



IN THE NATIONAL COMPANY LAW TRIBUNAL

DIVISION BENCH, COURT NO.I

KOLKATA

C.P (IB) NO. 53/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

IN THE MATTER OF:

ICICI Bank Limited

...Financial Creditor

Versus

Anuj Textiles Private Limited

... Corporate Debtor

Date of Pronouncement of Order: 2nd December, 2025

Coram:

Smt. Bidisha Banerjee, Member (Judicial)

Cmdr Siddharth Mishra, Member (Technical)

Appearance:

For Financial Creditor: Mr. Rishav Banerjee, Adv.

Ms. Prerna Shaha, Adv.

For Corporate Debtor: Mr. Piyush Kumar Adv.

Mr. Siddharth Makkar, Adv.



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
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C.P (IB) NO. 53/KB/2025

ORDER

Per: Bidisha Banerjee, Member (Judicial)

1. The Court congregated through a hybrid mode.
2. The Ld. Counsels of both the parties were heard.
3. The instant application is filed by **ICICI Bank Limited**, hereinafter referred to as the '**Financial Creditor/FC**' against **Anuj Textiles Private Limited**, hereinafter referred to as the '**Corporate Debtor/CD**' under Section 7 of the Insolvency and Bankruptcy Code, 2016 , for brevity 'I&B Code' to initiate Corporate Insolvency Resolution Process in respect of the CD.

4. Facts in a nutshell

4.1 The Corporate Debtor availed a credit limit of Rs.297 million on December 23, 2015, enhanced to ₹300 million on March 21, 2017, and renewed on June 19, 2018.

4.2 The account was classified as NPA on November 30, 2018, followed by a loan recall notice on September 12, 2019, and guarantee invocations.

4.3 A SARFAESI notice issued in 2019 was withdrawn, and a fresh notice dated July 4, 2022, demanded Rs. 49.92 crore. The debtor and guarantors raised objections, and despite multiple possession and auction attempts, no assets were sold.

4.4 The debtor challenged the proceedings before DRT-III, Kolkata (SA No. 82/2023) and proposed a One Time Settlement of Rs. 8.38 crore on July 11,

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

2021, which, along with acknowledgment in the FY 2022–23 balance sheet, extends the limitation period under Section 18 of the Limitation Act.

5. Submissions of the Ld. Counsel on behalf of the Petitioner

5.1 It is submitted that the Corporate Debtor herein availed credit limit of 297.0 million on December 23, 2015. Subsequently, limits were renewed with enhancement from 297.0 million to ₹300.0 million on March 21, 2017.

5.2 That the revised limits included Cash Credit-1 limit of ₹210.0 million and Cash Credit-2 limit of 290.0 million. Derivative limits were subsequently cancelled. Thereafter, the limits were renewed at existing level on June 19, 2018. All the limits, granted and renewed, were via Credit Arrangement Letters and Facility Agreements.

5.3 Subsequently, after the account was classified as NPA on November 30, 2018, ICICI Bank recalled the facilities and called upon the Corporate Debtor to pay the amount under default vide a Loan Recall Notice dated September 12, 2019.

5.4 It is submitted that the Financial Creditor also invoked the Personal Guarantees and Corporate Guarantee vide multiple Guarantee Invocation letters dated September 26, 2019. The Financial Creditor herein had issued a Demand Notice Under Sec 13(2) of SARFAESI Act dated October 31, 2019, towards the enforcement of the secured assets of the Corporate Debtor and Mortgagors.

5.5 However, the Notice under Section 13(2) of SARFAESI Act, 2002 was withdrawn and a fresh notice dated July 04, 2022 was issued by the Financial Creditor to the Corporate Debtor demanding outstanding amounts of Rs.



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

49,92,19,233.58/- failing which security interest enforcement action will be taken.

5.6 On August 31, 2022, the Borrower/Corporate Debtor issued representation/objection to the notice issued under Section 13(2). The Guarantors also issued objection to the notice on August 31, 2022. The Financial Creditor replied to the above-mentioned objections on September 16, 2022.

5.7 Thereafter, the Financial Creditor issued various possession notices on different dates and thereafter the Financial Creditor made multiple attempts to sell the secured properties and therefore published auction notices but none of the auction was successful and therefore no asset of the Corporate Debtor has been sold yet.

5.8 That the Corporate Debtor has already challenged these notices by way of filing a Securitisation Application No. 82 of 2023 along with Interlocutory Applications before the Debts Recovery Tribunal III, Kolkata.

5.9 The Corporate Debtor has given a One Time Settlement proposal to the Financial Creditor on July 11, 2021. The settlement amount as proposed by the Corporate Debtor was 837.98 lakhs.

5.10 That the One Time Settlement proposal was given by the Corporate debtor on July 11, 2021 and the same is within 3 years from the date of default which has the effect of extending the period of limitation for a further period of three years under section 18 of Limitation Act, 1963.

5.11 The One Time Proposal dated July 11. 2021 is an acknowledgment and/or admission of the financial debt and default by the Corporate Debtor in



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

writing which will have the effect of extending the period of limitation under section 18 of the Limitation Act 1963. The Corporate Debtor has also acknowledged and/or admitted the debt in its balance sheet for the Financial year 2022-23.

6. Submissions of the Ld. Counsel on behalf of the Respondent

6.1 The alleged financial creditor has alleged that the date of alleged default is November 30, 2018 i.e the date of declaration of the account as NPA . Assuming the date of default as mentioned in the petition, the FC ought to have initiated proceedings within three years from November 30, 2018.

6.2 The settlement proposal made by the alleged financial creditor by way of the letter dated July 11, 2021 or the statements made in the alleged corporate debtor's balance sheet for the financial year 2022-23 cannot be deemed to be an acknowledgment of debt within the meaning of section 18 of the Limitation Act, 1963.

6.3 Further, in the absence of the alleged financial creditor being able to demonstrate any acknowledgment of debt the alleged financial creditor's purported claim has become time-barred. It is settled law that revival of a debt or claim which has become time-barred is not enforceable.

6.4 It is submitted that the company petition is incomplete and does not confirm to the mandatory requirements as prescribed under the IBC read with the IBBI (Application to Adjudicating Authority) Rules, 2016.



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

6.5 It is submitted that no sum is due or payable and it is denied that the total amount of debt is Rs. 300 million. Since the alleged financial creditor is suing on the credit arrangement letters of 2015, the purported claim of the alleged financial creditor is ex-facie barred by limitation. The facility agreements relied on by the alleged financial creditor do not assist the alleged financial creditor to demonstrate the existence of any debt or default thereof.

6.6 Further it is submitted that in the event the account was classified as NPA on November 30, 2018 and it was assumed that the date of default was November 30, 2018, the alleged financial creditor ought to have approached this Hon'ble Tribunal within three years from November 30, 2018.

6.7 The notice issued on October 31, 2019 or on July 4, 2022 under section 13(2) of the SARFAESI Act, 2002 also does not assist the alleged financial creditor.

6.8 The corporate debtor has in its representation and objection under section 13(3A) of the SARFAESI Act, 2002 dated August 31, 2022 duly pointed out that the financial creditor had in its notice dated November 11, 2019 claimed that a sum of Rs. 35,27,83,387.58/- whereas under the notice dated March 30, 2022, the financial creditor had baselessly demanded a sum of Rs. 49,92,19,233.58/ inclusive of the purported interest which is devoid the terms of the facility agreements availed by the corporate debtor

6.9 That the CD has denied that it has acknowledged or admitted the alleged debt in its balance sheet for the financial year 2022-23. The purported worksheet annexed by the FC is a unilaterally prepared document and does not demonstrate the existence of any debt or default on the part of the CD.



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

7. We have heard the Ld. Counsels of both the parties and perused the documents on record.

8. Analysis and Findings

8.1 The following issues arise for consideration before this Adjudicating Authority:

- i. Whether the present application is barred by limitation;
- ii. Whether the Financial Creditor has established the existence of a financial debt and default on part of the Corporate Debtor.

Issue No. (i): Whether the application is barred by limitation

8.2 The Financial Creditor has stated that the account of the Corporate Debtor was classified as Non-Performing Asset (NPA) on 30.11.2018. In terms of settled law, there is no bar in treating the date of NPA as the date of default for the purpose of computing limitation under the Insolvency and Bankruptcy Code.

8.3 As per Article 137 of the Schedule to the Limitation Act, 1963, the limitation period applicable to applications under Section 7 of the I&B Code is three years from the date on which the right to apply accrues, unless extended by an acknowledgment of debt or payment of part of the debt in accordance with Sections 18 or 19 of the Limitation Act.



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

8.4 Accordingly, the initial period of limitation would have expired on 29.11.2021. The main grievance in the present case is limitation. The Hon'ble Supreme court in *Suo Moto Writ Petition No. (Civil) 03 of 2020* excluded the period from 15.03.2020 to 28.02.2022 for calculating the period of limitation. The relevant para is reproduced herein:

In cases where the limitation would have expired during the period between 15.03.2020 till 28.02.2022, notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from 01.03.2022. In the event the actual balance period of limitation remaining, with effect from 01.03.2022 is greater than 90 days, that longer period shall apply"

Accordingly, the limitation will extend to a further period of 90 days from 01.03.2022 and end on 01.06.2022, meanwhile the OTS was proposed on 11.07.2021. Since there has been entries in the balance sheet for FY 2022-23 expressly acknowledging debt, such acknowledgement of debt would extend the limitation period to a further period of 3 years. Accordingly, the C.P filed on 13.01.2025 is well within time in terms of section 18 of the Limitation Act.

8.5 At this juncture we would refer to the decision of the Hon'ble Supreme Court in *Dena Bank v. C. Shivakumar Reddy* reported in **(2021) 10 SCC 330**, held that:

"A written acknowledgment of debt, including proposals for one-time settlement or restructuring, constitutes acknowledgment under Section 18 of the Limitation Act,



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

thereby giving rise to a fresh limitation period of three years from the date of such acknowledgment.”

8.6 Similarly, in ***Laxmi Pat Surana v. Union Bank of India*** reported in **(2021) 8 SCC 481**, the Hon’ble Supreme Court observed that acknowledgment of debt before the expiry of limitation extends the limitation period even in proceedings under the I&B Code.

8.7 Further, in ***Asset Reconstruction Company (India) Ltd. v. Bishal Jaiswal & Anr.***, reported in **(2021) 6 SCC 366**, the Hon’ble Supreme Court clarified that entries in the balance sheet, if accompanied by an acknowledgment of indebtedness, would also qualify as acknowledgment under Section 18. The Court held that:

“A balance sheet entry, if it shows the subsistence of a liability, constitutes acknowledgment of debt within the meaning of Section 18 of the Limitation Act, 1963, unless accompanied by a disclaimer or qualification denying the liability.”

8.8 Applying these principles, we note that the OTS proposal dated 11.07.2021 was made within three years from the date of default and contains an unequivocal reference to the debt owed to the Financial Creditor. The same is in writing and signed by the Corporate Debtor. Further the entries in balance sheet for FY 2022-23 affirms acknowledgement of debt. Therefore, it satisfies all the conditions under Section 18(1) and results in extension of the limitation period for another three years.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

8.9 It is settled position of law that entries in balance sheets, if not accompanied by an express disclaimer, constitute acknowledgment of liability under Section 18. This principle has been affirmed by ***Asset Reconstruction Company (India) Ltd. v. Bishal Jaiswal & Anr. (2021) 6 SCC 366, Mahabir Cold Storage v. CIT, Patna(1991) 188 ITR 91 (SC), Bengal Silk Mills Co. v. Ismail Golam Hossain Ariff, AIR 1962 Cal 115, South Asia Industries (P) Ltd. v. General Krishna Shamsheer Jung Bahadur Rana, AIR 1982 Del 409***

8.10 Therefore, the balance sheet acknowledgment for FY 2022-23 is sufficient to keep the debt alive.

Issue No. (ii): Existence of Financial Debt and Default

8.11 The Financial Creditor has produced the Credit Arrangement Letters and Facility Agreements evidencing sanction of working capital limits to the Corporate Debtor. The classification of the account as NPA on 30.11.2018 and the Loan Recall Notice dated 12.09.2019 substantiate the occurrence of default.

8.12 As per Section 5(8) of the I&B Code, “*financial debt*” means a debt along with interest, if any, which is disbursed against consideration for the time value of money. The cash credit facilities extended to the Corporate Debtor clearly fall within this definition.

8.13 The Corporate Debtor has not denied availing such facilities but has only disputed the quantum and maintainability of the claim. However, mere denial without documentary support is insufficient to rebut the documentary evidence produced by the Financial Creditor.



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

8.14 The Hon'ble Supreme Court in *Innoventive Industries Ltd. v. ICICI Bank* reported in **(2018) 1 SCC 407**, has authoritatively laid down that at the stage of admission of a Section 7 petition, the Adjudicating Authority has to be satisfied that a default has occurred, a financial debt is due and payable, and the application is complete in all respects. Once these are satisfied, the Adjudicating Authority is duty-bound to admit the application.

8.15 From the documents filed including the loan agreements, CIBIL report, bank statements, and SARFAESI notices, we are satisfied that the Corporate Debtor has committed default in repayment of financial debt due to the Financial Creditor.

9. We have thus discerned the following:

- a. The account of the Corporate Debtor was declared NPA on 30.11.2018.
- b. The OTS proposal dated 11.07.2021, being within the original limitation period, of three years constitutes acknowledgment under Section 18 of the Limitation Act.
- c. The entries in the balance sheet for FY 2022-23 further affirm acknowledgment of debt, thereby extending the limitation to a further period of 3 years.

The Financial Creditor has established the existence of a financial debt and default and the present application is complete, filed within limitation and is maintainable under Section 7 of the I&B Code.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

10. We note that the Ld. Counsel Mr. Rishav Banerjee appearing for the financial creditor, submits that the OTS that has been given by the CD stands rejected and no further offer has been received by them.

11. In the light of the above facts and circumstances, it is, hereby ordered as follows:-

a. The application bearing CP (IB) No. 53/KB/2025 filed by ICICI Bank Limited , the Financial Creditor, under section 7 of the Code read with rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP against Anuj Textiles Private Limited, is **admitted**.

b. There shall be a moratorium under section 14 of the IBC.

c. 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 Corporate Debtor under section 33 of the IBC, as the case may be.

d. Public announcement of the CIRP shall be made immediately as specified under section 13 of the Code read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016

e. **Mr. Anup Kumar Singh**, Registration number: **IBBI/IPA-001/IP-P00153/2017-18/10322**, email id: **anup_singh@stellarinsolvency.com**, is hereby appointed as Interim Resolution Professional (IRP) of the Corporate



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

Debtor to carry out the functions as per the 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 the functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the Code.

f. During the CIRP period, the management 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. The Directors, 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.

g. The Interim Resolution Professional is expected to take full charge of the Corporate Debtor, its assets and its documents without any delay whatsoever, and is also free to take police assistance in this regard, and this Court hereby directs the concerned Police Authorities to render all assistance as may be required by the Interim Resolution Professional in this regard.

h. The IRP/RP shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.



**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT NO.I
KOLKATA**

C.P (IB) NO. 53/KB/2025

i. The Financial Creditor shall deposit a sum of Rs 3,00,000/- (Rupees Three Lakhs only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors (CoC).

j. In terms of section 7(5)(a) of the Code, Court Officer of this Court is hereby directed to communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.

k. Additionally, the Financial Creditor shall serve a copy of this Order on the IRP and on the Registrar of Companies, West Bengal, 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.

12. The C.P (IB) No. 53/KB/2025 to come up on 05.01.2026 for filing the periodical report.

13. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

**Cmde Siddharth Mishra
Member (Technical)**

**Bidisha Banerjee
Member (Judicial)**

This Order is signed on this, the 2nd Day of December, 2025

Oindrila, K. (LRA)