



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court-I)
KOLKATA**

C.P. (IB)/223(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 as amended in 2019)*

In the matter of:

Bank of India Limited, Head office at Star House, C-5, "G" Block, 8th Floor,
(East Wing), Bandra-Kurla Complex, Bandra (East), Mumbai- 400051..

... .. Financial Creditor/Applicant
Versus

Shree Badri Kedar Udyog Private Limited (CIN: U51909JH2011PTC014715),
Shop No.206, 2nd Floor, Samriddhi Square, Kishoreganj, Ranchi- 834001,
Jharkhand.

... .. Corporate Debtor

Date of pronouncement: 5th February, 2026

CORAM:

SMT. BIDISHA BANERJEE, HON'BLE MEMBER (JUDICIAL)

SHRI SIDDHARTH MISHRA, HON'BLE MEMBER (TECHNICAL)

Appearance (via video conferencing/physically)

Ms. Sanjana Nandi, Adv.] For the Bank of India

O R D E R

Per: Bidisha Banerjee, Member (Judicial)

1. This Court congregated through hybrid mode.
2. Learned Counsel for Bank of India was heard and the records perused.
3. This petition has been preferred under Section 7 of the of the Insolvency and Bankruptcy Code (in short IBC), 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 as amended in 2019, by Bank of Baroda, the Financial Creditor (FC in short) against Shree Badri Kedar Udyog Private Limited, the Corporate Debtor (CD in short) for an alleged default of ₹ 23,56,27,730.46/- (Rupees Twenty-three crore fifty-six lakh twenty seven thousand seven-thirty and forty-six paisa only) as on 28th July, 2025.
4. It is submitted that the total amount of debt comprises of principal amount of ₹ 12,23,93,026.60/- (Rupees Twelve crore twenty-three lakh

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ninety-three thousand twenty-six and sixty paise only) together with an interest and other charges calculated at the rate of 11.75 per cent per annum on and from 31st March, 2018.

5. The date of default is mentioned as follows:

30th April, 2018: When the account of the Corporate Debtor was classified as non-performing asset (NPA in short).

6. Submissions of the Financial Creditor:

6.1. To collaterally secure the entire credit facility, sanctioned or accorded by the applicant bank in favour of the Corporate Debtor, a charge of equitable mortgage was created over immovable property, by way of deposit of title deeds in favour of bank to secure repayment.

6.2. Such immovable properties are mentioned as under:

(i) EQM of land and building situated at Mauza- Manikpurarea 42 Decimal J.L. No 77, R.S. No 226, Touzi 95 Khatian No 48, Dag No 433, P.S. Sonarpur under Rajpur Sonarpur, Municipality Ward No.23 Dist. 24 South Pargana (WB) in the name of Mr. Nirpada Kayal (Sale Deed No. 6273 dated 06-11-1995).

(ii) EQM of Land and building measuring and area 56 Decimal situated at Mauza- Manikpur, J.L. No 77 R.S. No 226, Touzi No 95 Khatian No 50 Dag No 422 P.S. Sonarpur Under Rajpur Sonarpur, Municipality Ward No 23 Dist 24 South Pargana (WB) in the name of Nirpada Kayal and Gayatri Kayal (Title Deed No 7602 dated 28-02-2003).

(iii) EQM of Land and building measuring and area 27.75 Decimal situated at Mauza- Manikpur, J.L. No 77 R.S. No 226, Touzi No 412 Khatian No 432 Dag No 429 P.S. Sonarpur Under Rajpur Sonarpur, Municipality Ward No 23, Holding No 224 Dist 24 South Pargana (WB) in the name of Gayatri Kayal (Title Deed No 826 dated 29-03-94).

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- (iv) EQM of Land and building measuring and area 6.98 Decimal situated at Mauza-Manikpur, J.L. No 35 R.S. No 226, Touzi No 279 Khatian No 876 Dag No 64 P.S. Sonarpur Under Rajpur Sonarpur, Municipality Ward No 23, Holding No 224 Dist 24 South Pargana (WB) in the name of Gayatri Kayal (Title Deed No 7715 dated 23-10-98).
- (v) EQM of Land and building measuring and area 56 Decimal situated at Mauza Manikpur, J.L. No 77 R.S. No 226, Touzi No 412 Khatian No 158 Dag No 430 P.S. Sonarpur Under Rajpur Sonarpur, Municipality Ward No 23, Dist 24 South Pargana (WB) in the name of Ms. Moumita Kayal and Miss Chandreyee Kayal (Title Deed No 6274 dated 06-11-1995).
- (vi) Residential Flat No 701 on 7th floor measuring area 3279 Sq. Ft. in PARMIS SKY VILLA with undivided share of land 1082 Sq.ft. along with two car parking space in ground floor constructed over R.S. Plot 968 marked as Sub Plot No 968/A-1 and 968/A-2 under Khata No 358 Ward No 1 Holding No 279/B situated at village Missirgonda @Pahargonda, Kanke Road P.S. Gouda Thana No 191 Dist Ranchi (Title Deed No 5186 dated 23-09-2013) in the name of Shri Badri Kedar Udyog Pvt Ltd. **(Property has been sold out on 22-02-2019 under SARFAESI Act 2002 & sale proceeds of ₹ 96.03 Lakh transferred to the account on 08-03-2019).**
- (vii) OA 366 of 2018 was filed before the learned DRT on 21st June, 2018. A decree to that effect was passed on 13th March, 2024 pursuant to which recovery certificate No.191/2024 has been issued and recovery proceedings are currently underway. Copy of the order dated 13th March, 2024 forms **Annexure A-15**.
7. It is stated that the Corporate Debtor had approached the applicant bank for cash credit loan facility of ₹ 15,00,00,000/- (Rupees Fifteen crore only). By a sanctioned letter dated 9th July, 2015, the applicant

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bank sanctioned a cash credit facility of ₹ 15,00,00,000/- (Rupees Fifteen crore only) (**Annexure A-3**), corresponding copies of Board Resolutions of the Directors of the Corporate Debtor, on 13th April, 2015 and 9th July, 2015 have been marked as **Annexure A-4**.

8. Pursuant to the sanction of cash credit facility, the following documents were executed by the Corporate Debtor in favour of applicant bank, being –

- (i)** Demand Promissory Note dated 11th July, 2015, with a promise to repay the sum of ₹ 15,00,00,000/- (Rupees Fifteen crore only) together with interest at the rate of 3.05 per cent over base rate at 13 per cent per annum with quarterly rests.
- (ii)** Bearer Letter in Form L-435 executed by the Director of the Corporate Debtor, requesting the bank to credit the amount of ₹ 15,00,00,000/- (Rupees Fifteen crore only) to its account.
- (iii)** Multi-Purpose Document dated 11th July, 2015, evidencing terms and conditions governing the loan facility and containing, *inter alia*, the declarations, covenants and undertakings which forms **Annexure A-8**.
- (iv)** Hypothecation agreement of tangible movable property in Form L-448 dated 11th July, 2015 executed in favour of the applicant bank as security for repayment under the facility.
- (v)** Agreement of Hypothecation of plant and machinery, stocks and book debts dated 11th July, 2015 towards securing such facility arrangement.
- (vi)** Undertakings in relation to bank's credit facilities dated 11th July, 2015 to not change its capital structure without written permission of the applicant bank.

9. It is submitted that Corporate Debtor failed to repay as per schedule of repayment as such, the loan account was classified as Non-Performing



Asset (NPA) on 13th April, 2018, in accordance with the guidelines of the Reserve Bank of India.

10. In view of the NPA classification, the Financial Creditor by its notice dated 19th May, 2018 recalled the loan amount and demanded a sum of ₹ 15,22,75,197.95/- (Rupees Fifteen crore twenty-two lakh seventy-five thousand one hundred ninety-seven and ninety-five paise only) together with interest. The Corporate Debtor, however, failed to reply the said notice.
11. However, the Corporate Debtor through its Directors offered a one-time settlement (OTS) of the outstanding dues vide its letter dated 21st March, 2025 and has clearly acknowledged its liability towards repayment. The said letter dated 21st March, 2025 form **Annexure A-13**.
12. According to the Financial Creditor, the amount disbursed is ₹ 15,00,00,000/- (Rupees Fifteen crore only) as on 24th July, 2015 and the total debt due is ₹ 23,56,27,730.46/- (Rupees Twenty-three crore fifty-six lakh twenty seven thousand seven-thirty and forty-six paise only) as on 28th July, 2025.
13. At hearing, learned Counsel for Bank of Baroda, the Financial Creditor would place reliance upon the following decisions:
 - (i) ***Innoventive Industries Ltd. vs. ICICI Bank [(2018) 1 SCC 407] (paras 27, 28 and 30)*** to contend that, Tribunal's enquiry is limited to confirming the financial debt, any acknowledgement and the fact of default; and
 - (ii) ***Dena Bank vs. Shivakumar Reddy [(2021) 10 SCC 330] (paras 111, 125, 139 and 140)*** to contend that
 - (a) The OTS proposal within period of limitation is an acknowledgement of debt; and

(b) Commencement of a fresh limitation period from the date of a recovery certificate issued by the DRT **(paras 130, 136, 137 and 141).**

- 14.** The record of default in Form D which is authenticated has also been furnished where the date of default is, however, mentioned as 6th June, 2018 and the amount in default is ₹ 12,23,93,026.58 (Rupees Twelve crore twenty-three lakh ninety-three thousand twenty-six and fifty-eight paisa only).
- 15.** None appeared on behalf of the Corporate Debtor despite repeated intimations. On 9th October, 2025, having noted their non-appearance, a last chance was given to file a reply affidavit, failing which the right would stand closed. Since, there was no representation, the Corporate Debtor was set *ex parte* on 27th November, 2025 and the matter was heard out. However, written notes of arguments were permitted to be filed within a period of one week. No written notes of arguments have been furnished by the Corporate Debtor and, therefore, it seems that the Corporate Debtor wishes not to set up any defence.

Analysis and findings:

- 16.** We have considered the contentions of the Financial Creditor and examined the following documents (i) proof of disbursement through statement of accounts as it appears from page 122, (ii) acknowledgement of debt by way of OTS of 21st March, 2025, (iii) recall notice dated 19th May, 2018, (iii) learned DRT order dated 13th March, 2024 which gives a fresh cause of action, documents showing creation of charge, the consent of the proposed IRP etc.
- 17.** From the records placed on file, it is evident that the Financial Creditor had sanctioned a cash credit facility of ₹15,00,00,000/- to the Corporate Debtor vide sanction letter dated 9 July 2015. The disbursement of the loan amount stands duly substantiated through

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bank statements and statement of accounts produced by the Financial Creditor.

- 18.** The execution of loan documents including the Demand Promissory Note, Hypothecation Agreements, Multi-Purpose Loan Document and undertakings by the Corporate Debtor clearly establishes that the amount disbursed answers the statutory definition of “financial debt” under Section 5(8) of the Code. The creation of security interest by way of equitable mortgage over immovable properties further reinforces the financial nature of the transaction.
- 19.** Accordingly, the existence of a financial debt owed by the Corporate Debtor to the Financial Creditor stands conclusively proved.
- 20.** The Financial Creditor has categorically pleaded that the Corporate Debtor failed to adhere to the repayment obligations under the sanctioned facility. As a consequence, the loan account was classified as Non-Performing Asset in April 2018 in accordance with RBI guidelines.
- 21.** The recall notice dated 19 May 2018 demanding repayment of the outstanding dues has remained unanswered. The default is further corroborated by the authenticated record of default in Form D and the statement of account reflecting continuous non-payment.
- 22.** This Adjudicating Authority finds that the Corporate Debtor committed default in repayment of financial debt and such default is neither denied nor rebutted.
- 23.** The issue of limitation has been carefully examined. The Corporate Debtor, through its Directors, submitted a One Time Settlement proposal dated 21 March 2025, wherein liability towards the outstanding dues was expressly acknowledged. Such acknowledgment, being in writing and signed by the Corporate Debtor, squarely attracts Section 18 of the Limitation Act, 1963, thereby giving rise to a fresh period of limitation.



24. Additionally, the decree passed by the Debts Recovery Tribunal on 13 March 2024 culminating in issuance of a Recovery Certificate also provides a fresh cause of action. In light of these acknowledgments and judicial proceedings, the present petition has been filed well within the period of limitation.
25. At this juncture, we would fumigate our mind with the oft quoted judgments of the Hon'ble Apex Court, which are as under :

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

“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)

(b) Innoventive Industries Ltd. v. ICICI Bank reported in (2018) 1 SCC 407: MANU/SC/1063/2017 has laid down that:

“27. The scheme of the Code is to ensure that when a default takes place, in the sense that a debt becomes due and is not paid, the insolvency resolution process begins. ...”

“28. ... the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, ...”

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“30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is "due" i.e., payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is

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proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.”

(Emphasis added)

26. In view of the aforesaid discussion, since the **C.P. (IB)/223(KB)2025** deserves to be admitted, we, accordingly, pass the following orders :

- (i)** The Application filed by **Bank of India (Financial Creditor)**, under Section 7 of the Insolvency & Bankruptcy Code, 2016, is hereby, **ADMITTED** for initiating the **Corporate Insolvency Resolution Process** in respect of **Shree Badri Kedar Udyog Private Limited (Corporate Debtor)**.
- (ii)** As a consequence of this Application being admitted in terms of Section 7 of the I&B Code, 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.
- (iii)** 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.*

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[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;]

- (iv)** 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.
- (v)** 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.
- (vi)** The Applicant has proposed the name of **“Ms. Rachna Jhunjhunwala”**, **Registration No. IBBI/IPA-001/IP-P00389/2017-18/10707**, **Email ID: egress.rac@gmail.com**, as the “IRP”. We have perused that there is a written communication and consent of IRP in Form 2 with Affidavit, annexed as **Annexure A-2** at pages 28 to 31 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, further necessary disclosures have been made by **“Ms. Rachna Jhunjhunwala”** as per the requirement of the IBBI Regulations. Accordingly, he satisfies the requirement of Section 7(3)(b) of the code. Hence, we appoint **“Ms. Rachna**

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Jhunjhunwala” as the **Interim Resolution Professional** (IRP) of the Corporate Debtor to carry out the functions as per the I&B 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, 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 I&B Code.

- (vii)** In pursuance of Section 13 (2) of the Code, we direct the IRP or the RP, as the case shall 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.
- (viii)** 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 I&B Code. 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.

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- (ix) 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.
- (x) 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.
- (xi) The Financial Creditors shall be liable to pay to IRP a sum of ₹ **3,00,000/- (Rupees Three lakhs 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).
- (xii) 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 email immediately, and in any case, not later than two days from the date of this Order.
- (xiii) 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.

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- (xiv)** 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.
 - (xv)** 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.
 - (xvi)** The order of moratorium shall cease to have effect as per Section 14(4) of the I&B Code.
- 27.** Post **C.P. (IB)/223(KB)2025** on **16th March, 2026** for filing the periodical Progress Report by the IRP/RP as appointed herein above
- 28.** Certified copy of this order, if applied for with the Registry, be supplied to the parties upon compliance with all requisite formalities.

Siddharth Mishra
Member (Technical)

Bidisha Banerjee
Member (Judicial)

This Order signed on this, the 5th day of February, 2025

Vandana (LRA) / SM (Steno)