IN THE NATIONAL COMPANY LAW TRIBUNAL

DIVISION BENCH (COURT NO-II)

KOLKATA BENCH

C.P. (I.B) NO. 150/KB/2025

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

IN THE MATTER OF:

CANARA BANK

……Financial Creditor/Petitioner

VERSUS

PROGRESSIVE TRADECOM PRIVATE LIMITED

……Corporate Debtor/Respondent

CORAM:

SHRI. LABH SINGH: MEMBER (JUDICIAL)

MS. REKHA KANTILAL SHAH: MEMBER (TECHNICAL)

APPEARANCE:(Physical/Virtual)

For the Financial Creditor:

Ms. Aparajita Rao, Adv.

Ms. Nabamita Dutta, Adv.

Date of Pronouncement: 19.08.2026

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT NO.- II)
KOLKATA BENCH

O R D E R

Per: Rekha Kantilal Shah, Member (Technical)

1. This Court congregated through physical / hybrid mode.

2. This is a petition preferred by **Canara Bank (Financial Creditor/Petitioner)** through its authorised representative **Mr. Bandaru Manish**[1], Senior Manager, against **M/s. Progressive Tradecom Private Limited ("Corporate Guarantor/Respondent")** seeking initiation of Corporate Insolvency Resolution Process **("CIRP")** for the credit facilities availed by the **M/s. Juhi Industries Private Limited ("Principal Borrower").**

3. The averments germane to the adjudication of the present dispute have been briefly elucidated as under-

   I. The Corporate Debtor is a private limited company incorporated under the provision of the Companies Act, 1956 on 26.02.2008 having CIN No. U51109WB2008PTC123132, its registered address is at 131/17 N.S.C Bose Road, Ground Floor, Kolkata, West Bengal-700040.

   II. It is the case of the Applicant that **M/s. Juhi Industries Private Limited** was enjoying various credit facilities from a consortium of lenders comprising **Bank of Baroda**, the Lead Bank, and **Syndicate Bank** (now

[1] Annexure: A (Power of Attorney)

merged with Canara Bank). On 13.05.2014[2], the consortium sanctioned a Term Loan aggregating to **Rs. 120.00 Crore,** of which Syndicate Bank sanctioned **Rs. 50.00 Crore** and Bank of Baroda sanctioned **Rs. 70.00 Crore,** for expansion of the manufacturing capacity and diversification of the Principal Borrower's business.

III. It is submitted that pursuant to the sanction, the consortium members executed an **Inter-Creditor Agreement** dated **06.08.2014**[3], whereby Bank of Baroda was appointed as the Lead Bank. In consideration of the said financial assistance, the Principal Borrower executed, inter alia, a **Declaration and Undertaking**[4] and a **Deed of Assignment**[5] assigning its present and future project assets in favour of the consortium lenders.

IV. The Applicant further submits that the repayment obligations of the Principal Borrower were secured by personal guarantees furnished by **Mr. Mithilesh Pandey, Mr. Rajesh Pandey, Mr. Akhilesh Pandey and Mr. Sanjay Kumar Shah.** In addition thereto, the present Corporate Debtor, **M/s. Progressive Tradecom Private Limited** and **M/s. Greenencore Infratech Private Limited (formerly Triveni Infratech Private Limited)**, executed Corporate

[2] Annexure-E
[3] Page No: 270-279
[4] Page No: 282-297
[5] Page No: 298-302

Guarantees[6] securing the dues of the Principal Borrower. Progressive Tradecom Private Limited also pledged its shares, while the Principal Borrower created an equitable mortgage over its immovable properties by deposit of title deeds in favour of the consortium lenders.

V. It is further the case of the Applicant that in the year 2016, the consortium sanctioned additional **Working Capital Facilities aggregating to Rs. 110.00 Crore**, whereunder Syndicate Bank sanctioned facilities to the extent of **Rs. 46.00 Crore**. In consideration thereof, the Principal Borrower executed various security documents including Demand Promissory Note, Letter of Continuity, Letter of Continuing Security, Joint Deed of Hypothecation[7] and Working Capital Consortium Agreement[8].

VI. On **14.05.2014**[9] in the meeting of the Board of Directors of the Corporate Debtor unanimously agreed to pledge shares for securing tern loan sanctioned to the Principal Borrower and **12.01.2017**[10] the Board of Director also gave consent to act as Corporate

[6] Page No: 203-214
[7] Page No: 472-498
[8] Page No: 409-471
[9] Page No: 250
[10] Page No: 260-261

Guarantee for the working capital facilities sanctioned to Principal Borrower.

VII. The Corporate Debtor executed fresh corporate guarantee[11] and deed of guarantee[12] in favour of the consortium lenders, and the mortgage over the immovable properties was correspondingly extended.

VIII. According to the Applicant, the loan account of the Principal Borrower was classified as **Non-Performing Asset (NPA) on 30.03.2018**. Subsequently, the Principal Borrower acknowledged its outstanding liabilities by letter dated **17.12.2019**[13], confirming the aggregate dues payable to the consortium lenders.

IX. It is submitted that the consortium lenders have initiated recovery proceedings before the **Debts Recovery Tribunal, Ranchi**, by filing **O.A. No. 24 of 2021**, which is pending adjudication. It is further stated that proceedings under the **SARFAESI Act, 2002** have also been initiated. While **S.A. No. 42 of 2021** came to be dismissed by the Debts Recovery Tribunal, Ranchi on **31.07.2024,** another securitisation application being **S.A. No. 78 of 2023** remains pending.

X. The Applicant further submits that the Principal Borrower had filed an application under **Section 10 of**

[11] Page No: 215-219
[12] Page No: 222-248
[13] Page No: 616-618

the Insolvency and Bankruptcy Code, 2016, being **CP (IB) No. 180/KB/2024**, which was subsequently withdrawn. Thereafter, the Applicant filed **CP (IB) No. 348/KB/2024** under Section 7 of the Code against the Principal Borrower, which came to be admitted by this Adjudicating Authority vide order dated **06.01.2025**[14], thereby commencing the CIRP against the Principal Borrower.

XI. It is further submitted that pursuant to the **Amalgamation Scheme**[15] **notified by the Central Government with effect from 01.04.2020**, Syndicate Bank stood merged with Canara Bank and all assets, liabilities, actionable claims, debts and rights of Syndicate Bank vested in Canara Bank by operation of law.

XII. The Applicant submits that the Corporate Guarantee executed by the Corporate Debtor was invoked vide notice dated **06.02.2025**[16]. Despite receipt of the said invocation notice, the Corporate Debtor failed to honour its obligations under the Deed of Guarantee or repay the outstanding dues. It is, therefore, contended that the Corporate Debtor has committed default in discharging its liability as Corporate Guarantor, thereby attracting the provisions of Section 7 of the

[14] Annexure-N
[15] Annexure-M
[16] Annexure-O

Insolvency and Bankruptcy Code, 2016. Accordingly, the present application has been filed seeking initiation of the CIRP against the Corporate Debtor.

4. **ANALYSIS AND FINDINGS**

I. We have heard the Ld. Counsel appearing for the Petitioner and perused the averments and documents placed on record filed by the petitioner.

II. Prior to adjudication of the present application, it is pertinent to refer to section 5(8)(h) and 5(8)(i) of the IBC, 2016, wherein it has been stated that liability in the form of a guarantee is deemed to be a financial debt the germane provision has been reiterated as under –

> ***"Section 5: Definitions.***
> *(8)**"financial debt"** means a debt alongwith interest, if any, which is disbursed against the consideration for the time value of money and includes—*
> ********************
> ***(h)** any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;*
> ***(i)** the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clauses (a) to (h) of this clause;"*

III. In the present dispute, on the basis of the documents placed on record by the Petitioner it can be concluded that the guarantee deed dated 06.08.2014, 27.10.2016, and 09.02.2017 existed between the Petitioner and the Corporate Debtor and the said deed comes under the ambit of **"FINANCIAL DEBT"** in accordance with section 5(8) of the IBC, 2016. Consequently, it is evident that a financial debt amounting to Rs. 96 crore (Rupees Ninety Six Crore Only) in favor of the Petitioner in the form of aforesaid guarantee deed existed.

IV. This Adjudicating Authority observes that the notice for invocation of guarantee was issued upon the Corporate Debtor on 16.01.2025, consequently the limitation period for the present petition commenced from the date of issuance of the aforesaid notice. Consequently, in light of the fact that the present petition was filed on 01.05.2025, the present petition for the initiation of CIRP against the Corporate Debtor is not barred by limitation.

V. A bare reading of the provision under Section 7 of the IBC shows that in order to initiate CIRP under Section 7, the Applicant is required to establish that there is a financial debt and that a default has been committed in respect of that financial debt. The Code requires the adjudicating authority to only ascertain and record satisfaction in a summary adjudication regarding the occurrence of default before admitting the application.

VI. The Hon'ble Supreme Court in the matter of ***M. Suresh Kumar Reddy v. Canara Bank***, reported at **(2023) 8 SCC 387** held that 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 of the IBC, 2016. The relevant excerpt from the aforesaid precedent has been reiterated as under –

*"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 become due and payable, the application

> *under Section 7 can be rejected. Otherwise, there is no ground available to reject the application."*

VII. Additionally, it has been opined by the Hon'ble Supreme Court that the role of the Adjudicating Authority is confined to establishing that a Financial Debt exists and there has been a default against the corresponding debt in ***E S Krishnamurthy & Ors. Versus M/s Bharath Hi Tech Builders Pvt. Ltd.*** (Civil Appeal No 3325 of 2020). The germane excerpt from the said precedent has been reiterated as under–

> *"**The Adjudicating Authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the Adjudicating Authority must then either admit or reject an application respectively. These are the only two courses of action which are open to the Adjudicating Authority in accordance with Section 7(5)**."*

VIII. In light of the aforesaid judicial precedents and the relevant provisions of the IBC, 2016, it can clearly be inferred from the present petition that a financial debt amounting to **Rs. 139,68,96,663.70** (Rupees One Hundred Thirty Nine Crore Sixty Eight Lakh Nixty Six Thousand Six Hundred Sixty Three and Seventy Paise only) including interest existed, the said amount was due towards the Petitioner in the present case by the virtue of the notice invocation of the deed of guarantee dated 16.01.2025.

IX. Additionally, since the CD in the instant case has been set ex-parte by the virtue of the order dated **23.06.2026**, this Adjudicating Authority is confined to the material placed on record by the Petitioner, in light of the same, it can be clearly inferred that the Corporate Debtor defaulted in repayment of the financial debt due towards the Petitioner and consequently the notice for invocation of the guarantee deed was issued to the Corporate Debtor. Therefore, it can be concluded that there was debt and default in the present case.

X. 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 that there has been default in payment of the Financial Debt.

5. In light of the above and in terms of the fact that existence of debt and its default by the Corporate Debtor has been established by the virtue of the material placed on record, this Tribunal **admits** this petition and initiates CIRP on the Corporate Debtor with immediate effect and pass the following order:

I. The Application filed by **Canara Bank** (Financial Creditor) under Section 7 of the IBC, 2016, is hereby, **ADMITTED** for initiating the Corporate Insolvency Resolution Process in respect of **Progressive Tradecom Private Limited.**

II. The moratorium is declared for the purposes referred to in Section 14 of the Insolvency & Bankruptcy Code, 2016. Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016, prohibits the following:

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.

III. 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 CD under section 33 of the IBC, as the case may be.

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 **Mr. Anish Agarwal**, having Registration No. **IBBI/IPA-001/IP-P-01497/2018-19/12256** (Phone No: **9798571555** and Email ID: **agarwal2ca@gmail.com**) as the Interim Resolution Professional (“**IRP**”). We have perused that there are written communication and consent of IRP in Form- 2 with Declaration, annexed at pages 64-55 to the petition and page 53 of the supplementary affidavit dated 02.04.2026, as per the requirement of Rule 9(l) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. In addition, further necessary disclosures have been made by "**Anish Agarwal**" as per the requirement of the IBBI Regulations. Accordingly, he satisfies the requirement of Section 7(3)(b) of the code. Hence, we appoint "**Anish Agarwal**" as the Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the IBC. 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 IBC, 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 CIRP 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 IBC, 2016. 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.

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 **Rs. 3,00,000** /-(Rupees Three Lakhs only) as payment to meet the cost of CIRP arising out of issuing public notice and inviting claims etc., 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), Kolkta to whom the company is registered with, by all available means for updating the Master Data of the Corporate Debtor.

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.

6. 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.

7. Post the Company Petition on **30.09.2026** for filing the Periodical Progress Report by the IRP/RP as appointed herein.

Rekha Kantilal Shah — **Labh Singh**
Member (Technical) — **Member (Judicial)**

Order signed on the 19th day of August, 2026

S.T (LRA)