



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

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **15.10.2025** THROUGH VIDEO CONFERENCING

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

APPLICATION NUMBER :
PETITION NUMBER : CP(IB)/84(CHE)/2025
NAME OF THE PETITIONER(S) : M/s Greta Steels Pvt Ltd
NAME OF THE RESPONDENTS : M/s Kamachi Steels Pvt Ltd
UNDER SECTION : Sec 9 of IBC, 2016

ORDER

Present: Ld. Counsel Ms. Ankita Gupta for the Petitioner.

Vide separate order pronounced in Open Court, petition is admitted. The Company Kamachi Steels Pvt Ltd is admitted to CIRP. Shri. Piyush Kisanlal Jani is appointed as the IRP.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Date: 15.10.2025

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



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

CP(IB)/84(CHE)2025

*(filed under Section 9 of the Insolvency and Bankruptcy Code, 2016
r/w Rule 6 of the Insolvency and Bankruptcy (Petition to Adjudicating Authority)
Rules, 2016)*

In the matter of M/s. Kamachi Steels Private Limited

Greta Steels Private Limited,
No.39, ABC Trade Centre 4th Floor,
Inside Devi Theatre Complex,
Anna Salai, Chennai-600 002

.....Petitioner/Operational Creditor

-Vs-

Kamachi Steels Private Limited,
CIN: U27105TN1995PTC030850
No. 664, Thiruvottiyur High Road,
Tondiarpet, Chennai-600 081

.....Respondent/Corporate Debtor

For Petitioner : *Shri. M.R. Dhalapathy Vigneshkumar, Advocate*
Shri. S. Thyagarajan, Advocate
Shri. V. Sriram, Advocate

For Respondents : *Shri. Harimahesh, Advocate*
Shri. M. Anandhakumar, Advocate

CORAM:

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

Order Pronounced on 15th October, 2025



ORDER

(Heard through Video Conferencing)

This petition under Section 9 of the Insolvency and Bankruptcy, 2016 ("IBC") r/w Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 has been filed by **Greta Steels Private Limited ("Petitioner / Operational Creditor")** against **Kamachi Steels Private Limited ("Respondent / Corporate Debtor")** for initiating Corporate Insolvency Resolution Process ("CIRP") against the Corporate Debtor.

2. **Part-I** of the petition sets out the details of the Operational Creditor i.e. Greta Steels Private Limited having its office at No.39, ABC Trade Centre, Devi Theatre Complex, Anna Salai, Chennai-600 002. **Part-II** of the petition sets out the details of the Corporate Debtor, Kamachi Steels Private Limited. It was incorporated on 08.04.1995 with Authorized Share Capital of Rs.15,00,00,000/- and Paid-up Capital of Rs.13,98,17,000/-. Its Registered Office is situated at 664, Thiruvottiyur High Road, Tondiarpet, Chennai-600 081 within the jurisdiction of this Tribunal.



3. In **Part-III** of the petition, the Petitioner has proposed the name of Mr. Piyush Kisanlal Jani as an Interim Resolution Professional (“IRP”) having Registration No. IBBI/IPA-001/IP-P01439/2018-2019/12164.

4. **Part-IV** of the petition sets out the details of debt which is Rs. 40,77,48,633/- (Rs.20,59,96,361/- as Principal and Rs.20,17,52,272/- as interest @ 18% per annum) from 01.07.2019 to 06.12.2024 and the date of default as 30.06.2019.

5. As per the averments made in the petition, the Corporate Debtor had approached the Petitioner/Operational Creditor who deals in the trading of mild steel scrap of various grades, billets, TMT bars etc., for supply of materials for its trading activities and use in the manufacturing process as raw materials. The Petitioner sold and delivered the scrap as per the orders placed and raised the invoices from time to time. The account of the Operational Creditor with the Corporate Debtor was a running account.

6. The Corporate Debtor also supplied materials to the Operational Creditor for trading purposes. The sales commenced from November, 2013 and the last purchase was effected on 12.06.2019. The Operational



Creditor adjusted the sales with the purchases from the Corporate Debtor which used to make adhoc payments for the supplies. The last supply of goods was made by the Corporate Debtor on 12.06.2019. As on date of filing of the petition, as per the books maintained by the Operational Creditor, an amount of Rs.20,59,96,361/- was due and outstanding to be paid by the Corporate Debtor. The Corporate Debtor used to confirm the balance every year by way of acknowledgement.

7. It is stated that the Operational Creditor sent a letter to the Corporate Debtor on 25.11.2024 to settle the overdues. It also approached the Corporate Debtor several times for payment but no payments came. The Operational Creditor sent a demand notice dated 25.11.2024 calling the Corporate Debtor to make the payments against the dues but the Corporate Debtor neither made the payments nor sent any reply. This made the Operational Creditor send a notice dated 06.12.2024 under Section 8 of IBC, 2016. It was delivered on 11.12.2024 which the Corporate Debtor responded vide reply letter dated 16.12.2024 admitting its liability. It is stated that the Corporate Debtor issued the confirmation of balances on various dates i.e. on 02.04.2020,



02.04.2021, 04.04.2022, 03.04.2023 and 01.04.2024 and as such, the petition is within limitation.

8. In **Part-V** of the petition, the Petitioner has enclosed copy of documents as under:

- a) Demand Letter dated 25.11.2024
- b) Postal tracking and acknowledgment for delivery of the letter.
- c) Demand Notice as per IBC Code dated 06.12.2024.
- d) Postal tracking and acknowledgment for delivery of the letter.
- e) Reply dated 16.12.2024.
- f) Tax Invoices
- g) Confirmation of balances.

9. We have heard Ld. Counsels for the parties.

10. Ld. Counsel for the Petitioner reiterated what has been stated in the petition. He referred to the demand notice and the reply from the Corporate Debtor acknowledging the liability including the record of information in Form-C issued by NeSL, GST Returns and confirmation of statement/reports for the period from 01.03.2018 to 31.03.2024 at page-384 to 389. Ld. Counsel submits that the account of the Operational Creditor with the Corporate Debtor was a running and continuous account and the petition is within limitation.



11. Ld. Counsel for the Respondent placed the counter affidavit of one of the Directors of the Corporate Debtor viz., Shri. Sardarmal Kothari wherein he stated that the Operational Creditor deals with trading of mild steel scrap, billets, steam coal and iron steel materials. The Corporate Debtor had approached the Operational Creditor for the supply of the above materials for trading and manufacturing activities which the Operational Creditor delivered in terms of the orders placed. The Operational Creditor had raised the invoices from time to time and the account was a running and continuous one. The last purchase was made on 12.06.2019. The Corporate Debtor used to make adhoc payments for the supplies and there used to be sales and purchases simultaneously.

12. He stated that the account of the Corporate Debtor became NPA on 29.02.2020 due to non-service to the bank as a result of slowdown in the business incurring huge losses. Its account was freezed and it could not continue its operations since 2021. He stated that the Corporate Debtor paid the money to the bank by borrowing funds to revive the banking operations but till date, there is no resumption of the banking operations. He stated that the Corporate Debtor had sent



reply to the Operational Creditor after receipt of demand notice requesting time to settle the dues.

13. He stated that the Corporate Debtor is unable to pay the debt and it can pay the debt if the Corporate Debtor resumes the business operations.

14. During the hearing on 31.07.2025, the parties were directed to clarify as to how the payments effected by them were adjusted; interest @ 18% per annum has been claimed as there is no agreement to this effect and the invoices do not contain the interest clause; the ledger balance of the Corporate Debtor is not provided in the books of the Operational Creditor; the invoices for the full period upto 12.06.2019 are not enclosed; confirmation of balance was given by Kamachi Steels Private Limited to Greta Steels Private Limited for the period from 01.03.2018 to 31.03.2018; 01.03.2019 to 31.03.2019 and 01.03.2020 to 31.03.2020; in the confirmation of balance on 01.03.2019, the Opening Balance in Greta Steels Private Limited has been shown as Rs.8,86,42,444/- and on 31.03.2019, two credit entries i.e. Greta Steels Private Limited account – Rs.6,00,00,000.00 & KI International Ltd. Cr.–Rs.18,82,77,851.11 and after these entries, the Corporate Debtor has



continuously shown the credit balance in respect of Greta Steels Private Limited for about Rs.20.50 Crores for the subsequent periods and how the entire amount of Rs.20.50 crores represents the operational debt; Greta Steels Private Limited has filed separate CIRP against KI International Private Limited in CP/28/2025 in which KI International Private Limited has been admitted into CIRP; in reference to credit entry of Rs.18,82,77,851.11 of KI International Limited dated 31.03.2019 reflected in the acknowledgment of the Corporate Debtor; Shri. Pradeep Kumar, Director of Corporate Debtor has been shown as Director in KI International Limited. Additionally, for a brief period between 27.02.2016 and 29.08.2017, he was Director in Greta Steels Private Limited. Shri. Ajit Kumar Chordia, Director in Greta Steels Private Limited is also the Director of Kamachi Industries Limited, an associate company of the Corporate Debtor. Shri. Sardarmal Kothari, Shri. Ghisulal Kothari, Shri. Vijay Kothari and Shri. Vinod Kothari who are/were Directors of the Corporate Debtor were also the Directors of Kamachi Industries Limited meaning by that the Operational Creditor and the Corporate Debtor are having common Directors who could influence the decisions of both the parties which fact was not brought in the petition/reply nor it is mentioned that the Operational Creditor



and the Corporate Debtor are the related parties having Common Directors; from the confirmation of balance provided by the Corporate Debtor, it is found that other than the purchase transaction with the Operational Creditor, there were loan transactions and balance transfer from the associate company KI International Private Limited.

15. In response to the above clarifications, the Operational Creditor filed the Ledger Statements, Confirmation of Accounts for the period from 01.04.2018 to 31.03.2024, Purchase Invoices for the period from 14.03.2019 to 12.06.2019 and General Voucher Letter dated 31.03.2019.

16. During the hearing on 04.09.2025, Ld. Counsel for the Respondent submitted that the Directors of the Corporate Debtor are also the Directors of KI International Limited. In 2016, one of the Directors of the Corporate Debtor was also the Director of the Petitioner/Operational Creditor. He submitted that the Corporate Debtor is in the process of revival and at present, it is not in a financial position to pay the debt of the Petitioner.

17. Ld. Counsel for the Petitioner submitted that the said Director had resigned from the petitioner company in the year 2016-17 and the transactions pertain to the period from 01.04.2018 to 12.06.2019.

18. We have considered the submissions and perused the record.



19. It is seen from the averments and records that the Operational Creditor and the Corporate Debtor had business dealings since November, 2013. They used to sell and purchase the materials from each other. The Operational Creditor has maintained the books of account and as per the ledger, a sum of Rs.20,59,96,361/- was outstanding and due to be paid as on the date of filing of the petition. The last supply was made on 12.06.2019. The Petitioner has placed the confirmation of statement/report for the period from 01.03.2018 to 31.03.2024 where the Corporate Debtor had acknowledged its liability. The acknowledgment is within the period of limitation of three years as provided under Section 18 of the Limitation Act and thus extends the limitation in the present case after the default which was committed on 30.06.2019. In reply to the demand notice, the Respondent/Corporate Debtor has admitted its liability and explained as to how it was unable to pay the debt owing to financial constraints and its accounts having become NPA and freezed. The Respondent has also filed an affidavit admitting the debt and default and its liability to pay the debt. There is not a single document to show that the Corporate Debtor at any time had raised dispute about the quality/quantity of materials supplied by the Operational Creditor.



Further, the Corporate Debtor vide its letter dated 31.03.2019 placed in the Additional Typed Set at page-249, had informed KI International Limited that it has transferred Rs.18,82,77,851/- credit/payable balance to the account of Greta Steels Private Limited in their books. KI International Limited was accordingly requested to accept and acknowledge the same and pass necessary entry in its books and close the account stating that after passing this entry in Kamachi Steels books as on 31.03.2019, the balance of KI International will be NIL and vice versa. This confirmation was accepted as seen from the letter of KI International Limited stating that it will pass necessary entries in their books.

20. Admittedly, some of the Directors in the Corporate Debtor and KI International Limited against whom the Operational Creditor has initiated the CIRP are common but from this nothing can be made out that they are the related parties of the Operational Creditor. It is true that in 2016, one of the Directors of the Corporate Debtor was also the Director in the Operational Creditor but he had resigned from the Petitioner Company in 2016-17. The transactions involved in the present petition pertain to the period from 01.04.2018 to 12.06.2019.



That being the position, the petition cannot be said to be a collusive petition.

21. In the present case, the debt is more than Rs.1.0 Crore. The petition is within limitation by virtue of acknowledgment of debt by the Corporate Debtor.

22. As regards interest claimed by the Operational Creditor, the tax invoices placed by the Operational Creditor do not provide for payment of interest in case of delayed payment. The Corporate Debtor has also stated that it is not liable to pay any interest. Though in the demand notice dated 25.11.2024, the Operational Creditor has claimed interest @ 18% per annum from the due date but the Respondent/Corporate Debtor in reply to the notice has stated that it is not liable to pay any interest. It has stated that once the bank account would become operative, it will take steps to clear the outstanding payments as early as possible.

23. For the aforesaid reasons and in the absence of any plausible defence raised by the Corporate Debtor and that the debt meets the threshold limit of Rs.1.0 Crore and the petition is within limitation, we



allow the petition and admit the Corporate Debtor, Kamachi Steels Private Limited into Corporate Insolvency Resolution Process.

24. In the present case, the Operational Creditor has proposed the name of Shri. Piyush Kisanlal Jani for the appointment of Interim Resolution Professional of the Corporate Debtor. We therefore appoint **Shri. Piyush Kisanlal Jani having Registration No. IBBI/IPA-001/IP-P01439/2018-2019/12164 with AFA Valid upto 31.12.2025** as the Interim Resolution Professional. The IRP appointed shall take in this regard such other and further steps as are required under the Code, more specifically in terms of Section 15, 17, 18 of the Code and file the 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.

25. As a consequence of the application being admitted in terms of Section 9(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 Operational 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;*

26. 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 Operational sector regulator or any other authority;*
 - (b) *a surety in a contract of guarantee to a corporate debtor.*

27. 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.

28. The Operational Creditor is directed to pay a sum of **Rs.3,00,000/- (Rupees Three Lakhs only)** to the Interim Resolution



Professional upon the Interim Resolution Professional filing the necessary declaration form as required under the provisions of the Code to meet the expenses 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.

29. Based on the above terms, the petition **CP(IB)84(CHE)/2025** stands **admitted** in terms of Section 9(5) of IBC, 2016 and the moratorium shall come in to effect as of this date. A copy of the Order be communicated to the Operational Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the order be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named is 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.

Sd/-
VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

Sd/-
SANJIV JAIN
MEMBER (JUDICIAL)

Suguna