



**In the National Company Law Tribunal  
Division Bench, (Court-I), Kolkata**

**CP(IB) No. 121/KB/2024**

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

**In the Matter of:**

**Annu Jaiswal**

**....Applicant / Financial Creditor**

**Vs.**

**Paymark Payment Technologies & Services Private Limited**

**.... Corporate Debtor / Respondent**

**Date of Pronouncement of order: 13.12.2024**

**Coram:**

**Smt. Bidisha Banerjee : Member (Judicial)**

**Shri Balraj Joshi : Member (Technical)**

**Counsel appeared physically / through video Conferencing**

Mr. Shaunak Mitra, Adv. ] For Financial Creditor  
Mr. Dripto Majumdar, Adv.

Mr. S.K. Tiwari, Adv. ] For Corporate Debtor  
Mr. Jayesh Choradia, Adv.  
Ms. Muskan Jalan, Adv.

**O R D E R**

**Per Bidisha Banerjee, Member (Judicial):**

1. The Court convened through hybrid mode.
2. Ld. Sr. Counsel / Counsel for the parties were heard at length.
3. This Petition has been preferred by the Petitioner seeking initiation of Corporate Insolvency Resolution Process ("CIRP") in respect of the Respondent / Paymark Payment Technologies & Services Private Limited

**In the National Company Law Tribunal**

**Division Bench, (Court-I), Kolkata**

**CP(IB) No. 121/KB/2024**

under Section 7 of the Insolvency and Bankruptcy Code, 2016 (the Code”) for default in payment of sum of Rs. 1,48,59,505/-

**4. Submissions of the Applicant:**

4.1. Paymark Payment Technologies & Services Private Limited was in need of urgent funds for business purpose and as such, approached Ms. Annu Jaiswal, ‘the Financial Creditor’ for grant of a loan amount of Rs. 1,21,00,000/- payable on demand for interest at 20% per annum and interest payable annually.

4.2. At the request of Paymark Payment Technologies & Services Private Limited (hereinafter referred to as the Corporate Debtor) and having considered its credentials and creditworthiness, the applicant, Financial Creditor granted the said loan amount of Rs. 1,21,00,000/- on the terms agreed upon and transferred in four tranches to the Corporate Debtor on 25.08.2022, 31.08.2022, 18.04.2023 and 18.04.2023 for INR 25,00,000/-; INR 20,00,000/-; INR 26,00,000/-; INR 50,00,000/- respectively.

4.3. The Corporate Debtor till date has neither made any payment on account of principal amount nor on account of interest amount to the financial creditor, despite repeated reminders by way of demand notice sent on 17.01.2024 and 29.02.2024 and has wilfully defaulted in repaying the loan.

4.4. Mr. Hansraj Jaria has been proposed to be appointed as Interim Resolution Professional.


**5. Submission of the Corporate Debtor:**

5.1. The Respondent runs a platform to provide Aadhaar Enabled Payment System, Domestic Money Transfer, BBPS (Bharat Bill Payment System), recharge and MAMT Services through their distribution network to the end customer. Majorly done in their system for DMT (Domestic Money Transfer) & BBPS is into B2B2C (Business-to-Business-to-Consumer) model which is into Distribution / Agent assisted model wherein the under banked population of the

**In the National Company Law Tribunal**

**Division Bench, (Court-I), Kolkata**

**CP(IB) No. 121/KB/2024**




country walks into the agent 6.2 establishment and consumes the services.

- 5.2. The revenue generated is on the basis of percentage (Varies from 0.02% to 1.5% of each transaction based on the services provided) of each transaction shared with the Agent network and company keeps the difference to take care of its 63 operational and marketing cost.
- 5.3. The Memorandum & Articles of Association of the Respondent Company is marked in the Petition as Annexure -B.
- 5.4. The Petitioner is a Shareholder in the Respondent Company. The Petitioner was requested to arrange short-term due to the company's urgent financial exigencies and the Loan was procured under terms mutually agreed upon by the parties.
- 5.5. The Petitioner was assured that the funds would be reimbursed with an interest for this help Furthermore, this agreement was entered into considering the financial support pledged by respondents Director and Principal Shareholder, Mr. Nicolaos Constantinos Mellion (DIN) 07:389045), who possesses 83% equity stake in the Respondent Company.
- 5.6. Mr. Nicolaos Constantinos Mellios is a major shareholder and he currently resides in Canada that the duty of Mr. Nicolaos has not fulfilled his duty towards Paymark Payment Technologies & Services Private Limited and failing to even operate on a day to day basis as a result of which the company is facing financial crunch.
- 5.7. Further, additionally, due to challenging financial conditions brought on by due to adverse market scenario, the Respondent has been unable to service the amount which it took for its temporary needs.
- 5.8. That the Respondent experienced challenging years resulting in substantial losses while attempting to promote the business model and company. Even after the gracious funds from the Petitioner, the Respondent Company failed to overcome such massive consecutive

**In the National Company Law Tribunal**

**Division Bench, (Court-I), Kolkata**

**CP(IB) No. 121/KB/2024**



losses. In response to the same, due to which it had to cut back on commissions, cashbacks, and other incentives, which adversely impacted the number of transactions and overall turnover.

5.9. The Holding Company and the UBO (Ultimate Business Owner) of the Respondent M/S BLOCPAL INTERNATIONAL INC and M/S MBNK PHYGITAL FINANCIAL MARKETPLACE PRIVATE LIMITED has failed to raise enough capital for mitigate expenses and losses. Such a position significantly impedes the Respondent's ability to fulfill its contractual and financial commitments, thereby exacerbating the challenges associated with meeting its debt servicing requirements. These financial constraints are further compounded by the Respondent's inability to generate sufficient liquidity and capital to address and rectify its outstanding financial obligations, thereby compromising its overall financial stability and solvency.

5.10. In light of the prevailing economic difficulties, the Respondent has implemented a series of strategic initiatives designed to stabilize its operational framework. Such initiatives include, but are not limited to, the restructuring of the company's product lineup, the pursuit of new strategic partnerships, and the adoption of cost-cutting measures aimed at preserving liquidity and ensuring operational efficiency. These measures are part of a OF INPLA to enhance the Respondent's capacity to meet its financial commitments and improve its overall economic viability.

5.11. Finally, that all allegations are denied and disputed as alleged or at all and that the said application is not maintainable before this Tribunal on account of being premature. Further, that it is not a fit case institution or initiation of the Corporate Insolvency Resolution Process against the Respondent / Corporate Debtor.

6. We have considered the rival contentions and perused the records.

7. The discernible facts:

**In the National Company Law Tribunal**

**Division Bench, (Court-I), Kolkata**

**CP(IB) No. 121/KB/2024**

7.1. As evident from the Reply Affidavit, the Corporate Debtor has emphatically admitted its debt and default in repayment.

7.2. The bank statement in Annexure -E to the Petition evinces disbursement of amount in tranches and it has not been denied and disputed.

7.3. Annexures “F & G” shows Financial Creditor’s demand for repayment from the Corporate Debtor.

7.4. Corporate Debtor’s failure to repay is evident from the records.

8. In the aforesaid backdrop, we feel that the application deserves to be admitted.

9. Further, we are fortified in our views by the following decisions of the Hon’ble Apex Court which succinctly clarifies what a “Financial Debt” would be that would justify initiation of Corporate Insolvency Resolution process:

9.1. In **Pioneer Urban Land and Infrastructure Ltd. v. Union of India reported in (2019) 8 SCC 416**, it was held that:

*“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)**

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

that:

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

**(Emphasis added)**

9.3. **Indus Biotech Private Limited v. Kotak India Venture (Offshore) Fund reported in (2021) 6 SCC 436: MANU/SC/0231/2021 (para 14)** that:

**In the National Company Law Tribunal**

**Division Bench, (Court-I), Kolkata**

**CP(IB) No. 121/KB/2024**

*“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)**

10. In terms of the foregoing discussions, we **ALLOW** the Petition bearing **Company Petition (IB) No. 121/KB/2024** filed under Section 7 of the I&B Code, and accordingly, we order the initiation of Corporate Insolvency Resolution Process (CIR Process) in respect of the Corporate Debtor and pass the following Orders:


10.1. This application being **C.P.(IB)/121(KB)2024** filed by **Annu Jaiswal**, the Financial Creditor, 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 **Paymark Payment Technologies & Services Private Limited**, the Corporate Debtor, is **admitted**.

- (a)** There shall be a moratorium under Section 14 of the IBC.
- (b)** The moratorium shall have effect from the date of this Order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC.
- (c)** Public announcement of the CIRP shall be made immediately as specified under Section 13 of the Code read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

**In the National Company Law Tribunal**

**Division Bench, (Court-I), Kolkata**

**CP(IB) No. 121/KB/2024**



**(d) Mr. Hansraj Jaria having** registration number **IBBI/IPA-001/IP-N00835/2019-2020/12663**, is hereby appointed as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the 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 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 Code.

**(e)** During the CIRP period, the management of the Corporate Debtor shall vest in the IRP or the RP in terms of section 17 of the IBC. 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. No separate notice for cooperation by the suspended management should be expected.

**(f)** The IRP/RP shall submit to this Adjudicating Authority periodical report about the progress of the CIRP in respect of the Corporate Debtor.

**(g)** The Financial Creditor shall deposit a sum of **Rs. 3,00,000/- (Rupees Three Lakh only)** with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors (CoC).

**(h)** In terms of section 7(5)(a) of the Code, Court Officer of this Court is hereby directed to communicate this Order to the

**In the National Company Law Tribunal**

**Division Bench, (Court-I), Kolkata**

**CP(IB) No. 121/KB/2024**

Financial Creditor, the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.

- (i) Additionally, the Financial Creditor shall serve a copy of this Order on the IRP and on the Registrar of Companies, West Bengal, Kolkata 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.

- 11. C.P.(IB)/121(KB)2024** to come up on **17.01.2025** for filing the progress report.
- 12.** The Registry is directed to send e-mail copies of the Order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
- 13.** Urgent 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.

**Balraj Joshi**  
**Member (Technical)**

**Bidisha Banerjee,**  
**Member (Judicial)**

Signed on this, the 13<sup>th</sup> day of December, 2024

M. Jana (P.S.)