



IN THE NATIONAL COMPANY LAW TRIBUNAL

DIVISION BENCH, COURT NO. I

KOLKATA

C.P (IB) NO. 155/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:

K.L. Support Private Limited

...Financial Creditor

Versus

Barasat Real Estate Projects Private Limited

...Corporate Debtor

Date of Pronouncement: 16.10.2026

CORUM:

Smt. Bidisha Banerjee, Member (Judicial)

Rekha Kantilal Shah, Member (Technical)

APPEARANCE:

Mr. Swapan Nath, Adv.] For the Financial Creditor
Ms. Udit Agarwal, Adv.

Mr. Rishav Banerjee, Adv.] For the Corporate Debtor
Mr. Ratnesh Kumar Rai, Adv.
Ms. Vipra Gang, Adv.
Ms. Akshita Singh, Adv.
Ms. Nabanita Manna, Adv.
Ms. Sakshi Kejriwal, Adv.

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O R D E R

Per: Smt. Bidisha Banerjee, Member (Judicial)

1. The Court convened through hybrid mode.
2. We have heard the Ld. Counsels appearing for the parties.
3. The Financial Creditor ('FC') is a Non-Banking Financial Company registered with the Reserve Bank of India. The Financial Creditor has changed its name from "Shroff Chemicals Private Limited" to "K.L. Support Private Limited" with effect from 05.08.2024, as evidenced by the certificate of incorporation pursuant to change of name as reproduced below:



सत्यमेव जयते
GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
Office of the Central Processing Centre

Manesar, Plot No. 6,7, 8, Sector 5, IMT Manesar, Gurgaon, Haryana, 122050, India

Certificate of Incorporation pursuant to change of name
[Pursuant to rule 29 of the Companies (Incorporation) Rules, 2014]

Corporate Identification Number (CIN): U66190WB1960PTC024890

I hereby certify that the name of the company has been changed from SHROFF CHEMICALS PVT LTD to K L SUPPORT PRIVATE LIMITED with effect from the date of this certificate and that the company is Company limited by shares.

Company was originally incorporated with the name SHROFF CHEMICALS PVT LTD

Given under my hand at ROC, CPC this FIFTH day of AUGUST TWO THOUSAND TWENTY FOUR

4. The present application has been filed by the FC against Barasat Real Estate Projects Private Limited ('Corporate Debtor'/ 'CD') under section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC'/ 'the Code'), claiming a default of Rs. 01,25,22,095/- as on 11.06.2025.

5. SUBMISSIONS OF THE APPLICANT

- 5.1. The principal loan of Rs. 1,05,00,000/- was disbursed by the FC in three separate tranches via RTGS transfers from ICICI Bank, comprising Rs. 25,00,000/- on 06.02.2020, Rs. 30,00,000/- on 15.02.2020, and Rs. 50,00,000/- on 12.03.2020, as recorded in bank account statements and ledger entries.

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- 5.2. Subsequently, on 28.02.2020, the board resolution, as reproduced below, was passed at a meeting of the Board of Directors of the FC, approving the grant of a short-term loan of Rs. 1,05,00,000/- to the CD, with interest payable quarterly at 10% per annum from 06.02.2020 to 30.06.2022, 15% per annum from 01.07.2022 to 31.03.2023, and 10% per annum from 01.04.2023 to 30.06.2024:



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CIN - U29230WB1960PTC024890

EXTRACT OF THE MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE COMPANY M/S. SHROFF CHEMICALS PRIVATE LIMITED HELD AT ITS REGISTERED OFFICE AT "HAUTE STREET" 86A, TOPSIA ROAD (SOUTH), 9TH FLOOR, KOLKATA-700046 AT 11.30AM ON 28th February, 2020.

The Board was informed that a request has been received from Barasat Real Estate Projects Private Limited for financial assistance of Rs.1,05,00,000/- (Rupees One Crore Five Lakh only) in one or more tranches to meet their business requirement on interest @10% per annum starting from 06-02-2020 till 30-06-2022 and @15% per annum starting from 01-07-2022 till 31-03-2023 and @10% per annum starting from 01-04-2023 till 30-06-2024 all interest payable quarterly. The Board discuss and consider the same and passed the following resolution :

"RESOLVED THAT the Board hereby approve the grant of loan of Rs. 1,05,00,000/- (Rupees One Crore Five Lakh only) to Barasat Real Estate Projects Private Limited for the period of 4 (four) years 4 (four) months and 25 (twenty-five) days on interest payable quarterly @10% per annum starting from 06-02-2020 till 30-06-2022 and @15% per annum starting from 01-07-2022 till 31-03-2023 and @10% per annum starting from 01-04-2023 till 30-06-2024 per annum subject to renewal from time to time as may be mutually decided by companies."

"RESOLVED FURTHER THAT Sri Pradeep Kumar Agarwal, son of Devraj Agarwal, one of the Directors of the Company be and is hereby authorized to take such steps as may be necessary for grant of loan in favor of Barasat Real Estate Projects Private Limited and to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

Certified to be True Copy

For Shroff Chemicals Private Limited
For SHROFF CHEMICALS PVT. LTD.

D R Agarwal
Director

[Director]



- 5.3. The CD made repayments towards the interest payable till financial year 2021-2022 and started defaulting thereafter. Further, on 14.04.2023, the CD made a payment of Rs. Rs. 5,00,000/-.

KOLKATA

5.4. The Corporate Debtor executed a signed and stamped Confirmation of Accounts document dated 01.04.2024 for the financial year 2023-2024, confirming a closing balance of Rs. 1,22,47,286/- due to the Financial Creditor. The same is reproduced hereunder:

PAN No. : AAEC5253N

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5.6. The Corporate Debtor, through group entity Larica LED Products Pvt. Ltd., issued a written reply dated 28.09.2024, whereby , although disputing the characterisation of the claim of FC as loan amounts, acknowledged the receipt of the the sum of Rs. 1,05,00,000/-.

6. **REPLY OF THE CD**

While refuting the claim of the Financial Creditor, the CD, in its reply, *inter alia* submits the following:

- 6.1. That the calculation chart furnished by the Financial Creditor is vague, opaque, arbitrary, erroneous, and lacks clarity regarding the computation of principal, interest, Tax Deducted at Source (TDS) adjustments, and alleged default dates. Further, that it is unevicenced and deliberately inflated, with varying amounts claimed by the Financial Creditor from time to time, demonstrating a malicious and fraudulent attempt to artificially bring the alleged debt within the monetary threshold prescribed under Section 7 of the Insolvency and Bankruptcy Code, 2016.
- 6.2. That there was no oral or written agreement between the parties for any increase in the rate of interest, and the Financial Creditor unilaterally revised the interest rate from 10% to 15% per annum via email dated 21.08.2024 without consent. That the absence of an immediate objection by the CD to the said mail does not imply consent as the CD was under no legal obligation to respond to an unauthorized communication.

Categorical Admission of the CD

- 6.3. The CD, in its reply, has however categorically admitted that **the short-term loan in question was taken from the FC** based on a longstanding and amicable business relationship between the parties. That the **Respondent CD approached the FC solely to obtain financial assistance** to address temporary business shortfalls, and not with any intention of defaulting or violating contractual obligations.
- 6.4. The CD would assert and admit unequivocally that from the inception of the loan transaction, **the Corporate Debtor regularly made payments toward interest** and principal and deposited TDS in good



faith to maintain commercial relations, reiterating that no formal agreement was ever executed prescribing a specific interest rate.

- 6.5. The Corporate Debtor would submit that it duly **paid interest for Financial Years 2019–20, 2020–21, and 2021–22** in good faith in the ordinary course of business, but made no payments thereafter because the Financial Creditor's subsequent unilateral and arbitrary escalation of the interest rate was specifically disputed.
- 6.6. It is submitted that on 14.04.2023, a payment of Rs. 5,00,000/- was made by the CD under a mutual understanding that, solely for proper accounting purposes, TDS would be computed at 15% per annum with an assurance from the FC that excess amounts would be reversed and interest calculated at 10% per annum.
- 6.7. That the deduction and deposit of TDS were performed strictly to comply with statutory obligations under the Income Tax Act, 1961, and do not constitute an admission or acknowledgement of any subsisting financial debt.
- 6.8. That the Corporate Debtor's sister concern, M/s Larica Estates Private Limited, made a payment of Rs. 10,00,000/- toward principal on 22.03.2021, which ought to have resulted in a corresponding reduction in the principal and interest claimed by the Financial Creditor.
- 6.9. The Corporate Debtor's reply dated 28.09.2024 to the demand notice sought reconciliation and adjustment based on a Consortium Agreement between group company M/s Grob Tea Co. Ltd. (Financial Creditor group) and M/s Larica LED Private Limited (Corporate Debtor group), under which receivables due to Larica LED were sought to be adjusted against the alleged dues.
- 6.10. M/s Larica LED Private Limited has already filed an application under Section 9 of the Code, against M/s Grob Tea Co. Ltd., bearing C.P. (IB) No. 181/KB/2025 currently pending before the NCLT Kolkata Bench, establishing the existence of genuine pre-existing inter-company disputes between group entities.
- 6.11. The CD would allege that the Financial Creditor has deliberately failed to account for part-payments, ignored TDS credits, and artificially



inflated the claim sum solely to meet the minimum threshold for invoking proceedings under the Code, while maliciously avoiding inter-company account reconciliations to create unwarranted financial stress.

- 6.12. The Corporate Debtor asserts that it is financially stable, sound, and solvent, with no financial distress requiring insolvency resolution, rendering the Section 7 petition an impermissible recovery mechanism.

It has relied upon the Hon'ble Supreme Court in Vidarbha Industries Power Ltd. v. Axis Bank Ltd., (2022) SCC Online SC 841, that admission of an application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) is not mandatory merely upon proof of debt and default. The Court clarified that Section 7(5)(a) uses the word "may", thereby conferring discretionary power on the Adjudicating Authority (NCLT) to consider the overall financial health, solvency, and viability of the corporate debtor before admitting a CIRP application. The Court observed that the objective of the IBC is not to penalise solvent companies or those facing temporary financial difficulties, but to revive viable enterprises and maximise value. Hence, the NCLT may decline or defer admission where genuine circumstances exist such as when substantial recoverable amounts or pending favourable orders demonstrate the debtor's ability to meet its obligations.

7. REJOINDER OF THE FC

The FC, by way of rejoinder, while reiterating the claims made by itself in the application and refuting the allegations made by the CD, *inter alia* submits the following:

- 7.1. That the Corporate Debtor, having themselves admitted the dues and default on multiple occasions, cannot now be permitted to take inconsistent, contradictory, and evasive pleas.
- 7.2. That the calculation chart furnished by the Financial Creditor is fully supported by bank statements, ledger extracts, TDS certificates, interest workings, and contemporaneous correspondence, all of which clearly set out the basis of computation. The Corporate Debtor has not identified a single numerical discrepancy, nor produced any alternate computation to contradict the Financial Creditor's detailed and transparent calculations. It is settled law that such evasive and



unsupported objections cannot defeat a valid financial debt, particularly when the principal amount and liability stand acknowledged.

- 7.3. That the claim comfortably exceeds the statutory threshold even on the basis of the Corporate Debtor's own admitted figures, and the Corporate Debtor has failed to produce a single document to contradict the Financial Creditor's detailed calculation.
- 7.4. That the Corporate Debtor's own ledger entries, acknowledgements, part-payments, and continued, unprotested enjoyment of the funds demonstrate that it accepted and acquiesced to the terms of the transaction, including the revised rate of interest. The Financial Creditor denies any "unilateral" revision of interest by the email dated 21.08.2024. That the Corporate Debtor never objected to the said communication, neither did it dispute the revised computation, nor tendered any payment under protest. In commercial dealings, such prolonged silence coupled with continued enjoyment of the accommodation operates as implied acceptance, and the Corporate Debtor is estopped from now alleging unilateral or arbitrary revision. In any event, a mere disagreement on interest calculation does not extinguish the principal debt, which stands duly admitted by the Corporate Debtor.
- 7.5. That the assertion that TDS was deducted "solely to maintain a longstanding business relationship" is misconceived and legally untenable. TDS deduction on interest necessarily presupposes the existence of interest liability, and therefore directly contradicts the Corporate Debtor's present stand. That the repeated assertion that "there was no formal agreement prescribing interest" is irrelevant and incorrect. The Corporate Debtor has acted upon, accepted, and carried forward the interest obligations throughout the subsistence of the transaction. The Corporate Debtor's own conduct making interest payments, deducting TDS, and carrying outstanding interest in its records clearly establishes that the parties were *ad idem* on the terms, regardless of the absence of a formal written agreement. Commercial dealings often operate on implied terms, and the Corporate Debtor cannot now deny what it consistently has complied with.



- 7.6. That the reference to a payment of Rs. 10,00,000/- by its group of Company M/s Larica Estates Limited is irrelevant and misleading. First, the Corporate Debtor has not shown that the payment was made on its behalf, nor that it was authorized, accounted for, or linked to the loan transaction. Second, the Corporate Debtor has not produced a single communication or accounting entry showing that such payment was intended as repayment of this loan. The Financial Creditor cannot assume, without instruction or documentation, that a third-party deposit pertains to the debt in question.
- 7.7. It is specifically denied that the alleged consortium arrangement between M/s The Grob Tea Co. Ltd. and M/s Larica LED Products Private Limited has any bearing on the Financial Creditor's claim. The claim for set-off is speculative, unilateral, and unsupported by evidence, and cannot operate to nullify or defer the admitted liability. The contention that inter-company transactions justify adjustment against the Financial Creditor's claim is factually incorrect and legally irrelevant. That the Financial Creditor and its group companies are separate legal entities, and the Corporate Debtor cannot unilaterally assume rights to claim adjustments from a third-party entity to escape payment of its admitted debt. Any dispute between the Corporate Debtor and M/s The Grob Tea Co. Ltd. is distinct and independent, and the pendency of a Section 9 application does not extinguish or stay the Corporate Debtor's liability towards the Financial Creditor.
- 7.8. The Financial Creditor submits that the allegations of the CD regarding the intra-group transactions are irrelevant to the Section 7 application, which is strictly concerned with the default of the Corporate Debtor in repayment of financial debt owed to the Financial Creditor. Allegations regarding intra-group transfers, internal pricing, or inventory management cannot absolve the Corporate Debtor of its liability towards the Financial Creditor under valid and executed loan agreements.
- 7.9. That the Hon'ble Supreme Court has repeatedly held that "financial soundness" cannot override "existence of default". The Corporate Debtor's reliance on Vidarbha Industries is misconceived. The Supreme Court itself clarified that the discretion recognized in Vidarbha is case-specific and not a general principle, and subsequent judgments have emphasised that Vidarbha cannot be applied to dilute



the default-based scheme of the IBC. Merely claiming financial soundness or ongoing operations is not a defense in law. If the Corporate Debtor was indeed financially stable, it would have discharged the admitted and crystallized dues rather than raising such untenable pleas.

8. SUPPLEMENTARY AFFIDAVIT BY THE CD

Subsequent to the filings of the above-noted reply and rejoinder, the CD has filed a Supplementary Affidavit, by way of which, the CD *inter alia* makes the following submissions:

- 8.1. That the transaction relied upon by the FC was not a loan transaction since no loan was advanced pursuant to any contractual agreement governing the alleged lending transaction. Further, that the Financial Creditor has failed to place on record any document which would evidence that the CD had approached them to avail any financial assistance as claimed in the demand notice dated 11.09.2024.
- 8.2. The Financial Creditor forms part of the promoter group of M/s The Grob Tea Co. Limited and holds substantial shares therein, sharing common management and directorship in Mr. Pradeep Kumar Agarwal. The Corporate Debtor is a sister concern of M/s Larica LED Products Private Limited, sharing common directors and management.
- 8.3. In 2018, Grob Tea approached Larica LED requesting it to manufacture LED street lights based on representations that Grob Tea was in the process of securing substantial business from Government and PSU undertakings.
- 8.4. Larica LED entered into a Consortium Agreement dated 30.01.2019 with Grob Tea to manufacture LED street lights, under which Grob Tea was contractually required to make advance payments toward the cost of manufacturing.
- 8.5. On 02.04.2019, Grob Tea issued a Work Order to Larica LED for the manufacture and supply of 1,50,000 units of 24-Watt LED Street Lights.



- 8.6. By an email dated 23.04.2019, Mr. Pradeep Kumar Agarwal (common director in the FC Company and Grob Tea) instructed Larica LED to procure project-specific raw materials from group entity K.L. Mechanical Works Private Limited at exorbitant, above-market rates.
- 8.7. A contemporaneous email dated 02.02.2020 sent by Mr. Pradeep Kumar Agarwal requested Larica LED to repay funds to K.L. Mechanical Works Private Limited to be rerouted through other group companies owing to year-end accounting requirements, specifically instructing that all amounts so transferred and rerouted were to be treated purely as advances for completing Grob Tea's streetlight order.
- 8.8. By 31.03.2020, Larica LED had manufactured approximately 2,00,000 LED street lights pursuant to the work order and advances received, which was formally communicated to Grob Tea by letter dated 29.06.2020.
- 8.9. Grob Tea's audited Annual Report for FY 2019–20 explicitly acknowledged its diversification into the LED streetlight business, recorded its consortium arrangement with Larica LED, and disclosed advances aggregating Rs. 1,874.43 Lakhs paid to its consortium partner.
- 8.10. The Consortium Agreement was renewed on 01.02.2022 for another three years, and Grob Tea subsequently issued a Completion Certificate dated 18.09.2023 acknowledging satisfactory supply under the arrangement.
- 8.11. Grob Tea thereafter failed to provide lifting schedules and stopped accepting delivery of manufactured stock, leading Larica LED to issue demand notices, initiate arbitration before a Sole Arbitrator under Section 21 notice dated December 24, 2024, and file a Section 9 IBC petition (C.P. (IB) No. 181/KB/2025) against Grob Tea.
- 8.12. In response to Larica LED's Section 9 petition and operational claims, K.L. Support initiated Section 7 proceedings against the Corporate Debtor as a retaliatory counter-blast and pressure tactic to settle commercial scores arising out of the failed LED business.



8.13. Upon verification, TGREDCO (Telangana State Renewable Energy Development Corporation Limited) confirmed in writing on 10.06.2025 that no advance work order had ever been issued to Grob Tea, establishing that the underlying representations made by Grob Tea were fraudulent.

9. REJOINDER TO THE SUPPLEMENTARY AFFIDAVIT

While refuting the claims of the CD made by way of the Supplementary Affidavit, the FC *inter alia* submits the following:

- 9.1. That the Corporate Debtor has not disputed the underlying receipt of the amounts from the Financial Creditor. Instead, the Corporate Debtor seeks to avoid its liability by introducing a completely separate and allegedly interconnected commercial arrangement involving various other entities, none of which alters the liability of the Corporate Debtor towards the Financial Creditor.
- 9.2. That each company is a separate legal entity. A dispute between two other companies cannot extinguish, suspend or otherwise affect a legally enforceable debt owed by the Corporate Debtor to the Financial Creditor.
- 9.3. That the entire narrative relating to the alleged Telangana Government work order, LED Street Lights, stock, procurement of raw materials, GST payments, consortium agreements, alleged fraud and arbitral proceedings is extraneous to the adjudication of the present Section 7 application since the Corporate Debtor has failed to produce any document establishing that the amount claimed by the Financial Creditor was advanced towards the alleged LED Street Light arrangement, or that repayment of the amount owed by the Corporate Debtor was conditional upon performance of any contract between Larica LED Products Private Limited and The Grob Tea Co. Limited.
- 9.4. The contention of the Corporate Debtor that the transaction cannot constitute a financial debt merely because there is allegedly no executed loan agreement is legally untenable. Section 5(8) of the Code does not prescribe that a financial debt must necessarily arise only from a document bearing the nomenclature "Loan Agreement" or "Financing Agreement".



- 9.5. The statutory test is whether there is a debt and whether the amount has been disbursed against consideration for the time value of money, having regard to the substance of the transaction in support of which the supporting documents were placed before the Adjudicating Authority which are part of application. In the present case, the Financial Creditor relies upon the documentary record already filed along with the Section 7 application.
- 9.6. The Financial Creditor submits that the Corporate Debtor has failed to identify any contractual provision, document or legally enforceable arrangement whereby the liability of the Corporate Debtor towards the Financial Creditor was made contingent upon the performance, profitability, success or failure of the LED business allegedly undertaken by Larica LED Products Private Limited.
- 9.7. The Corporate Debtor is a separate company and has a separate legal personality. The liability of the Corporate Debtor cannot be adjudicated by reference to an alleged dispute between other companies.
- 9.8. That common directors, common shareholders, business relationships or alleged group structures do not, by themselves, merge the separate legal personalities of the concerned companies. The Corporate Debtor cannot, after receiving the funds, retrospectively attribute the payment to an entirely different commercial arrangement involving third parties.
- 9.9. The Corporate Debtor has placed substantial reliance upon the alleged dispute between Larica LED Products Private Limited and The Grob Tea Co. Limited, including the alleged demand for refund, reply thereto, subsequent demand notice under the Code and Section 9 proceedings. The Financial Creditor submits that the existence of such proceedings, even if taken at face value, does not determine the liability of the Corporate Debtor towards the Financial Creditor. The pendency of separate proceedings between separate corporate entities cannot be converted into a defence to the present Section 7 application.
- 9.10. The Corporate Debtor has not demonstrated any nexus between the alleged work order and the specific amounts claimed by the Financial Creditor in the present proceedings.



9.11. The Supplementary Affidavit is essentially an attempt to introduce an unrelated commercial dispute into the present proceedings and to create an artificial connection between separate corporate entities and separate transactions. The Corporate Debtor has failed to demonstrate that the financial debt claimed by the Financial Creditor does not exist which is an independent transaction from those referred herein.

9.12. In view of the facts and circumstances stated hereinabove, it is most respectfully prayed that this Hon'ble Tribunal may be pleased to reject the Supplementary Affidavit and the objections/contentions raised therein by the Corporate Debtor and allow the application filed by the Financial Creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016, in accordance with law.

10. We have heard the Learned Counsels appearing for the parties and perused the documents placed on record.

ANALYSIS AND FINDINGS

11. ISSUES

The primary issues that arise for our consideration are as follows:

- (i) Whether the disbursements were made against the time value of money?
- (ii) If so, whether the debt constitutes financial debt under section 5(8) of the Code in the absence of any written agreement?
- (iii) Do the Grob Tea-Larica LED consortium transactions warrant this Tribunal exercising any discretion to decline or defer admission of the present application?

The issues shall be dealt with in seriatim-

- (i) Whether the disbursements were made against consideration for the time value of money?**

12. DISCUSSIONS

12.1. It is noted from the Board Resolution dated 28.02.2020 of the FC that the loan of Rs. 1,05,00,000/- was sanctioned to carry interest, payable quarterly, at 10% per annum from 06.02.2020 to 30.06.2022, 15% per annum from 01.07.2022 to 31.03.2023, and 10% per annum from 01.04.2023 to 30.06.2024.



12.2. The CD has, in its reply, has unequivocally admitted to having paid interest on the said loan for the Financial Years 2019-20, 2020-21 and 2021-22, and to having deducted and deposited the Tax Deducted at Source (TDS).

12.3. At this juncture, it is relevant to note the following ruling by the Hon'ble NCLAT in **Pradeep Tayal v. Essbert Fashion Pvt. Ltd., (2023)** [ibclaw.in 169 NCLAT](https://ibclaw.in/169-NCLAT/):

“15. It is true that deduction of TDS and deposit by the Corporate Debtor does not itself prove that there is any financial debt but deduction of TDS and deposit in Form 16-A under Section 194-A of Income Tax Act clearly proves that the deduction which was deposited was TDS relating to “Interest other than interest on securities”. Form 16-A which was filed by the Financial Creditor along with Section 7 Application at least support the case of the Financial Creditors that loan which was granted to the Corporate Debtor was with interest.”

(Emphasis Added)

Hence, in view of such ruling of the Hon'ble NCLAT, the deduction of TDS by the CD ought to be of sufficient evidentiary value that the disbursements by the FC were made against interest, i.e., the time value of money.

12.4 Further, the CD has executed a signed and stamped Confirmation of Accounts dated 01.04.2024 for the Financial Year 2023-2024, acknowledging a closing balance of Rs. 1,22,47,286/- as due and payable to the FC, which figure, being in excess of the principal sum of Rs. 1,05,00,000/-, by itself evidences accrual of interest on the said disbursement.

12.5 As regards the dispute raised by the CD concerning the rate of interest (10% as against the FC's claim of a subsequent enhancement to 15%), the deductibility of the Rs. 10,00,000/- payment made by its sister concern M/s. Larica Estates Private Limited, and the alleged vagueness of the computation chart, this Tribunal finds that these are, at best, disputes as to the quantum of the interest and not its existence.



12.6 INFERENCE

In view of the above, it is evident that the disbursement of Rs. 1,05,00,000/- by the FC to the CD carried interest and was accordingly made against consideration for the time value of money.

Moving on to the next issue-

(ii) Whether the debt constitutes "financial debt" under Section 5(8) of the Code in the absence of any formal written loan agreement?

13. DISCUSSIONS

13.1. The CD's principal contention is that no loan agreement, in the nature of a formally executed and titled document, was ever entered into between the parties, and that in the absence thereof, the transaction cannot be treated as a financial debt.

13.2. This contention is misconceived in terms of the following precedents of the Hon'ble NCLAT:

(i) Pradeep Tayal v. Essbert Fashion Pvt. Ltd., (2023) ibclaw.in 169 NCLAT

*"22. We may refer to recent three-member Judgement of this Tribunal in Company Appeal (AT) Ins. No.183 of 2021 in the matter of **"Arrow Engineering Ltd. Vs. Golden Tobacco Limited"** in which case also there was correspondences and letters between the parties but no MoU was formerly executed containing the conditions of transaction between the parties and contention was raised that there being no written agreement, financial debt is not proved...*

....

***23.** This Tribunal in the above case referring to documents and correspondences between the parties concluded that financial debt was there despite there being no MoU formerly executed between the parties containing the terms and conditions of transaction. Further when we look into the definition of transaction as contained in Section 3(33) of the Code as extracted above, the definition is an inclusive definition and the provision does not lead to the conclusion that unless there is written transaction between the parties incorporating the*

terms and conditions of the loan, no transaction can come within the meaning of Section 5(8) of the Code. Financial Debt can be proved from other documents as contemplated in Column 8 of Part-V of Form 1 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 as noted above.

24. *In the facts of the present case, we are satisfied that loan was granted by the Financial Creditors to the Corporate Debtor which was proved from the materials brought on record by the Financial Creditors.”*

(emphasis added)

(ii) Agarwal Polysacks Ltd. v. K. K. Agro Foods and Storage Ltd., (2023) ibclaw.in 584 NCLAT

“21. When we look into the statutory scheme as reflected in the Application to Adjudicating Authority Rules, 2016 and CIRP Regulations, 2016, it is clear that financial debt can be proved from other relevant documents and it is not mandatory that written financial contract can be only basis for proving the financial debt. We, thus, answer Issue No.1 holding that it is not necessary that written financial contract be the only material to prove the financial debt.”

(emphasis added)

(iii) Bijendra Prasad Mishra v. HS Mercantile Pvt. Ltd. and Anr., (2025) ibclaw.in 753 NCLAT

“55. ...Thus what is transpired from the perusal of the cases cited herein above is that a written agreement is not a condition precedent to prove the existence of a financial debt and the same very well be proved by other documentary evidence. Acknowledgment by the Corporate Debtor in balance sheet of date 31.03.2017 coupled with the TDS deduction certificate (26 AS) and other supporting documents e.g. demand notice given by financial creditor, matching of figures of loan amount along with interest as given in the notice and in the balance sheet of CD of dated 31.03.2017, in our considered opinion are sufficient to prove the existence of legally payable debt, default and filing of application within the extended period of limitation having regard to section 18 of the Limitation Act....”

(emphasis added)

(iv) Subham Capital Pvt. Ltd. v. Vedic Realty Pvt. Ltd., (2026) ibclaw.in 337 NCLAT

“11. ...we need to abide by the judicial precedent set by this Tribunal in **Desana Impex judgment supra** which has comprehensively considered the question as to whether a written financial contract is necessary to prove a financial debt and the applicability of the RBI Master Circular.

...

13. When we look at the above judgment, it is clear that the IBC does not stipulate or prescribe the need to have a written agreement between the parties to prove any disbursement of loan to be treated as a financial debt. It is also a clear derivative of this judgment that the RBI Circular does not prevail over IBC proceedings and therefore not mandatory for any NBFC to furnish any written financial contract or a written agreement between the parties to substantiate a financial debt in terms of the scheme of IBC.

14. It is an admitted fact that in the present facts of the case, there is no written contract or agreement between the Appellant and the Corporate Debtor governing the terms and conditions by which the sum was advanced by the Appellant and disbursed to the account of the Corporate Debtor. Be that as it may, when we look at the material which has been placed on record with the Section 7 petition, we find that bank statements of the Appellant showing disbursement to the Respondent has been shown from FY 2013-14 till July 2016. For the same period, it is also an uncontroverted fact that the Respondent had issued loan receipts besides Demand Promissory Notes as well as confirmation letters acknowledging receipt of loan. In addition, the Respondent has issued several letters of acknowledgement of loan renewal for the period 2013-2017 which also reflects accrual of interest. There are also signed confirmation of accounts issued by the Respondent from the FY 2013-14 to FY 2017-18. Besides unequivocal admission and acknowledgement of financial debt by the Respondent, the TDS deduction made on interest components as well as issue of post-dated dishonoured cheques are also a clear proof of disbursement of loan with interest. Thus, when we apply the ratio of the **Desana Impex judgment supra** to the present factual matrix, the Adjudicating Authority is found to have grossly erred in holding

that as there was no written agreement or financial contract between the Corporate Debtor and the present Appellant-NBFC/Financial Creditor, there was no foundational basis for claiming that the Corporate Debtor owed a financial debt to the Appellant in terms of Section 5(8) of IBC.”

(emphasis added)

It is thus settled by the above precedent that a written financial contract is not a condition precedent for proving the existence of a financial debt, and that such debt may be established through other contemporaneous documentary evidence, including disbursement records, acknowledgements, TDS certificates and confirmations of account. Applying the said principle to the facts of the present case, the existence of the financial debt stands duly established from the RTGS bank transfers of Rs. 25,00,000/-, Rs. 30,00,000/- and Rs. 50,00,000/- aggregating Rs. 1,05,00,000/- by the FC to the CD, the interest payments made by the CD for three financial years, the TDS deductions thereon, and the Confirmation of Accounts dated 01.04.2024 signed by the CD itself. **The absence of a formally executed loan agreement is, therefore, of no consequence.**

13.3 It is further noted that the CD, in its reply, has itself averred that it "approached the Financial Creditor solely to obtain financial assistance" and that it had availed "the short-term loan in question" based on a longstanding business relationship. Having made such an emphatic admission, the CD is **estopped** from subsequently contending that the said transaction was not a loan, or that it was in the nature of an advance referable to an unconnected commercial arrangement between Larica LED Products Private Limited and M/s. The Grob Tea Co. Ltd., as elaborated in its Supplementary Affidavit.

13.4 Having held that a written loan agreement is not necessary to establish a financial debt, it is relevant to note what constitutes a financial debt in terms of the following bindings rulings:

(i) The Hon'ble Apex Court has defined "Financial Debt" as follows:

(a) **Innoventive Industries Ltd. Vs ICICI Bank:**

"27. ...a financial debt is defined in Section 5(8) to mean a debt which is disbursed against consideration for the time value of money."



(Emphasis added)

(b) Anuj Jain, Interim Resolution Professional for Jaypee Infratech Ltd. v. Axis Bank Limited:

“43. ... we have not an iota of doubt that for a debt to become ‘financial debt’ for the purpose of Part II of the Code, the basic elements are that it ought to be a disbursal against the consideration for time value of money.”

(c) Indus Biotech Private Limited v. Kotak India Venture (Offshore) Fund:

“14. ...in order to trigger an application there should be in existence four factors: (i) there should be a ‘debt’ (ii) ‘default’ should have occurred (iii) debt should be due to ‘financial creditor’ and (iv) such default which has occurred should be by a ‘corporate debtor’...”

(Emphasis added)

- (ii) Following such position affirmed by the Hon’ble Apex Court, the Hon’ble NCLAT in **Meck Pharmaceuticals and Chemicals Pvt. Ltd. vs. Accurate Infrabuild Pvt. Ltd.**, observed the following:

“12. ...for any debt to be treated as financial debt, the pre-requisite is 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)

13.5 INFERENCE

Accordingly, in consonance with the supra noted precedents of the Hon’ble Apex Court and the Hon’ble NCLAT, it is held that the present debt in question is in the nature of a "financial debt" within the meaning of Section 5(8) of the Code, and hence, the FC is a "financial creditor" within the meaning of Section 5(7) thereof.

We shall now deal with the final issue-

- (iii) Do the Grob Tea-Larica LED consortium transactions or the Vidharbha judgement warrant this Tribunal exercising any discretion to decline or defer admission of the present application?**

14. DISCUSSIONS



14.1. The CD has sought to contend that the sums forming the subject matter of the present application were not a loan at all, but were, in substance, business advances connected with a Consortium Agreement executed between M/s. The Grob Tea Co. Ltd. and M/s. Larica LED Products Private Limited for the manufacture and supply of LED street lights, under which advance payments were contemplated towards manufacturing costs. It is the CD's case that M/s. The Grob Tea Co. Ltd. and M/s. Larica LED Products Private Limited are, respectively, sister concerns of the FC and the CD, sharing common directorship and management, and that the funds in question were accordingly routed as inter-group business advances rather than as a loan to the CD.

14.2. In support of this contention, the CD has relied upon an email dated 02.02.2020, stated to have been sent by a common director, which is sought to be read as characterising the fund transfers as business transactions connected with the said LED project. The said mail is reproduced as under:

Pradeep Agarwal <pradeep@arwalasia.co.in>
To: manish lakhota <lakhota.m@gmail.com>

2 Feb 2020 at 11:54

Dear Manish Ji,

This is to request you to kindly arrange for the repayment of the loan amount from Larica LED back to KL Mechanical. The said amount shall thereafter be rerouted through our group companies and subsequently transferred to your group companies for the completion and continuance of the order as explained over our call.

Please note that this rerouting arrangement is being requested from our side due to the upcoming March-end accounting requirements.

Further, kindly note that the amount so transferred and rerouted shall be treated purely as advances provided for the completion and execution of Grob Tea's streetlight order.

Thank you for your cooperation.

Regards

Pradeep

14.3. The CD has further pointed out that the Board Resolution dated 28.02.2020, relied upon by the FC to evidence the terms of the loan, was passed subsequent both to the said email and to the first two disbursements made on 06.02.2020 and 15.02.2020, and has sought to urge that the Resolution was accordingly a document brought into existence after the event, to retrospectively clothe the transaction with the character of a loan.



14.4. Having examined the said material, this Tribunal finds that, at their highest, these documents disclose internal communications between entities connected to the FC and the CD, but fall well short of conclusively establishing that the specific disbursement of Rs. 1,05,00,000/- made by the FC to the CD was contractually referable to, or governed by, the Consortium Agreement between M/s. The Grob Tea Co. Ltd. and M/s. Larica LED Products Private Limited.

14.5. This narrative stands further against the CD in its own admissions on record. The CD has, in its reply, admitted to having approached the FC for a short-term loan, to the receipt of the sum of Rs. 1,05,00,000/-, to having made interest payments thereon for three financial years, and has executed a signed Confirmation of Accounts acknowledging the outstanding liability towards the FC. These admissions are irreconcilable with the CD's belated attempt to recast the very same transaction as an inter-group business advance connected with the LED consortium arrangement. A party cannot, having admitted the receipt and character of a transaction in its pleadings, be permitted to resile from such admission by invoking a distinct arrangement between third parties.

14.6. For the above reasons, this Tribunal finds no merit in the CD's contention that the transaction in question was, in substance, a business advance referable to the Consortium Agreement between M/s. The Grob Tea Co. Ltd. and M/s. Larica LED Products Private Limited, and the said narrative stands rejected.

14.7. Further, the CD has, in its reply, contended that this Tribunal is vested with discretion under Section 7(5)(a) of the Code to decline or defer admission, placing reliance on **Vidarbha Industries Power Ltd. v. Axis Bank Ltd., (2022) ibclaw.in 91 SC**. This contention does not survive scrutiny, for two independent reasons.-

14.7.1. First, the discretion recognised in **Vidarbha Industries** was not an unguided one, and was expressly confined by the Hon'ble Supreme Court to a narrow category of cases. The Court itself qualified the discretion as follows:

“86. Even though Section 7(5)(a) of the IBC may confer discretionary power on the Adjudicating Authority, such



discretionary power cannot be exercised arbitrarily or capriciously. If the facts and circumstances warrant exercise of discretion in a particular manner, discretion would have to be exercised in that manner."

(Emphasis added)

This position stands authoritatively clarified by the Hon'ble Supreme Court in its subsequent judgement of **M. Suresh Kumar Reddy v. Canara Bank & Ors.**, (2023) ibclaw.in 67 SC wherein the following is noted:

"10. Thus, once NCLT is satisfied that the default has occurred, there is hardly a discretion left with NCLT to refuse admission of the application under Section 7."

(Emphasis added)

14.7.2. Secondly, and in any event, the very statutory premise on which Vidarbha Industries proceeded no longer holds. The decision rested on the then-existing text of Section 7(5)(a) of the Code, which read that the Adjudicating Authority **may** admit an application upon satisfaction of debt and default- a formulation in which the Hon'ble Supreme Court found the word "may" to confer discretion, as recorded by the Court itself in the following words:

"75. Significantly, Legislature has in its wisdom used the word 'may' in Section 7(5)(a) of the IBC in respect of an application for CIRP initiated by a financial creditor against a Corporate Debtor but has used the expression 'shall' in the otherwise almost identical provision of Section 9(5) of the IBC relating to the initiation of CIRP by an Operational Creditor."

Section 7(5) of the Code, as amended and presently in force, and as extracted below, now reads materially differently, as:

(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

(Emphasis added)

The word "may" governing the act of admission, on the interpretation of which the entire reasoning in **Vidarbha Industries** was founded, no longer finds place in the provision. The word "shall" now governs the Adjudicating Authority's action in admission of an application under section 7, which was the very foundation of the discretion recognised in **Vidarbha Industries**, therefore stands legislatively superseded.

14.8. For both these independent reasons, namely, that judgement of **Vidarbha Industries** has been subsequently clarified in **M. Suresh Kumar Reddy**, and that the statutory text on which **Vidarbha Industries** was decided has since been amended to remove the very word "may" that formed the basis of that decision, the CD's reliance on **Vidarbha Industries** is misplaced and is rejected.

14.9. INFERENCE

In view of the foregoing, both on the CD's factual narrative seeking to connect the present transaction with the Grob Tea-Larica LED consortium arrangement, which stands rejected, and on the CD's legal reliance on **Vidarbha Industries**, which stands rejected for the reasons recorded above, this Tribunal answers the third question in the negative. No circumstance exists on record, whether on facts or in law, that would warrant this Tribunal exercising any discretion to decline or defer admission of the present application.

15. THRESHOLD

15.1. It is an admitted fact that the CD has made a payment of Rs. 5,00,000/- on 14.04.2023 to the FC towards the debt.

15.2. Further, the CD has claimed to have made a payment of Rs. 10,00,000/- through its sister concern namely M/s. Larica Estates Private Limited towards its outstanding liability with regard to the present debt. However, the said claim is not only refuted by the FC but



also stands unsubstantiated by any documentary evidence. Hence, such claim by the CD is ought not to be entertained by this Tribunal.

- 15.3. Even upon assuming that such payment of Rs. 10,00,000/- was made by the CD on 22.03.2021, the outstanding liability of the CD as on 01.04.2024, which is subsequent to such date of alleged payment of Rs. 10,00,000/-, as acknowledged by the CD itself in the Confirmation of accounts which noted and reproduced supra, is **Rs. 1,22,47,286/-**, which **comfortably meets the threshold** prescribed under the Code.

16. LIMITATION

- 16.1. In terms of the Board Resolution dated **28.02.2020** of the FC Company and the claims of the FC, the interests were to be payable quarterly.
- 16.2. The CD made payments towards interests till FY 2021-2022. Hence, the next payment that became due and payable by the CD was on the expiry of the next quarter, i.e., on 01.07.2022. The CD failed to make the payment on 01.07.2022. Therefore, the first date of default is 01.07.2022.
- 16.3. Subsequent to such default, the CD has, by way of signing the confirmation of accounts, acknowledged its debt on 01.04.2024. The said acknowledgement is reproduced below:

18. Effect of acknowledgment in writing.—(1) *Where, before the expiration of the prescribed period for a suit or application in respect of any property or right, an acknowledgment of liability in respect of such property or right has been made in writing signed by the party against whom such property or right is claimed, or by any person through whom he derives his title or liability, a fresh period of limitation shall be computed from the time when the acknowledgment was so signed.*

- 16.4. Such acknowledgement dated 01.04.2024 is within three years of the first date of default, hence the limitation period stood extended till 01.04.2027 in terms of section 18 of the limitation act, which reads as follows:



16.5. The present application has been filed on 11.06.2025, which is well before the expiration of the extended limitation period as noted above. Hence the application has been filed within limitation.

17. CONCLUSION

As discussed above,

17.1. The disbursements, which are admitted by both the parties, are held to be made by the FC as loans advanced to the CD and fall within the meaning of financial debt under section 5(8) of the Code.

17.2. There stands no reason, either in fact or in law, that warrants this Tribunal to exercise any discretion in declining the present application

17.3. The threshold prescribed under the Code is duly met.

17.4. The present application is not barred by Limitation.

Thus, this petition under section 7 of the IBC is **squarely maintainable**.

18. At this juncture, it is relevant to note the following provision of the IBC, 2016, as amended upto 06.04.2026:

“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.

Explanation II.—For the removal of doubts, it is hereby clarified that where a record of default in respect of a financial debt owed to a financial institution recorded with the information utility has been furnished along with the application filed by such financial institution under this section, such record shall be considered sufficient for the Adjudicating Authority to ascertain the existence of default under this section.

(Emphasis Added)

19. In the aforesaid backdrop, it is felt that upon being satisfied of the existence of a default, the completeness of the application and the non-pendency of any disciplinary proceeding against the proposed resolution professional this Tribunal is bound to admit 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.
20. Apart from the contentions which have already been addressed above, no contention, or document remains available to suffice negation of the Financial Creditor's claim regarding the occurrence of default, or to affect the maintainability of the present application. Accordingly, **this Tribunal is hereby bound by the statute to allow the present application.**
21. The Applicant has recommended **Mr. Avishek Gupta**, having Registration No. IBBI/IPA-003/IP-N00135/2017-2018/11499, as the Interim Resolution Professional, and has duly placed his consent together with the Authorisation for Assignment on record. We have satisfied ourselves that the validity of proposed IRP's AFA is subsisting and there is no disciplinary proceedings pending against him.
22. **ORDER**
- 22.1. Since the petition being complete in all respects deserves to be admitted, we **allow** this application filed under Section 7 of the Code, and order the initiation of Corporate Insolvency Resolution Process (CIRP) in respect of the Corporate Debtor.



22.2. Consequently, the Application filed by K.L. Support Private Limited (Financial Creditor), under Section 7 of the Insolvency & Bankruptcy Code, 2016, **is hereby admitted** for initiating the Corporate Insolvency Resolution Process in respect of Barasat Real Estate Projects Private Limited (Corporate Debtor).

- i. As a consequence of this Application being admitted in terms of Section 7 of the Insolvency and Bankruptcy Code, 2016, 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 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. Avishek Gupta**, having Registration No. IBBI/IPA-003/IP-N00135/2017-2018/11499, Address: CK 104, Sector 2, Salt Lake City, Kolkata-700091, Email: avishek@optimusresolution.net, 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 IIIP of ICAI. In addition, necessary disclosures have been made by **“Mr. Avishek Gupta”** as per the requirement of the IBBI Regulations and he satisfies the requirement of the code. Hence, we appoint **“Mr. Avishek Gupta”** as the **Interim Resolution Professional** (IRP) of the Corporate Debtor to carry out the functions as per the Insolvency and Bankruptcy Code, 2016 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 Insolvency and Bankruptcy Code, 2016.
- 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 Insolvency and Bankruptcy Code, 2016. 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 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

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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.
- xv. The order of moratorium shall cease to have effect as per Section 14(4) of the Insolvency and Bankruptcy Code, 2016.

23. Certified copies of this order, if applied for, be issued by the Registry upon compliance with the requisite formalities.

24. Post the Company Petition on **30/11/2026** for filing the Periodical Progress Report by the IRP as appointed herein.

Rekha Kantilal Shah

Member (Technical)

Smt. Bidisha Banerjee

Member (Judicial)

Order signed on 16.10.2026

Bhatt, O. [LRA]