


CP(IB) No. 164/KB/2025



IN THE NATIONAL COMPANY LAW TRIBUNAL KOLKATA BENCH-II KOLKATA
(BEFORE LABH SINGH, MEMBER (JUDICIAL) AND REKHA KANTILAL SHAH,
MEMBER (TECHNICAL))

C.P. (IB) No. **164/KB/2025**
Date of Order: **13.11.2025**

In the Matter of:

Baba Iron Industries Private Limited
having its office at Room No. 412,
4th Floor, 21, Hemanta Basu Sarani,
Kolkata-700001

Applicant/Financial Creditor

Versus

Matarani Infrastructure Pvt. Ltd.
having its registered office at:
Basant Vihar, WN-15, P.S Mehsaul
O.P, Dumra, Sitamarhi, Bihar-843301

Corporate Debtor

Coram: Mr. Labh Singh, Hon'ble Member (Judicial)
Ms. Rekha Kantilal Shah, Hon'ble Member (Technical)

Present:


For the Financial Creditor	Ms. Minakshi Mannot Ld. Advocate Ms. Sohini Dey Ld. Advocate
For the Corporate Debtor	Ms. Joverial Sabbah Ld. Advocate Ms. Aishwaraya Ld. Advocate



ORDER

Labh Singh Member(Judicial)

1. The present application has been filed by Baba Iron Industries Private Limited (hereinafter to be referred as “the Financial Creditor) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter to be referred as “the IBC Code”) read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity ‘the Rules’) with a prayer to trigger Corporate Insolvency Resolution Process(for short “CIRP”) in respect of respondent Company Matarani Infrastructure Private Limited.
2. It is appropriate to mention that the applicant Company has claimed itself to be a Financial Creditor being a registered Non-Banking Finance Company, having its office at Room No. 412, 4th Floor, 21, Hemanta Basu Sarani, Kolkata-700001. Mr. Harekrushna Sahoo, duly authorized on behalf of applicant, has preferred the present application on behalf of the applicant for initiation of insolvency resolution process against the respondent under the IBC Code. A copy of the Board Resolution dated 07.5.2025 Annexure A-2 has been placed on record.
3. The Respondent Company, Matarani Infrastructure Private Limited (hereinafter to be referred as “the Corporate




Debtor), against whom initiation of CIRP process has been prayed for, was incorporated on 29th September 2024 having its registered office situated at Basant Vihar, WN-15, P.S Mehsaul O.P, Dumra, Sitamarhi, Bihar-843301. Since the registered office of the respondent corporate debtor is situated at District Sitamarhi Bihar, this Tribunal having territorial jurisdiction over the State of Bihar is the Adjudicating Authority in relation to the prayer for initiation of Corporate Insolvency Resolution Process in respect of respondent Corporate Debtor under sub-section (1) of Section 60 of the IBC Code.

4. Briefly stated, the facts of the applicant case is that the Financial Creditor granted a business loan of Rs. 1,25,00,000/- (Rupees One Crores Twenty Five Lakh Only) to Corporate Debtor with interest at the rate of 15% per annum. The first instalment of loan amount of Rs. 60,00,000/- (Rupees Sixty Lakh Only) was disbursed on 15th July 2024, an amount of Rs. 15,00,000/- (Rupees Fifteen Lakh) was disbursed on 17th July 2024, an amount of Rs. 15,00,000/- (Rupees Fifteen Lakh Only) was disbursed on 17th July 2024 and finally an amount of Rs. 15,00,000/- (Rupees Fifteen Lakh Only) were disbursed on 20th July, 2024. Thus, an aggregate amount of Rs. 1,25,00,000/- (Rupees One Crores Twenty Five Lakh Only) was granted to the Corporate Debtor.



The Corporate Debtor, after accepting terms and conditions of loan granted to it, executed a loan agreement dated 9th July 2024.

5. It has further been stated that as per terms and conditions of loan agreement, the interest for quarter ended 30th September, 2024 became due on 7th October, 2024 but the same was not serviced, and accordingly, the Financial Creditor issued letter dated 30th December, 2024 and 20th February 2025 for payment of interest for the said period with penal interest at the rate of one percent per annum. The Financial Creditor reminded the Corporate Debtor to pay the interest for the quarter ended 30th September 2024; however, the Corporate Debtor failed to repay the interest despite repeated reminders and follow up.
6. It has further been stated that the Financial Creditor requested the Corporate Debtor for confirmation of account for the financial year ended on 31st March 2025; and on 1st April 2025, the Corporate Debtor handed over a letter of confirmation of account to the Financial Creditor for the Financial year ended on 31st March 2025. Thereafter, the Financial Creditor issued a Letter dated 2nd May 2025 to the Corporate Debtor to pay a total amount of Rs. 1,48,58,356/- (Rs. One Crore Forty Eight Lakh Fifty Eight Thousand Three Hundred Fifty Six Only) towards the principal



amount of Rs.1,25,00,000/- (Rs, One Crores Twenty Five Lakh Only) plus interest at the rate of 15% per annum with penal interest at the rate of 1% per annum. The Corporate Debtor, despite receipt of the letter, did not pay the aforesaid sum and even did not reply to the said letter. Thus, the Corporate Debtor failed to repay the loan amount as stated above. This act on the part of Corporate Debtor constitutes an event of default and the loan amount along with interest had become due and payable.

7. As per part IV of the application, the total principal amount outstanding against the Corporate Debtor is Rs. 1,48,58,356/- (Rs. One Crore Forty Eight Lakh Fifty Eight Thousand Three Hundred Fifty Six Only) which includes principal amount, interest and penal interest. The date of default, due to non-payment of interest for the quarter ended 30th September 2024, is 7th October 2024.
8. The Financial Creditor, in order to prove the disbursement and existence of loan, has annexed with its application the relevant documents such as loan agreement dated 9th July, 2024, copy of bank statement detailing date of disbursement and amount of disbursement, copy of letter dated 30th December, 2024, copy of Letter dated 20th February, 2025, Copy of confirmation of account, Copy of Letter dated 2nd May, 2025 and a chart showing computation amount and date of



default. The applicant/ Financial Creditor has prayed to allow the present application and admit the Corporate Debtor in the CIRP process.

9. Sub-section (3)(b) of Section 7 mandates the financial creditor to furnish the name of an Interim Resolution Professional. In compliance thereof the applicant has proposed the name of Mrs. Jaishree Kannan having registration number IBBI/IPA-002/IP-N01214/2022-23/14076 resident of 2nd Floor, Flat No. 7, Vinayka Apartment 25, Kaunamoyee Ghat Road, Haridevepur, Kolkata with mobile no. 9836866733 email - id: caljaishree@gmail.com for appointment as Interim Resolution Professional. Ms. Jaishree Kannan has agreed to accept the appointment as the interim resolution professional and has signed a communication in Form 2 in terms of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. There is a declaration made by her that no disciplinary proceedings are pending against her in the Insolvency and Bankruptcy Board of India or elsewhere. In addition, further necessary disclosures have been made by Mrs. Jaishree Kannan as per the requirement of the IBBI Regulations. Accordingly, it is seen that the requirement of Section 7(3)(b) of the IBC Code has been satisfied.



10. The applicant has also placed on record a copy of record of default filed with NeSL (information utility) in respect of default on the part of the Corporate Debtor in its repayment owed to the Financial Creditor. The said record shows that the claim of applicant is deemed authenticated as no objection has been recorded by Corporate Debtor.
11. Respondent, Corporate Debtor appeared in pursuance of notice issued by this Tribunal and filed its reply denying each and every content of the present application. It has been replied that the present application is abuse of process of law and not maintainable at law. The present application has been filed with malafide and malicious intention and not to resolve insolvency of the Respondent Company. The applicant has not approached this Tribunal with a clean hand. The applicant has concealed the true and material facts from this Tribunal.
12. It has further been replied that present application is not maintainable at law under the provision of IBC Code 2016 since no debt as claimed is recoverable from the answering respondent. The instant case has been instituted by the applicant to misuse the provision of IBC Code 2016 as a substitute of debt recovery mechanism which is impermissible in law. The present application is hit by provision of



Section 65 of IBC Code 2016 and on this score alone, the present application deserves to be dismissed.

13. On merit, it has been replied that respondent company, which is engaged in business of Real Estate, approached the applicant for grant of a business accommodation loan for the purpose of expansion, and acquisition of its business. It is admitted that the Financial Creditor granted a loan amount of Rs. 1,25,00,000/- vide agreement dated 9th July, 2024, It has further been admitted that at the time of granting the loan, the rate of interest at the rate of 15% per annum with quarterly rest was agreed. It is further admitted that the interest charged for the first quarter ended on 30th September 2024 was due on 7th October 2024.
14. It has further been replied that on 30th December 2024, respondent company received a letter from applicant for payment of interest for the quarter ended 30th September 2024. The Respondent company was not healthy to pay interest and hence the director of the Respondent company contacted the Financial Creditor and requested to grant more time to pay interest. The applicant agreed to provide some more time for payment of interest. Thereupon, Corporate Debtor agreed to pay interest at the rate of 18% per annum instead of 15% per annum.



15. It has further been replied that the Corporate Debtor has tried its best to resolve internal problems amongst themselves which took some time; however, on 20th February 2025, the respondent company received another letter for charging of penal interest at the rate of 1% more than what was agreed in the loan agreement. After receiving the said letter, the Director of the Corporate Debtor immediately contacted the applicant company and requested not to take any further legal action. It was assured that they will pay interest within a period of six months with interest at the rate of 18% per annum to which the applicant agreed not to take legal action. However, with utter surprise and shock, on 2nd May 2025 respondent Company received a letter from applicant company for payment of principal amount with interest as well as penal interest thereon.
16. The Respondent company has tried to settle the matter amicably, but all efforts went in vain. Thus, it is evident that the applicant is adamant to recover its dues and adopted the IBC method for recovery of its dues. The Respondent Company is a complete solvent Company and require more time to pay interest and penal interest. The Respondent Company is willing to proceed as per loan agreement. Therefore, the present application requires to be dismissed with cost.



17. The main objection raised by the respondent is that neither any default has occurred nor the respondent corporate debtor is bankrupt; however, respondent Company is seeking more time to pay interest and penal interest.
18. We have gone through the case file carefully and perused the pleadings of the parties and documents placed on record by the parties and heard the arguments put forth by learned Counsels for the parties; and after hearing the learned counsels for the parties, we shall now proceed to consider the present petition on its merits.
19. An application under Section 7 of the IBC Code 2016 is acceptable so long as the debt is proved to be due and there has been occurrence or existence of default. What is material is that the default is for at least rupees one crore. In view of the Section 4 of the Code, the moment default is of rupees one crore or more, the application to trigger CIRP process under the IBC Code 2016 is maintainable.
20. In the facts of the present case, it is seen that the applicant clearly comes within the definition of Financial Creditor. The material placed on record further confirms that applicant financial creditor had advanced loan amount of Rs. 1,25,00,000/- with interest at the rate of 15% per annum with penal interest at the rate of one percent in case



of default in payment of interest and it has also not been denied by the respondent Company. It is also admitted that the applicant agreed to provide more time for payment of interest and respondent agreed to pay interest at the rate of 18% per annum instead of 15% per annum. Thus, the Corporate Debtor has failed to show that there is no debt or default in existence so as to avoid the provisions of the IBC Code 2016.

21. A bare perusal of Form - I filed under Section 7 of the IBC Code 2016 read with Rule 4 of the Rules shows that the Form-1 is complete and there is no infirmity in the same. It is also seen that there is no disciplinary proceeding pending against the proposed Interim Resolution Professional.
22. We are satisfied that the present application is complete in all respects, and the applicant/Financial Creditor is entitled to claim its outstanding financial debt from the Corporate Debtor and there has been default in payment of the financial debt.
23. As a sequel to the above discussion and in terms of Section 7(5)(a) of the IBC Code 2016, the present application is admitted.
24. Mrs. Jaishree Kannan having registration number IBBI/IPA-002/IP-N01214/2022-23/14076 resident of 2nd Floor,



Flat No. 7, Vinayka Apartment 25, Kaunamoyee Ghat Road, Haridevepur, Kolkata with mobile no. 9836866733 email - id: caljaishree@gmail.com is appointed as an Interim Resolution Professional for the corporate debtor.

25. In pursuance of Section 13(2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately 3(three) days as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016 with regard to admission of this application under Section 7 of the Insolvency and Bankruptcy Code, 2016.
26. We direct the applicant Financial Creditor to deposit a sum of Rs. 3,00,000/- with the Interim Resolution Professional namely Mrs. Jayshree Kannan to meet out the expenses to perform the functions/duties assigned to her in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The needful shall be done within three days from the date of receipt of this order by the Financial Creditor. The said amount however is subject to adjustment towards Resolution Process cost as per applicable rules.
27. The moratorium is declared in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14(1)(a), (b), (c) &




(d) of the Code. Thus, the following prohibitions are imposed:

“(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 assets 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;

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.”

28. It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor as may be specified and these transactions are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018



which has come into force w.e.f. 06.06.2018. The provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14(3)(b) of the Code.

29. The Interim Resolution Professional shall perform all his functions contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, Rules and Regulations. It is further made clear that all the personnel connected with the Corporate Debtor, its promoters or any other person associated with the Management of the Corporate Debtor are under legal obligation under Section 19 of the Code to extend every assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day to day affairs of the 'Corporate Debtor'. In case there is any violation committed by the exmanagement or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this Tribunal with a prayer for passing an appropriate order. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of its obligation imposed by Section 20 of the IBC

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Code 2016 and perform all his functions strictly in accordance with the provisions of the IBC Code, Rules and Regulations.

30. The Registry is directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor, the Interim Resolution Professional and the Registrar of Companies, State of Bihar at the earliest possible but not later than 3 (three) days from today.

Rekha Kantilal Shah
Member(Technical)

Labh Singh
Member(Judicial)

(Order signed on this 13th November 2025)