IN THE NATIONAL COMPANY LAW TRIBUNAL

KOLKATA BENCH-II

KOLKATA.

C.P. (I.B.) No. 20/KB/2026

Date of Hearing: 03.08.2026

Date of Order: 25.08.2026

In the Matter of:

BANK OF INDIA,
Star Office, C-5, “G” Block, 8th Floor (East Wing), Bandra-Kurla Complex, Bandra (East), Mumbai – 400051.

APPLICANT/FINANCIAL CREDITOR

Versus

VEER KUNWAR SINGH STEEL PRIVATE LIMITED,
7A, Bentick Street, 4th Floor, Kolkata – 700001, West Bengal.

RESPONDENT/CORPORATE DEBTOR

Coram: Shri Labh Singh, Hon’ble Member(Judicial)
Ms. Rekha K. Shah, Hon’ble Member(Technical)

Present:

For the Applicant. : Ms. Sanjana Nandi, Adv.

For the Respondent: Ex-parte vide order dated 23.04.2026

O R D E R

Labh Singh, Member(Judicial)

1. The Applicant/Financial Creditor, Bank of India (hereinafter being referred to as the 'Applicant') has filed the instant petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for short 'the Code') read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for short 'the Rules') with a prayer to trigger Corporate Insolvency Resolution Process (for short 'CIRP') in respect of Veer Kunwar Singh Steel Private Limited, Respondent Company (hereinafter to be referred to as 'Corporate Debtor').

2. It is appropriate to mention that the Applicant, is a financial institution, having its registered office at Star House, C-5, 'G' Block, 8th Floor (East Wing), Bandra-Kurla Complex, Bandra (East), Mumbai - 400051.

3. Mr. Ashim Kumar, duly authorized on behalf of Applicant, has preferred the present petition on behalf of the Applicant

for initiation of CIRP against the Applicant under the Code. He has duly been authorised vide authorisation letter dated 27.06.2025.

4. The Corporate Debtor, against whom initiation of CIRP has been prayed for, was incorporated on 06.04.2005, having its registered office situated at 7A Bentick Street, 4th Floor, Kolkata – 700001. Since the registered office of the Corporate Debtor is situated at Kolkata, West Bengal, this Tribunal having territorial jurisdiction over the State of West Bengal is the Adjudicating Authority in relation to the prayer for initiation of CIRP in respect of Corporate Debtor under sub-section (1) of Section 60 of the Code.

5. Briefly stated that the case of the Applicant is that the Corporate Debtor had approached the former to avail cash credit facilities, which were granted vide a sanction letter dated 05.03.2011, amounting to Rs. 6 Crores for the purpose of business. The Corporate Debtor, in order to avail and secure the loan, executed several security documents in favour of the Applicant.

6. It is submitted that one of the guarantors for the credit facilities availed by the Corporate Debtor, created an equitable mortgage in favour of the Applicant Bank. The Corporate Debtor had accepted the terms and conditions for

sanction of the said credit facility had executed Acknowledgment of debt/securities as on 13.03.2013, 25.01.2016 and 14.12.2018.

7. It is submitted that the Corporate Debtor had agreed to repay the amount availed under the above limits with the interest of 3.65% over base rate, with present rate of 12.75% per annum with monthly rests. However, the Corporate Debtor failed to adhere to the repayment schedule, and thus, as on 30.04.2019 the account was classified as NPA in accordance with the RBI guidelines.

8. It is further submitted that the Applicant served demand notice dated 30.05.2019 under Section 13(2) of the SARFASI Act, 2002 demanding a sum of Rs. 7,19,99,120.96/- with 14.35% interest per annum. The Corporate Debtor failed to repay the outstanding dues, and thereafter, the Applicant issued a legal notice, dated 20.06.2019.

9. Therefore, as per part IV of the petition, it is claimed that as on 31.10.2025, a sum of Rs. 18,08,21,824.49/- (Rupees Eighteen Crore Eight Lakhs Twenty Onne Thousand Eight Hundred Twenty-Four and Forty-Nine Paisa only) is due and payable by the Corporate Debtor.

10. Section 7 (3)(b) mandates the Applicant to furnish the name of an Interim Resolution Professional. In compliance thereof

the applicant has proposed the name of Mr. Tapan Chakraborty, for appointment as Interim Resolution Professional having registration number IBBI/IPA-003/IP-N00173/2018-2019/12121, resident of Kolkata, with email – id: tapanchakraborty2611957@gmail.com. Mr. Tapan Chakraborty has agreed to accept the appointment as the interim resolution professional and has signed a communication in Form 2, annexed **Annexure – A2**, in terms of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. There is a declaration made by him that no disciplinary proceedings are pending against him in the Insolvency and Bankruptcy Board of India or elsewhere. In addition, further necessary disclosures have been made by Mr. Tapan Chakraborty as per the requirement of the IBBI Regulations. It has also been verified that the proposed IRP has a valid AFA. Accordingly, it is seen that the requirement of Section 7(3)(b) of the Code has been satisfied.

11. The Applicant, in order to prove its case, has relied upon the following documents:

    (i) A copy of Authorisation Letter dated 27.06.2025 **Annexure – A**.

(ii) A copy of the Sanction Letter dated 05.03.2011 **Annexure – A3**.

(iii) A copy of Demand Promissory Note dated 07.03.2011 **Annexure – A4**.

(iv) A copy of Bearer Letter in Form L-435, executed by the Director of the Corporate Debtor **Annexure – A5**.

(v) A copy of Multi-purpose Document, Form L-516, dated 07.03.2011, **Annexure – A6**.

(vi) A copy of Agreement of Hypothecation of Plant & Machinery, Stocks and Book Debts, dated 07.03.2011 **Annexure – A7**.

(vii) A copy of Hypothecation Agreement of Tangible Movable Property in Form L-448, dated 07.03.2011 **Annexure – A8**.

(viii) A copy of Agreement of Charge and Hypothecation of Book Debts, dated 07.03.2011 **Annexure – A9**.

(ix) A copy of Guarantee Agreement dated 07.03.2011 **Annexure – A-10**.

(x) The copies of the acknowledgments **Annexure – A11**

(xi) A copy of the notice **Annexure – A12** and **Annexure – A13 (Colly)**.

(xii) A copy of Bank statements of accounts of the Corporate Debtor, till 20.11.2025 **Annexure – A17.**

(xiii) A copy of Last audited balance sheet of the Corporate Debtor **Annexure – A18.**

(xiv) A copy of CIBL Report **Annexure – A16.**

12. The Applicant has 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 Applicant. A copy of Form 'D' for Record of Default has been filed by way of Supplementary Affidavit. The said record shows that the claim of the applicant is authenticated as no objection has been recorded by the corporate debtor.

13. Despite due notice having been served upon the Corporate Debtor, the Corporate Debtor failed to appear in the present matter and hence, the matter was proceeded ex-parte against the Corporate Debtor vide order dated 23.04.2026.

14. 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 Ld. Counsels for the parties; and after hearing the Ld. Counsels

for the parties, we shall now proceed to consider the present petition on its merits.

15. The present application has been filed well within the period of limitation. The Financial Creditor filed O.A No. 127/2020 before Debts Recovery Tribunal which was allowed by the Ld. DRT vide order dated 30.01.2023. Ld. DRT issued recovery certificate for the sum due and payable by the Corporate Debtor.

16. On the aspect of claim based on judgment, decree, order or recovery certificate, Hon'ble Supreme Court in case of ***Dena Bank v. C. Shivakumar Reddy (2021) 10 SCC 330***, held that:

> *"**136.** A final judgment and order/decree is binding on the judgment debtor. Once a claim fructifies into a final judgment and order/decree, upon adjudication, and a certificate of recovery is also issued authorising the creditor to realise its decretal dues, a fresh right accrues to the creditor to recover the amount of the final judgment and/or order/decree and/or the amount specified in the recovery certificate.*
>
> ***141.** Moreover, a judgment and/or decree for money in favour of the financial creditor, passed by the DRT, or any other tribunal or court, or the*

issuance of a certificate of recovery in favour of the financial creditor, would give rise to a fresh cause of action for the financial creditor, to initiate proceedings under Section 7 IBC for 21 initiation of the corporate insolvency resolution process, within three years from the date of the judgment and/or decree or within three years from the date of issuance of the certificate of recovery, if the dues of the corporate debtor to the financial debtor, under the judgment and/or decree and/or in terms of the certificate of recovery, or any part thereof remained unpaid."

17. Further in the case of ***Kotak Mahindra Bank v. A. Balakrishnan and Anr. (2022) 9 SCC 186***, the Hon'ble Supreme Court affirming the decision of ***Dena Bank (supra)*** held the following:

*"**86.** To conclude, we hold that a liability in respect of a claim arising out of a Recovery Certificate would be a "financial debt" within the meaning of clause (8) of Section 5 of the IBC. Consequently, the holder of the Recovery Certificate would be a financial creditor within the meaning of clause (7) of Section 5 of the IBC.*

As such, the holder of such a certificate would be entitled to initiate CIRP, if initiated within a period of three years from the date of issuance of the Recovery Certificate.”

18. Therefore, in view of the facts of the present case and law applicable thereon, the original application has been filed within a period of three years from the date of the Ld. DRT’s order and thus, the present petition is well within the prescribed period of limitation.

19. Insofar as debt and default is concerned, it is a well settled proposition of law that an application under Section 7 of the Code 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 Rs. 1 Crore. In view of the Section 4 of the Code, the moment default is of Rs 1 Crore or more, the application to trigger CIRP under the Code is maintainable.

20. In the facts, the material placed on record confirms that the applicant had provided the alleged credit facilities for which the Corporate Debtor committed default in repayment. The Corporate Debtor has failed to appear in the present matter and thus, failed to show that there is no debt or

default in existence so as to avoid the provisions of the Code.

21. It is pertinent to note that recently, the provision of Section 7 of the Code has been amended whereby Explanation-II has been added wherein it has been recorded that when a financial debt is owed to a financial institution, a record of default furnished by an information utility will be sufficient for the Adjudicating Authority to ascertain the existence of default.

> ***"7. Initiation of corporate insolvency resolution process by financial creditor.***
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> *xxxxxx*
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> *Explanation II.--For the removal of doubts, it is hereby clarified that where a record of default in respect of a financial debt owed to a financial institution recorded with the information utility has been furnished along with the application filed by such financial institution under this section, such record shall be considered sufficient for the Adjudicating Authority to ascertain the existence of default under this section"*

22. Thus, a bare perusal Explanation-II to Section 7 of the Code, it is very much clear that when the record of default with regard to debt owed to the Financial Institution recorded with information utility has been filed with the Adjudicating Authority, it shall be sufficient for the Adjudicating Authority to ascertain the existence of default under Section 7 of the Code.

23. On a bare perusal of Form - I filed under Section 7 of the Code read with Rule 4 of the Rules shows that the form 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.

24. We are satisfied that the present application is complete in all respects and the Applicant is entitled to claim its outstanding financial debt from the Corporate Debtor and that there has been default in payment of the financial debt.

25. As a sequel to the above discussion and in terms of Section 7(5)(a) of the Code, the present application is admitted with the following orders:

    i. Mr. Tapan Chakraborty, having registration number IBBI/IPA-003/IP-N00173/2018-2019/12121 having email - id tapanchakraborty2611957@gmail.com is appointed as an

Interim Resolution Professional for the Corporate Debtor.

ii. In pursuance of Section 13(2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (3 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 Code.

iii. We direct the Applicant to deposit a sum of Rs. 3 Lakhs with the Interim Resolution Professional namely Mr. Tapan Chakraborty to meet out the expenses to perform the functions/duties assigned to him 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 Applicant. The said amount however be subject to adjustment towards Resolution Process cost as per applicable rules.

iv. 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.

v. 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, 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.

vi. 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 ex-management 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 Code and perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.

vii. The Registry is directed to communicate a copy of the order to the Applicant, the Corporate Debtor, the Interim Resolution Professional and the Registrar of Companies, West Bengal at the earliest possible but not later than three days from today.

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

T.Roy(LRA)