Ltd. v. Axis Bank Limited reported in (2020) 8 SCC 401:

“the essential condition of financial debt is disbursement against the consideration for time value of money.”

(Emphasis added)

13. CONCLUSION

The petition being complete in all respects therefore deserves to be admitted. Accordingly, we **allow** this application filed under Section 7 of I&B Code, and order the initiation of Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor.

14. ORDER:

The Application filed by the State Bank of India (Financial Creditor), under Section 7 of the Insolvency & Bankruptcy Code, 2016, **is hereby admitted** for initiating the Corporate Insolvency Resolution Process in respect of Buxa Dooars Tea Company (India) Limited (Corporate Debtor).

- i. 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.
- ii. 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*



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- 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;]

- iii. 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.
- iv. 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.
- v. The Applicant has proposed the name of **“Mr. Kanchan Dutta”**, Address: Chatterjee International Centre, 17th Floor, Flat no. 13A, 33, J.L. Nehru Road, Kolkata- 700001, Registration no. IBBI/IPA-001/IP-P00202/2017-2018/10391, Email: kdutta.ip@gmail.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



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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. Kanchan Dutta”** as per the requirement of the IBBI Regulations and he satisfies the requirement of the code. Hence, we appoint **“Mr. Kanchan Dutta”** 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.

- vi. 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.
- vii. 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.
- viii. 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



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Local Police Station(s) to render all assistance as may be required by the Interim Resolution Professional in this regard.

- ix. 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.
- x. 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).
- xi. 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.
- xii. 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.
- xiii. 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.
- xiv. 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.



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- xv. The order of moratorium shall cease to have effect as per Section 14(4) of the I&B Code.
15. Certified copies of this order, if applied for with the Registry of this Adjudicating Authority, be supplied to the parties upon compliance with all requisite formalities.
16. Post the Company Petition on **20/07/2026** for filing the Periodical Progress Report by the IRP as appointed herein.

Cmdr. Siddharth Mishra

Member (Technical)

Bidisha Banerjee

Member (Judicial)

Order signed on 12.06.2026

Bhatt, O. [LRA]