IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **02.07.2026** THROUGH VIDEO CONFERENCE

CORAM: HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)
HON'BLE SHRI VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Application No	:	
Petition No	:	CP(IBC)/39(CHE)/2026
Name of Petitioner & Name of Respondent	: :	Tatad Nayan Gautambhai Vs Pradhin Ltd
Section	:	7 Rule 4 of IBC, 2016

ORDER

CP(IBC)/39(CHE)/2026

Present: Mr. Girish, Ld. Counsel for the Petitioner.
None for the Respondent.

Vide separate order pronounced in the open Court, Petition is admitted.

CIRP is initiated against the Corporate Debtor i.e. Pradhin Ltd.

Mr. Rajesh Jasti is appointed as the IRP.

-sd-
[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)

-sd-
[SANJIV JAIN]
MEMBER (JUDICIAL)

MS

Date: 02.07.2026

IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – I, CHENNAI

CP(IBC)/39(CHE)/2026

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

In the matter of

M/s. Pradhin Limited

Tatad Nayan Gautambhai,
S/o. Tatad Gautambhai,
Residing at:
B-22, Bhumi Park,
Parshyanath Township, Near Canal,
Krishnanagar, Ahmedabad City,
Ahmedabad, Naroda, IE, Gujarat-382 330

… Petitioner/Financial Creditor

Versus

Pradhin Limited,
61, Sembudoss Street,
Chennai-600 001

…Respondent/Corporate Debtor

Present:

For Petitioner : *Shri. Bhagavath Krishnan, Advocate*
For Respondent : *Shri. P. Srikanth Rao, Advocate*

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Order Pronounced on 2nd July, 2026

O R D E R

(Heard through Hybrid Mode)

This petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016) has been filed by **Tatad Nayan Gautambhai** (hereinafter referred to as "**Petitioner/Financial Creditor"**) against **Pradhin Limited** (hereinafter referred to as "**Respondent/Corporate Debtor"**) seeking initiation of Corporate Insolvency Resolution Process ("CIRP").

2. **Part-I** of the petition sets out the details of the Petitioner i.e. Tatad Nayan Gautambhai. He is residing at B-22, Bhumi Park, Parshyanath Township, Near Canal, Krishnanagar, Ahmedabad City, Ahmedabad, Naroda IE, Gujarat-382 330. **Part-II** of the petition sets out the particulars of the Corporate Debtor i.e. Pradhin Limited. It was incorporated on 03.12.1982 with Authorised Share Capital of Rs.5,00,00,000/- and Paid-up Capital of Rs.3,64,69,000/-. Its Registered Office is situated at No. 61, Sembudoss Street, Chennai-600 001 within the jurisdiction of this Tribunal. In **Part-III** of the petition, the Petitioner/Financial Creditor has proposed the name of

Shri. Rajesh Jasti having Registration No. IBBI/IPA-001/IP-P-02317/2020-2021/13469 as Interim Resolution Professional.

3. **Part-IV** of the petition provides the particulars of the financial debt i.e. Rs. 12,98,00,000/- and the date of default is stated as 30.09.2025. This petition has been filed on 12.02.2026.

4. **Part-V** of the petition provides the list of documents attached with the petition to prove the existence of financial debt and amount in default.

5. The case of the Petitioner in brief is that it (Financial Creditor) entered into a loan agreement dated 03.09.2024 with the Corporate Debtor whereby it lent Rs.11,00,00,000/- at an interest of 18% per annum as an Unsecured Loan for business requirements. It disbursed an amount of Rs.10,83,00,000/- through bank transfers as per details below:

09.09.2024	Rs. 2,85,00,000.00
13.09.2024	Rs. 2,85,00,000.00
20.09.2024	Rs. 2,85,00,000.00
25.09.2024	Rs. 2,28,00,000.00

6. In terms of the loan agreement, the Petitioner/Financial Creditor also paid Rs.17,00,000/- to the Consultant who facilitated the arrangement for unsecured loan.

7. The due date for repayment of unsecured loan along with interest of 18% per annum was 30.09.2025 as per Clause 2, 7, 10 of the loan agreement. The Corporate Debtor issued the post-dated cheques for Rs.12,98,00,000/- towards payment of principal and interest during the period from 06.10.2025 to 06.11.2025. The Corporate Debtor vide letter dated 05.11.2025, requested the Petitioner not to present the cheques due to its poor financial conditions. It however vide letter dated 05.11.2025, confirmed that the outstanding amount is Rs.12,98,00,000/-. It is stated that the Corporate Debtor committed the default and as on 30.09.2025, it is liable to pay Rs.12,98,00,000/-. The Petitioner has enclosed the NeSL Certificate showing the record of default. It has attached the copy of the loan agreement (Annexure-II), copy of ledger statement (Annexure-III), copy of bank statement (Annexure-IV), copy of letter dated 05.11.2025 issued by the Corporate Debtor (Annexure-V) and copy of cheques issued by the Corporate Debtor (Annexure-VI). It is stated that since the Corporate Debtor failed to repay the loan, the Petitioner has filed this petition.

8. **On getting notice of the petition, the Respondent filed the reply** stating that the Respondent is a company incorporated in 1982. It is engaged inter alia, in the business of production of steel and alloy steel billets, rerolled

sections and structures. It has been functioning successfully for the last four decades.

9. It is stated that in recent years, it started facing certain difficulties in smooth functioning leading to disruption in its day-to-day operations due to various factors including requirement of constant liquidity, market uncertainty increase in prices of ferro alloys and raw materials etc. It has taken multiple measures including exploring option for raising funds through investors etc. It expects to generate substantial revenue from its potential investors which would be sufficient to service the credit facilities taken by it. It is not a sick company but temporarily undergoing certain difficulties. It has a strong plan for resumption of its operations at a full scale. It is stated that the CIRP at this stage, would hinder the operations and plans of the Respondent. It is stated that Hon'ble Supreme Court in plethora of cases has held that IBC is not a mere debt recovery mechanism for the creditors but rather a beneficial legislation focussed on revival and continuation of a Corporate Debtor. It is stated that the very purpose of the Respondent for obtaining credit facility from the Petitioner was to ensure continuity of operations and to sustain as a 'going concern'. The communication dated 05.11.2025 was issued in good faith and upon the insistence of the Petitioner.

10. We have heard Ld. Counsels for the parties and perused the documents.

11. A perusal of documents reveals that the Respondent had approached the Petitioner to avail the credit facilities from the Petitioner in the year 2024. The Petitioner sanctioned the loan for a sum of Rs.11,00,00,000/-. The parties entered into a loan agreement dated 03.09.2024. The loan carried an interest @ 18% per annum and it was an Unsecured Loan for business requirements. The Petitioner has placed the copy of the ledger statement and bank statement evidencing the transactions on the specific dates. During the period from 09.09.2024 to 25.09.2024, disbursements of Rs.10,83,00,000/- were made in four tranches. Rs.17,00,000/- were paid to the Consultant who facilitated the arrangements for the unsecured loan on behalf of the Corporate Debtor.

12. As per the loan agreement clause 2, the loan amount shall carry interest @ 18% per annum on the principal amount and the entire principal along with the interest shall be payable on or before 30.09.2025. As per clause 7, the borrower shall pay the entire principal and interest on or before the due date which as per clause 10 shall be 30.09.2025. It provides that the borrower shall strictly adhere to the due date specified for the repayment of the unsecured loan including all applicable interest.

13. The documents placed show that against the loan disbursements, the Corporate Debtor issued the cheques on 06.10.2025, 15.10.2025, 23.10.2025, 30.10.2025 and 06.11.2025 for Rs.3,00,000/- (four cheques) and Rs.1,98,000/-. The Petitioner has also placed the interest calculation sheet showing the interest payable upto 25.09.2025 as Rs.12,98,00,000/-. The letter dated 05.11.2025 issued by the Corporate Debtor shows that it was issued after the due date for repayment of the loan. In that letter, it had requested not to honour the cheques issued for the unsecured loan explaining its poor financial conditions confirming the outstanding payable as Rs.12,98,00,000/- stating that the amount would be paid as and when the company's financial position gets better. The 'Record of Default' in Form D shows the default amount as Rs.12,98,00,000/- and date of default as 30.09.2025 and the status ''authenticated''.

14. The Corporate Debtor in its reply, has not disputed the debt and its liability to repay the debt. As per the terms of the loan agreement, the Corporate Debtor had to repay the debt by 30.09.2025. It failed in repayment which fact the Corporate Debtor has also admitted in its reply and the letter of acknowledgement dated 05.11.2025. The NeSL certificate also authenticates the debt and default.

15. It is true that this Tribunal is not a debt recovery forum for the creditors but a beneficial legislation focussed on the revival and continuation of the Corporate Debtor but it is a legislation for the resolution of the Corporate Debtor. In this case, despite having entered into the loan agreement containing the terms of repayment, the Corporate Debtor committed the default in repayment which made the Petitioner initiate the CIRP against the Corporate Debtor. The Corporate Debtor despite confirmation issued on 05.11.2025, till date has not made any payment. It is also settled that for initiating CIRP against the Corporate Debtor in a section 7 petition filed by the Financial Creditor, the Tribunal has to see the debt and default.

16. The Hon'ble Supreme Court in the case of ***Energy Watchdog and Ors. Vs. Central Electricity Regulatory Commission and Ors. MANU/SC/0408/201**7*, has held that commercial impossibility or hardship amongst other grounds, cannot be a bar in performing contractual obligations, which is what the Corporate Debtor is intending to project before this Tribunal.

17. The Hon'ble Supreme Court in the case of E***.S. Krishnamurthy vs M/S Bharath Hi Tech Builders Pvt. Ltd. MANU/SC/1249/2021***, has held that there

is no question of equity while dealing with the petition under section 7 of IBC, it is held as follows:

"29. The IBC is a complete code in itself. The Adjudicating Authority and the Appellate Authority are creatures of the statute. Their jurisdiction is statutorily conferred. The statute which confers jurisdiction also structures, channelises and circumscribes the ambit of such jurisdiction. Thus, while the Adjudicating Authority and Appellate Authority can encourage settlements, they cannot direct them by acting as courts of equity."

18. The Hon'ble Supreme Court in the case of ***M. Suresh Kumar Reddy vs Canara Bank 2023 8 SCC 387*** in para 11 has held as follows:

11. 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. "Default" is defined under sub-section (12) of Section 3 IBC which reads thus: "3. Definitions. In this Code, unless the context otherwise requires- (12) "default" means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not [paid] by the debtor or the corporate debtor, as the case may be;" Thus, even the non-payment of a part of debt when it becomes due and payable will amount to default on the part of a corporate debtor. In such a case, an order of admission under Section 7 IBC must follow. If NCLT finds that there is a debt, but it has not due and payable, the application under Section 7 can be rejected. Otherwise, there is no ground available to reject the application.

19. It has been ruled by the Hon'ble NCLAT in ***Vipul Himlatal Shah vs. Teco Industries in Company Appeal (AT) (Insolvency) No. 470 of 2022 [(2022) ibclaw.in 379 NCLAT]***, that the report of information utility (NeSL) is sufficient evidence to arrive at the conclusion qua the amount of debt and default. Para 16 of the order reads as under:

"16. In the light of the detailed discussion as above, it is clear that in case the record of Information Utility shows that there is a debt which is in default, the Adjudicating Authority or the Appellate Authority are not required to further examine the record maintained by the Information Utility, moreso when the record of the Information Utility is deemed authenticated and no dispute or refutation of said record has been done by the corporate debtor earlier.

20. The Hon'ble Supreme Court in the case of ***Innoventive Industries Limited -Vs- ICICI Bank & Anr., (2018) 1 SCC 407*** has held that Tribunal is required to see whether there is a 'debt' which is due and payable under the law and whether the default is more than Rupees One Lakh (now Rupees One Crore). The moment the default amount exceeds rupees one crore, this Tribunal is required to initiate a Corporate Insolvency Resolution Process as against the Corporate Debtor.

21. For the aforesaid reasons and Judgements cited supra, this Tribunal orders to initiate Corporate Insolvency Resolution Process in respect of the Corporate Debtor viz, **Pradhin Limited.**

22. The Financial Creditor has proposed the name of Shri. Rajesh Jasti having Registration No. IBBI/IPA-001/IP-P-02317/2020-2021/13469 as Interim Resolution Professional (IRP). He has also filed his written communication in Form–2 to act as the IRP. His AFA is valid upto 30.06.2027. **We therefore appoint Shri. Rajesh Jasti having Registration No. IBBI/IPA-001/IP-P-**

02317/2020-2021/13469, E-mail ID: jastirajeshca@gmail.com as Interim Resolution Professional (IRP). The proposed IRP who is appointed shall take forward the process of Corporate Insolvency Resolution of the Corporate Debtor. The IRP appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15,17,18 of the Code and file his report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

23. The Financial Creditor is directed to pay a sum of **Rs. 3,00,000/-** ***(Rupees Three Lakhs only)*** to the Interim Resolution Professional to meet out the expenses and to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

24. As a consequence of the Application being admitted in terms of Section 7 (5) of the Code, the moratorium as envisaged under the provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor:

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

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

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

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

Explanation.-For the purposes of this sub-section, it is hereby clarified that notwithstanding anything contained in any other law for the time being in force, a licence, permit, registration, quota, concession, clearance or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, shall not be suspended or terminated on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license or a similar grant or right during moratorium period;

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

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

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

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

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

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

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

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

27. Based on the above terms, the petition **CP(IB)/39(CHE)/2026** stands **admitted** in terms of Section 7(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order shall be communicated to the Financial Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named who is figuring in the list of Resolution Professionals forwarded by IBBI be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

-Sd-
VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-
SANJIV JAIN
MEMBER (JUDICIAL)

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