NATIONAL COMPANY LAW TRIBUNAL

CUTTACK BENCH

CP (IB) No. 21/CB/2026

(An Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

IN THE MATTER OF:

FIDUS FINANCIAL PRIVATE LIMITED

Having its registered address at:

4, B.B.D Bag (5), 5th Floor,

Stephen House Kolkata,

West Bengal, India, 700001.

..... **APPLICANT/FINANCIAL CREDITOR**

-VS-

VISHAL FERRO ALLOYS PRIVATE LIMITED

Having its registered office at:

TT/6, Civil Township, Sundergarh,

Raghunathapali, Orissa, India, 769004.

..... **RESPONDENT/CORPORATE DEBTOR**

ORDER PRONOUNCED ON: 16.10.2026

CORAM: CHEEKATI RADHA KRISHNA, MEMBER (JUDICIAL)

BANWARI LAL MEENA, MEMBER (TECHNICAL)

APPEARANCE:

FOR THE APPLICANT: MR. BIJAY JENA, ADVOCATE

FOR THE RESPONDENT: SET EX-PARTE

ORDER

PER: BANWARI LAL MEENA, MEMBER (TECHNICAL)

1. This is an Application filed by **Fidus Financial Private Limited ("Financial Creditor"),** under section 7 of the Insolvency and Bankruptcy Code, 2016 **(the "Code"),** against **Vishal Ferro Alloys Private Limited ("Corporate Debtor"),** for an amount of Rs. 1,10,00,000/- (Rupees One Crore Ten Lakhs only) as a Financial debt owed by the Corporate Debtor. The date of default, as per part-IV of the Application, is **15.07.2025.**

2. The averments made by the Applicant in its Application are summarised hereunder:

2.1. VFAPL, the Corporate Debtor, approached the Financial Creditor in December 2024 seeking an Inter Corporate Deposit for its business purposes. Pursuant thereto, an Inter Corporate Deposit Agreement dated 15.01.2025 was entered into between the parties, whereby an amount of Rs.1,25,00,000/- was sanctioned in favour of the Corporate Debtor carrying interest at the rate of 9% per annum. The Corporate Debtor was required to repay the said ICD amount by 15.07.2025 in terms of the sanction and the ICD Agreement.

2.2. The Financial Creditor disbursed a total amount of Rs.1,10,00,000/- to the Corporate Debtor under the aforesaid ICD Agreement. The disbursements were made as follows:

Date of Disbursal	**Amount Disbursed**
17.01.2025	Rs. 20,00,000/-
21.01.2025	Rs. 25,00,000/-
28.01.2025	Rs. 24,00,000/- & Rs. 25,00,000/-
30.01.2025	Rs. 10,00,000/-
06.02.2025	Rs. 3,00,000/-
15.02.2025	Rs. 3,00,000/-
Total -	**Rs. 1,10,00,000/-**

2.3. The Corporate Debtor, by email dated 29.05.2025, informed the Financial Creditor that owing to certain unavoidable circumstances it was unable to remit the interest for the financial year 2024-25 and sought waiver of the same. The Corporate Debtor also requested release of the balance Rs.15,00,000/- under the sanctioned ICD limit, stating that Rs.1.10 crore out of the sanctioned amount of Rs.1.25 crore had already been disbursed.

2.4. The Financial Creditor, by letter dated 14.06.2025, declined the request for complete waiver of interest for FY 2024-25. Taking into consideration the financial hardship of the Corporate Debtor, however, the rate of interest applicable for the said year was reduced from 9% to 7%. The request for release of the remaining Rs.15,00,000/- was kept under consideration.

2.5. The Corporate Debtor, by email dated 23.06.2025, informed the Financial Creditor that it was facing an acute liquidity crunch as substantial funds were blocked in its ongoing business operations. The Corporate Debtor accordingly sought urgent release of the balance Rs.15,00,000/- under the sanctioned credit limit, stating that the shortage of working capital was adversely affecting its business.

2.6. The Financial Creditor, by email dated 08.07.2025, informed the Corporate Debtor that its failure to service the interest obligations constituted a breach of the terms of the ICD Agreement. On account of such non-compliance, the request for release of the balance Rs.15,00,000/- was declined. The Financial Creditor further put the Corporate Debtor on notice of its intention to recall the ICD amount of Rs.1,10,00,000/- within six months from the date of disbursement in January 2025.

2.7. The reminder letter dated 15.09.2025 reiterated the material terms of the ICD Agreement dated 15.01.2025, including

Sd

Sd

the obligation to repay the principal together with interest at the rate of 9% per annum by 16.08.2025. The Financial Creditor has stated that aggregate disbursements of Rs.1,10,00,000/- had been made between 17.01.2025 and 15.02.2025 and called upon the Corporate Debtor to clear the overdue principal and accrued interest within seven days, failing which the consequences of default under Clause 7 of the ICD Agreement would follow.

2.8. The Corporate Debtor, by letter dated 22.09.2025, acknowledged its inability to adhere to the agreed repayment schedule on account of unforeseen business and compliance constraints which had adversely affected its liquidity. A repayment proposal was made for payment of Rs.2,50,000/- per month commencing from 01.10.2025, with the entire principal together with accrued and penal interest proposed to be cleared by 15.09.2029. The Corporate Debtor sought indulgence and extension of time from the Financial Creditor.

2.9. The final notice dated 25.10.2025 referred to the earlier reminder dated 15.09.2025 and the repeated telephonic follow-ups regarding repayment. The failure of the Corporate Debtor to repay the ICD amount of Rs.1,10,00,000/- was described as a continuing default under Clause 7 of the ICD Agreement. The Corporate Debtor was called upon to pay the entire outstanding principal together with interest at 9% per annum and penal interest at 2% per annum within seven days, failing which appropriate legal proceedings against the Corporate Debtor and its directors were proposed.

2.10. The Corporate Debtor failed to repay the ICD amount together with interest in accordance with the terms of the ICD Agreement. The correspondence exchanged between the parties is relied upon to contend that the Corporate Debtor repeatedly acknowledged its liability and sought additional time for

Sd

Sd

repayment. The liability towards the Financial Creditor is accordingly stated to have remained due and payable.

2.11. The terms of the ICD Agreement further entitled the Financial Creditor to enforce the security interests, pledges and/or guarantees created in its favour and to appropriate the amounts realised therefrom towards repayment of the ICD amount, besides exercising such other rights as were available under the Agreement.

2.12. The outstanding principal amount of Rs.1,10,00,000/- is alleged to have remained unpaid despite repeated demands and reminders. The Financial Creditor relies upon the communications issued by the Corporate Debtor, including its request for extension of time and its repayment proposal, as acknowledgments of the subsisting liability.

2.13. The debt claimed in the present Application comprises the principal amount of Rs.1,10,00,000/-, together with agreed interest at the rate of 9% per annum, penal interest and other applicable costs and charges. A computation chart setting out the amount claimed has been placed on record.

2.14. The Financial Creditor has further claimed interest accruing until repayment and has consequently approached this Adjudicating Authority under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of the Corporate Insolvency Resolution Process against the Corporate Debtor on the ground that the financial debt is due and payable and that the Corporate Debtor has committed default in repayment thereof.

3. It is pertinent to note that the Respondents were set ***Ex-Parte*** by this Tribunal vide its Order dated 10.07.2026 due to continued non-appearance and their failure to file any Reply/Objection to this Petition filed by the Financial Creditor.

4. We have heard the learned counsel appearing for the Applicant/ Financial Creditor and have perused the material available on record.

5. The principal issue for consideration is whether the amount advanced by the Financial Creditor to the Corporate Debtor under the Inter Corporate Deposit Agreement dated 15.01.2025 constitutes a financial debt and whether the Corporate Debtor has committed default in repayment thereof so as to warrant admission of the present Application under Section 7 of the Code.

6. Under the ICD Agreement dated 15.01.2025, the parties had agreed to the following terms of disbursement and repayment:

> *"**1.** AMOUNT AND DISBURSEMENT: The Lender agrees to advance to the Borrower the ICD amount of INR 1,25,00,000/-for repayable a period of six months, by 15.07.2025. Disbursement as mutually shall be in one or more tranches agreed in writing.*
>
> ***2.** INTEREST: The ICD shall carry interest at the rate of 9% per annum, along with repayment of the principal. Interest shall accrue and be accounted for in the Borrower's books on 31.03.2025 and 15.07.2025 respectively on the amount outstanding on those dates. Delay or default shall attract penal interest at 2% per annum over the agreed rate.*
>
> ***3.** REPAYMENT: before The Borrower shall repay the principal and interest on allowed with the due date without demand. Part prepayment shall only be prior written consent of the Lender."*

7. The **Inter Corporate Deposit Agreement dated 15.01.2025** records the sanction of an ICD of **Rs.1,25,00,000/-** in favour of the Corporate Debtor carrying interest at the rate of **9% per annum**, with repayment stipulated in terms of the agreement. Pursuant thereto, the Financial Creditor had disbursed an aggregate amount of **Rs.1,10,00,000/-** to the Corporate Debtor between **17.01.2025 and 15.02.2025**. Therefore, the transaction represents an actual advance of funds by the Financial Creditor to the Corporate Debtor against an

agreed return by way of interest and with an obligation of repayment. The transaction accordingly falls within the ambit of a **financial debt**.

8. The liability arising from the said ICD is further established by the subsequent correspondence between the parties, which has been shown through the email dated **29.05.2025**, wherein the Corporate Debtor sought waiver of interest and simultaneously requested release of the balance amount of Rs.15,00,000/- under the sanctioned ICD limit.

9. The Corporate Debtor thereafter, by email dated **23.06.2025**, disclosed that it was facing an acute liquidity crunch and requested urgent release of the balance amount on the ground that its working capital position was adversely affected. The communication is significant as it records the financial difficulties faced by the Corporate Debtor and does not dispute the existence of the ICD liability.

10. The Financial Creditor, by email dated **08.07.2025**, informed the Corporate Debtor that its failure to service the interest obligations constituted a breach of the ICD Agreement and declined further disbursement. Thereafter, the reminder dated **15.09.2025** called upon the Corporate Debtor to clear the overdue principal and accrued interest. The Corporate Debtor, in its letter dated **22.09.2025**, expressly acknowledged its inability to adhere to the agreed repayment schedule and proposed payment of **Rs.2,50,000/- per month from 01.10.2025**, with the entire principal together with accrued and penal interest proposed to be discharged by **15.09.2029**.

11. The aforesaid communication dated **22.09.2025** constitutes a material acknowledgment of the subsisting liability. The Corporate Debtor did not dispute the existence of the ICD, the amount already disbursed or its obligation to repay the same; rather, the request was confined to extension of time and restructuring of the repayment schedule on account of financial constraints. The subsequent final notice dated **25.10.2025** further records the continuing non-payment

of the ICD amount and calls upon the Corporate Debtor to discharge the outstanding liability.

12. The material placed on record thus establishes both the **existence of the financial debt and the occurrence of default**. The principal amount of **Rs.1,10,00,000/-** was disbursed to the Corporate Debtor and became repayable in terms of the ICD Agreement. The continued non-payment despite repeated demands, coupled with the Corporate Debtor's own request for a prolonged repayment schedule, establishes that the debt had fallen due and remained unpaid.

13. As per the application, the ICD amount was required to be paid within **15.07.2025** (stated as the Date of Default), whereas the reminder dated 15.09.2025 refers to repayment by **16.08.2025**. There is thus some variation in the dates referred to in the pleadings and correspondence. Such variation, however, does not affect the existence of the default, since even on the later date recorded in the correspondence, the amount remained unpaid and the Corporate Debtor subsequently sought time up to **15.09.2029** for repayment. The precise computation of the period for which interest may be payable can be worked out in accordance with the governing contractual terms and the material placed on record, but the underlying default in repayment of the principal is not affected by the said variation.

14. The correspondence also indicates that the Financial Creditor had initially agreed to reduce the rate of interest for the relevant financial year from **9% to 7%** on account of the financial hardship expressed by the Corporate Debtor. Subsequently, the Financial Creditor claimed interest at 9% per annum and penal interest at 2% per annum in its final notice. The precise interest component would therefore require computation with reference to the applicable contractual terms and the subsequent communication between the parties. Such computation, however, does not detract from the established principal financial debt of **Rs.1,10,00,000/-** or from the occurrence of default therein.

15. The sanctioned ICD limit was **Rs.1,25,00,000/-**, while the amount disbursed was **Rs.1,10,00,000/-**. Therefore, the principal amount in default is **Rs.1,10,00,000/-**, apart from such interest, penal interest and other permissible charges as may be contractually due. Moreover, the Corporate Debtor's continued failure to repay the principal, repeated requests for further time and acknowledgment of financial inability, demonstrates a subsisting default.

16. Therefore, this Tribunal is of the considered view that the debt and default stand duly proved, the present application is within limitation and thus the Corporate Debtor deserves to be admitted into CIRP as per Section 7 of the Code.

17. The Petitioner has proposed the name of IRP **Mr. Rakesh Dugar**, having Registration No. **IBBI/IPA-001/IP-P01654/2019-20/12892**, 11C, Ram Mohan Dutta Road, Kolkata- 700020. There is nothing on record to show that any disciplinary proceeding is pending against the proposed IRP. This application is defect free.

18. In view of the aforesaid observations, we hereby admit the petition and pass the following Orders:

18.1. The Petition bearing **CP (IB) No. 21/CB/2026** filed by **FIDUS FINANCIAL PRIVATE LIMITED** under Section 7 of the Code read with rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiating CIRP against **VISHAL FERRO ALLOYS PRIVATE LIMITED [CIN: U27101OR2007PTC010882]**, the Corporate Debtor, stands **ADMITTED.**

18.2. The moratorium under section 14 of the Insolvency and Bankruptcy Code, 2016, is declared for prohibiting the following actions in terms of section 14(1) of the Code:

18.2.1. The institution of suits or continuation of pending suits or proceedings against the CD, including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

Sd

Sd

18.2.2. Transferring, encumbering, alienating or disposing of by the CD any of its assets or any legal right or beneficial interest therein;

18.2.3. Any action to foreclose, recover or enforce any security interest created by the CD in respect of its property, including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security interest Act, 2002;

18.2.4. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the CD.

18.2.5. The moratorium shall remain in force from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves a resolution plan under section 31(1) of the code or passes an order for liquidation of the CD under Section 33 of the Code, whichever is earlier.

18.3. We hereby appoint **Mr. Rakesh Dugar**, having Registration No. **IBBI/IPA-001/IP-P01654/2019-20/12892**, 11C, Ram Mohan Dutta Road, Kolkata- 700020, as the Interim Resolution Professional (IRP) in terms of Section 16(4) of the Code. The IRP has filed his written consent as per Form-2 and has affirmed that no disciplinary proceedings are pending against him. The IRP has also filed his Certificate of Registration along with the Authorisation for Assignment (AFA), issued by the ICSI, which is valid from 11.01.2026 to 30.06.2027.

18.4. The IRP may be appointed as RP by CoC separately in accordance with the provisions of the Code and the rules and regulations made thereunder, subject to confirmation of possession of a valid Authorisation for Assignment in terms of Regulation 7A of the Insolvency and Bankruptcy Board of India

(Insolvency Professionals) Regulations, 2016, at the time of making such an appointment.

18.5. The IRP so appointed shall make a public announcement of initiation of Corporate Insolvency Resolution Process (CIRP) and call for submission of claims in terms of Section 15 read with section 13(1) (b) of the Code.

18.6. The supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated, suspended, or interrupted during the moratorium period. The CD shall extend full assistance and co-operation to the IRP in discharge of his duties as and when he takes charge of the assets and management of the CD.

18.7. The IRP shall perform all its functions as contemplated, inter alia, by sections 17, 18, 20 & 21 of the Code. It is further made clear that all personnel connected with CD, its Promoter or any other person associated with the management of the CD are under a legal obligation under Section 19 of the Code to extend every assistance and co-operation to the IRP. Where any personnel of the CD, its Promoter, or any other person is required to assist or co-operate with IRP, but does not assist or co-operate, the IRP is at liberty to make an appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

18.8. The IRP shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' and manage the operations of the Corporate Debtor as a going concern as a part of obligation imposed by section 20 of the Insolvency & Bankruptcy Code, 2016.

18.9. The IRP/RP shall submit periodic progress reports before this Adjudicating Authority in accordance with the provisions of the Code and the regulations framed thereunder.

18.10. The Financial Creditor shall deposit a sum of Rs.2,00,000/- (Rupees Two Lakhs Only) within 3 days from the date of receipt of this order towards the expenses of the CIRP. Proof of such deposit shall be filed before this Adjudicating Authority along with the first progress report. The IRP shall be at liberty to seek further interim finance, as required, in accordance with law.

18.11. In terms of section 7(7)(a) of the Code, the Registry is hereby directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor, the Interim Resolution Professional and the concerned Registrar of Companies, within seven (7) working days and upload the same on the website of this Adjudicating Authority immediately after pronouncement of the order.

18.12. The IRP shall also serve a copy of this order upon statutory authorities including the Income Tax Department, GST authorities, State commercial Tax Department, Provident Fund authorities and such other authorities as may have claims against the Corporate Debtor, as well as employees or workmen associations, if any.

18.13. The Corporate Insolvency Resolution Process shall commence from the date of this order.

18.14. The Resolution Professional shall submit reports and compliances before this Adjudicating Authority strictly in accordance with the timelines prescribed under the Code and the regulations made thereunder.

19. In terms of the above directions, **CP(IB) No.21/CB/2026** stands **ALLOWED**.

Sd

BANWARI LAL MEENA
MEMBER (TECHNICAL)

Sd

CHEEKATI RADHA KRISHNA
MEMBER (JUDICIAL)