

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
DIVISION BENCH – II, CHENNAI  
CP(IB)/99(CHE)/2025**

*(Filed under Section 10 of the Insolvency and Bankruptcy Code, 2016)*

*In the matter of We Two Engineering Private Limited*

**WE TWO ENGINEERING PRIVATE LIMITED,**

Having its Registered Office at  
3/55, Veteran Lane, Pallavaram,  
Chennai, TN – 600 043

*... Applicant/ Corporate Debtor*

*Order Pronounced on 10.10.2025*

**CORAM**

**SHRI. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)**

**SHRI. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)**

*Present:*

*For Applicant: Mr. A. S. Sathish Kumar, PCS*

**ORDER**

*(Heard through hybrid mode)*

1. The present application has been filed by We Two Engineering Private Limited (“the Corporate Applicant” or “the Corporate Debtor”) under Section 10 of the Insolvency and Bankruptcy Code, 2016 (“the Code”), seeking initiation of the Corporate Insolvency Resolution Process (CIRP) against it. The application has been filed through one of its Directors, Mr. K C Mohanan, duly authorised by a Board Resolution dated 07.04.2025 annexed as **Annexure VII (c)** to the petition.
2. The Corporate Applicant is a private company incorporated under the provisions of the Companies Act, 1956. **Part-I** of the application sets out the particulars of the Corporate Applicant i.e. We Two Engineering

Private Limited. It was incorporated on 09.11.2000 having its Office at 3/55, Veteran Lane, Pallavaram, Chennai, TN – 600 043 with Authorized Capital as Rs.4,15,00,000/- and Paid-Up Capital as Rs.4,15,00,000/-. **Part-II** of the application sets out the particulars of the Proposed Interim Resolution Professional viz., Mr. Madhu Desikan having IP Regn. No. IBBI/IPA-001/IP-P000579/2017-2018/11021. **Part-III** of the application lists the particulars of the Financial / Operational Creditors (**Annexure VI (c)(1) & (2)**), amount of debt in default as Rs.23,36,85,994/- (**Annexure I (1) and (2)**) and date of default as 16.05.2022 set out in **Annexure-I (2)(i)**. It contains the details of debt documents, i.e. Copy of Certificate of Registration for Modification of Charge dated Nov 13, 2020 with respect to charge created in favour of the South Indian Bank Ltd (**Annexure-I (1)(ii)**) and copy of the Notice of Demand dated Jul 14, 2022 issued by the South Indian Bank Ltd u/s 13(2) of The SARFAESI Act, 2002 (**Annexure-I(2)(i)**).

3. It is submitted that the company is engaged in the manufacture and supply of sheet metal press components, tubular products, general engineering products, and sub-assemblies to various Original Equipment Manufacturers (OEMs) in the automobile, electrical, and engineering sectors. It was further submitted that the Corporate Debtor has built up a strong clientele including Ashok Leyland, TVS Group, RANE Group and others.
4. It is submitted that the financial position of the Corporate Debtor deteriorated during the financial years 2020–21 owing to the unprecedented outbreak of COVID-19, which crippled its business operations. The Applicant further contended that the transition from

BS-IV to BS-VI emission norms aggravated the situation, as the Corporate Debtor was equipped only to adhere to BS-IV standards and was required to make substantial investments to comply with BS-VI standards. The Applicant also pointed out that a shortage of transport vehicles during the said period severely impacted the supply chain, resulting in inability to service its debt obligations.

5. It is further submitted that the Corporate Debtor had availed financial facilities from several banks and financial institutions, out of which all dues to other banks were repaid except those owed to the South Indian Bank Limited, the Secured Financial Creditor in the present case. It was stated that the total financial debt raised stood at Rs.23,31,92,000/-, and that the present default amounts to Rs.23,36,85,994/-.
6. It is also submitted that on 16.05.2022, the loan account of the Corporate Debtor was classified as Non-Performing Asset (NPA) by the South Indian Bank Limited. Thereafter, a demand notice under Section 13(2) of the SARFAESI Act, 2002 was issued on 14.07.2022, followed by symbolic possession of secured assets by the said Financial Creditor in October 2022.
7. It is submitted that attempts were made to regularize the dues by entering into a One Time Settlement (OTS) with the Bank, but the same did not fructify. Having exhausted all remedies, the Corporate Debtor submits that it has no alternative but to seek recourse under the provisions of the Insolvency and Bankruptcy Code, 2016.
8. It is also submitted that a Special Resolution was passed by the shareholders on 05.04.2025 approving the initiation of the CIRP under section 10 of IBC, 2016, and a Board Resolution dated 07.04.2025

authorized Mr. K.C. Mohanan, Director of the Corporate Debtor, to file the present application.

9. The Applicant has enclosed the details of total financial debts which is extracted hereinbelow:

Annexure 1(i)(ii)

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**GOVERNMENT OF INDIA**  
MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Chennai

Block No. 6, B' Wing, 2nd Floor Shastri Bhawan 26, Chennai, Tamil Nadu, India, 600034

**Certificate of Registration for Modification of charge**

[Pursuant to section 79(b) of the Companies Act 2013 and sub-rule (2) of rule 6 of the Companies (Registration of Charges) Rules, 2014]

Corporate Identity Number or Foreign Company Registration Number: **U29150TN2000PTC046080**

Name of the company: **WE TWO ENGINEERING PRIVATE LIMITED**

Charge Identification Number: **100147413**

SRN: **R71062160**

REF.: Modification of charge dated 2017-09-27 modified on 2020-10-09 made between WE TWO ENGINEERING PRIVATE LIMITED (OF THE ONE PART) and THE SOUTH INDIAN BANK LIMITED (OF THE OTHER PART)

This is to certify that pursuant to the provisions contained in Chapter VI of the Companies Act, 2013, the above mentioned charge has been modified in the following manner:

Revision in credit facilities from Rs.1544 lakhs to 2331.92 lakhs. Extension of hypothecation charge on stocks, book debts and movable properties to secure the revised credit facilities of Rs.2331.92 lakhs. and the above modification has been registered and assigned a Charge Identification Number as mentioned above in the Register of Charges, in accordance with the provisions contained in that behalf in Chapter VI of the said Act.

Given under my hand at Chennai this thirteenth day of november two thousand twenty.



Registrar of Companies

RoC - Chennai

Mailing Address as per record available in Registrar of Companies office:

**WE TWO ENGINEERING PRIVATE LIMITED**

3/55, VETERAN LANE, PALLAVARAM,, PALLAVARAM,, CHENNAI - 600 043., Tamil Nadu, India, 600043



For WE TWO ENGINEERING PRIVATE LIMITED  
  
Director

10. The Applicant has also not placed the relevant books of accounts evidencing the default, but they have attached copy of the audited financial statements upto 31.03.2024 and provisional financial statements upto 31.03.2025 and its Statement of Affairs upto 31.12.2025.
11. Notice of the petition was directed to be served on the Financial Creditors and the major Operational Creditors.
12. It was also contended that the Corporate Debtor has a revival plan in place and has initiated discussions with potential strategic investors who have expressed interest to infuse funds into the company. Being registered as an MSME, the promoters of the Corporate Debtor are entitled under the Code to submit a resolution plan without competing with third parties, thereby increasing the prospects of a successful resolution.
13. It is also submitted that the Corporate Debtor is no longer viable to continue its operations outside of a formal resolution framework, and has therefore sought admission of the present application for initiation of CIRP under Section 10 of the Code.
14. It is further submitted that all the statutory requirements for filing the present application under Section 10 of the Code have been duly complied with. The existence of debt and default is established, and the Corporate Debtor is not hit by the disqualifications under Section 11 of the Code.
15. It is also submitted that a Special Resolution was passed by the shareholders on 05.04.2025 approving the initiation of the CIRP under section 10 of IBC, 2016, and a Board Resolution dated 07.04.2025

authorized Mr. K.C. Mohanan, Director of the Corporate Debtor, to file the present application.

16. We have carefully heard the submissions of the Learned Counsel for the Applicant/ Corporate Debtor and also taken note of the statement of the Secured Financial Creditor, the South Indian Bank Limited, which has categorically submitted that it has no objection to the admission of the present petition filed under Section 10 of the Insolvency and Bankruptcy Code, 2016.
17. From the records placed before us, it is evident that the operations of the Corporate Debtor were severely impacted during the COVID-19 pandemic (2020–21), which coincided with the transition from BS-IV to BS-VI emission standards. The requirement of additional capital investment, coupled with disruptions in logistics, rendered the Corporate Debtor incapable of servicing its debt obligations.
18. It is further observed that the Corporate Debtor had availed financial assistance from various banks, and as on date, only the dues owed to the South Indian Bank Limited remain unpaid. The debt amounting to Rs.23,31,92,000/- and default to the tune of Rs.23,36,85,994/- stand admitted by the Corporate Debtor itself. The said loan account has been classified as a Non-Performing Asset (NPA) on 16.05.2022, followed by the issuance of a demand notice under Section 13(2) of the SARFAESI Act, 2002, and subsequent symbolic possession of secured assets in October 2022.
19. We also take note that the Corporate Debtor had approached the Financial Creditor for a One Time Settlement (OTS) of dues, but the same did not succeed. Having failed in its efforts, the Corporate Debtor

has come before this Tribunal seeking resolution through the structured mechanism of the IBC. Importantly, the Financial Creditor has not raised any objection to the initiation of the Corporate Insolvency Resolution Process (CIRP).

20. The Corporate Debtor has further submitted that it has a revival plan in contemplation and that potential investors have already shown interest in participating in the resolution process. Since the Corporate Debtor is an MSME, its promoters are entitled to submit a resolution plan without competing with third parties in terms of the beneficial provisions of the Code. This aspect lends weight to the possibility of a viable resolution and revival of the Corporate Debtor.

21. Upon perusal of the material on record, including the petition and the accompanying documents, this Adjudicating Authority is satisfied that a default has occurred and that the application is fit for admission under Section 10 of the Code.

22. Ld. Counsel for the Applicant submits that the application filed under Form-6 furnishes all the requisite and relevant particulars. The Applicant has furnished various details regarding the financials, compliances and operations of the Company.

23. Ld. Counsel submits that the Operational Creditors have not objected to the existence of debts owed to them. Ld. Counsel submits that the workmen of the Company are protected by Section 53 and Section 30 of the IBC. Ld. Counsel submits that none of the creditors have alleged that the Applicant is disqualified under Section 11 of IBC.

24. Section 10 of IBC, 2016 provides as under:

***“Section 10. Initiation of corporate insolvency resolution process by corporate applicant.***

*(1) Where a corporate debtor has committed a default, a corporate applicant thereof may file an application for initiating corporate insolvency resolution process with the Adjudicating Authority.*

*(2) The application under sub-section (1) shall be filed in such form, containing such particulars and in such manner and accompanied with such fee as may be prescribed.*

*(3) The corporate applicant shall, along with the application furnish the information relating to-*

*(a) its books of account and such other documents relating to such period as may be specified; and*

*(b) the resolution professional proposed to be appointed as an interim resolution professional.*

*(c) the special resolution passed by shareholders of the corporate debtor or the resolution passed by at least three-fourth of the total number of partners of the corporate debtor, as the case may be, approving filing of the application.*

*(4) The Adjudicating Authority shall, within a period of fourteen days of the receipt of the application, by an order--*

*(a) admit the application, if it is complete; <sup>2</sup>[and no disciplinary proceeding is pending against the proposed resolution professional]; or*

*(b) reject the application, if it is incomplete: <sup>2</sup>[or any disciplinary proceeding is pending against the proposed resolution professional:]*

*Provided that Adjudicating Authority shall, before rejecting an application, give a notice to the applicant to rectify the defects in his application within seven days from the date of receipt of such notice from the Adjudicating Authority.*

*(5) The corporate insolvency resolution process shall commence from the date of admission of the application under sub-section (4) of this section.”*

25. In the instant case, the amount of debt is more than Rs. 1.0 Crore i.e. more than the minimum threshold. The Applicant has also given the date of default in repayment of loans. It has been submitted that the credits taken are genuine; the money was pumped into the Company through proper banking channels; the proceeds were used for repayment to the lenders and for the operations; there are no suspicious/ fraudulent transactions; and the valuation of inventories was carried out independently by the auditors.

26. The Hon'ble National Company Law Appellate Tribunal (hereinafter, Hon'ble NCLAT), New Delhi in *M/s. Unigreen Global Private Limited vs. Punjab National Bank and others (Company Appeal (AT) (Insolvency) 81/2017)*, held that if an application under Section 10 is complete and in absence of any ineligibility of Corporate Applicant, the Adjudicating Authority is bound to admit the application. The relevant portion of the judgement is reproduced hereunder,

*"22. Section 10 does not empower the Adjudicating Authority to go beyond the records as prescribed under Section 10 and the informations as required to be submitted in Form 6 of the Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules, 2016 subject to ineligibility prescribed under Section 11. If all informations are provided by an applicant as required under Section 10 and Form 6 and if the Corporate Applicant is otherwise not ineligible under Section 11, the Adjudicating Authority is bound to admit the application and cannot reject the application on any other ground"*

27. In the case of *"Go Airlines (India) Limited, CP/IB-264(PB)/2023"*, which was affirmed by the Hon'ble NCLAT in *Company Appeal (AT) [Insolvency] No. 593 of 2023*, it was held as under:

*“34. Further, we are conscious of the fact that hearing each and every Creditor, under Section 10 of IBC 2016, can cause an inordinate delay in the conclusion of the proceeding, which may result in the erosion of the value of the assets and defeat the very purpose of value maximization and ultimately, the revival of the Corporate Applicant, which is not the objective of the IBC. As we have seen above, in the Application to Adjudicating Authority Rules, 2016, even the right to serve a copy of a Section 10 Application is not conferred to the Creditor(s). Hence, in view of the above, we conclude that in Section 10 proceedings, though there is no mandatory requirement of issuing notice to the Creditor(s) at the pre-admission stage, rather giving notice to the Creditor(s) is a matter of discretion to be exercised on a case-to-case basis on valid grounds. Wherever there is a clear apprehension of deterioration of assets of the Corporate Applicant/Debtor and larger public interest is involved, issuance of notice at the pre-admission stage cannot be claimed as a matter of right.*

*(...)*

*43. We observe that Section 65 only uses the word “initiates”, and does not make any distinction like the stage of pre-admission or post admission of CIRP, and from the reading of Sub-section (1), it transpires that the provision is applicable not only on the date on which a financial creditor / operational creditor or corporate applicant, as the case may be, makes an application to the Adjudicating Authority for initiating corporate insolvency resolution process but certainly, not limited to and may extend to the period of Liquidation, as the case may be. Needless to say, that fraud vitiates all acts. There could be instances where the fraudulent act is detected much after the commencement of CIRP. If a narrow interpretation of Section 65 of IBC 2016 is taken i.e., limiting its applicability to the pre-admission stage, then Section 65 will have no relevance. Therefore, Section 65 of IBC can be resorted by an aggrieved party at any stage, be it preadmission or post-admission. Accordingly, we conclude that there is no bar in entertaining/considering/adjudicating a Section 65 Application after the initiation of the CIR Process.*

*44. Further, as we have noted earlier, as of the date of the hearing, there was no Section 65 Application filed/pending/listed before this Adjudicating Authority. Keeping in mind the urgency of the instant case, to protect and maximize the value of the Assets in line with the objectives of IBC, employment involved, and the larger public interest, the judicial propriety demands it will not be apt to wait for the filing of the Section 65 Application. Hence, we would like to proceed ahead with the examination of the Section 10 Application on merits.”*

28. This Tribunal is satisfied that there is a default in the repayment of debt and the application filed under Section 10 is complete with all the necessary information. Further, the Corporate Applicant is not ineligible to make an application as per Section 11 of IBC, 2016. Therefore, we are of the view that this Company application is required to be admitted u/s 10 of the Code. The circumstances justify the initiation of CIRP against the Corporate Debtor so that an effective resolution plan can be explored in the larger interest of all stakeholders. We order accordingly.

29. The Corporate Applicant has proposed the name of **Mr. Madhu Desikan**, having **Regn. No. IBBI/IPA-001/IP-P00579/2017-2018/11021** as the Interim Resolution Professional (IRP) and we appoint **Mr. Madhu Desikan**, having **Registration No. IBBI/IPA-001/IP-P00579/2017-2018/11021 (E-mail ID: [desikan.madhu@gmail.com](mailto:desikan.madhu@gmail.com)) (AFA Valid till 31.12.2025)** forming part of the Panel of IPs recommended by IBBI in accordance with, “Insolvency Professionals to act as Interim Resolution Professionals, Liquidators, Resolution Professionals and Bankruptcy Trustees (Recommendation) Guidelines, 2024”, as the IRP in the present application. The IRP who is appointed shall take forward the process of Corporate Insolvency Resolution of the Corporate Debtor. The IRP

appointed shall take in this regard such other and further steps as are required under the Statute, more specifically in terms of Section 15, 17, 18 of the Code and file his report within 20 days before this Bench. The powers of the Board of Directors of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

30. As a consequence of the Application being admitted in terms of Section 10 of the Code, moratorium as envisaged under provisions of Section 14(1) and as extracted hereunder shall follow in relation to the Corporate Debtor;

- a. The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent 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 respondent.

*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 licence, permit, registration, quota, concession, clearance 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 or a similar grant or right during moratorium period;

31. However, during the pendency of moratorium period in terms of Section 14(2) and 14(3) as extracted hereunder;

(2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.

(2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.

(3) The provisions of sub-section (1) shall not apply to

- (a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;
- (b) a surety in a contract of guarantee to a corporate debtor.

32. The duration of period of moratorium shall be as provided in Section 14(4) of the Code which is reproduced below for ready reference;

(4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process:

*Provided that* where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating Authority approves the Resolution Plan under sub-Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.

33. The Corporate Applicant is directed to pay a sum of **Rs.2,00,000/- (Rupees Two Lakh only)** to the Interim Resolution Professional to meet out the expenses and to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

34. Based on the above terms, the Petition stands **admitted** in terms of Section 10 of the Code and the Moratorium shall come into effect as of

this date. A copy of the Order shall be communicated to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named shall also be furnished with copy of this Order forthwith by the Registry, who will communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

35. Accordingly, **CP(IB)/99(CHE)/2025** stands **admitted**.

-Sd-

**RAVICHANDRAN RAMASAMY**  
MEMBER (TECHNICAL)

-Sd-

**JYOTI KUMAR TRIPATHI**  
MEMBER (JUDICIAL)