

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH-I, CHENNAI**

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **02.04.2026** THROUGH VIDEO CONFERENCING

CORAM: **HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)**
 HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER :

PETITION NUMBER : CP(IB)/109(CHE)/2025

NAME OF THE PETITIONER(S) : Central Bank of India

NAME OF THE RESPONDENT(S) : M/s. Candid Industries Ltd.

UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

ORDER

Present: Ms. Clara Hepsiba S., Ld. Counsel for the Petitioner/.
 Shri. Ashlin Christo, Ld. Counsel for the Respondent/Corporate Debtor.

Vide separate order pronounced in the Open Court, petition is admitted. CIRP is initiated against the Corporate Debtor, Candid Industries Ltd.

Shri. Duraisamy is appointed as the IRP.

Sd/-
[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)

Sd/-
[SANJIV JAIN]
MEMBER (JUDICIAL)

vs

Date: 02.04.2026

**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – I, CHENNAI**

CP/109/IB/CB/2025

[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 Candid Industries Limited

Central Bank of India,
Stressed Assets Management Branch,
No. 48-49, Montieth Road,
Chennai 600008

...Petitioner

Vs

Candid Industries Limited,
(Future Tech Industries Limited)
CIN: U18100TG1991PLC013088
S.No. 308, Plot No 1,
Srivenkateswara Co-operative Industrial Estate,
Jeedimetla,
Hyderabad,-500055,
Telengana , India
E mail: futuretech91@gmail.com

...Respondent

Order pronounced on 2nd April 2026

CORAM :

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Central Bank of India :
For Candid Industries Limited :

Counsel Shri. Ebenezer Inbaraj
ExParte

ORDER
(Heard Through Hybrid Mode)

1. This petition *CP IB 109 CHE 2025* has been filed by Central Bank of India, financial creditor on 22.04.2025 under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “the AAA Rules”) through Mr. Santosh Kumar Santosh , Assistant General Manager for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) in respect of Candid Industries Limited, the Corporate Debtor (CD).
2. It is stated that Petitioner Bank along with other banks sanctioned credit facility to Best & Crompton Engineering Projects Limited for which respondent Candid Industries Limited (Future Tech Industries Limited) stood as Corporate Guarantor.
3. In Part III , the petitioner recommended the name of V.Duraisamy with registration no IBBI/IPA-002/IP-N00609/2018-2019/11862 as Interim Resolution Professional . Written consent is also obtained.

4. Part IV deals with the details of financial debt. The petitioner sanctioned various working capital limits to the Principal Debtor for Rs. 120 crores on 30.11.2010. It is stated that amount in default as per Demand Notice issued by DRT on 14.08.2018 was Rs.507,22,85,234.93 (Rupees Five Hundred and Seven Crores Twenty-two Lakhs Eighty-five Thousand Two Hundred Thirty-four and paise Ninety-three Only) out of which Rs.213,34,70,741/- (Rupees Two Hundred and Thirteen Crores and Thirty-four Lakhs and Seventy Thousand and Seven Hundred and Forty-one Only) were due and payable to the petitioner. It is stated that as on 08.07.2024 the amount due to petitioner Central Bank of India was Rs. 318,89,95,472/-. A separate calculation sheet has been enclosed.

5. The petitioner relies on following documents to substantiate its claims:

PARTICULARS OF FINANCIAL DEBT [DOCUMENTS, RECORDS AND EVIDENCE OF DEFAULT]	
1.	Particulars of security held, if any, the date of its creation, and its estimated value as per the creditor: Security for due repayment of the credit facilities of Rs.300 Cr. availed by M/s Best and Crompton Engineering Projects Ltd., Chennai from CBI Consortium by mortgage of the Immovable Property of the Company situated at within the Thiru-Vik-Ka Industrial Estate, Guindy, Chennai 600 032 in the state of Tamilnadu in addition to the property situated at B/1- 504, Marathon Innova, Opp. Peninsula Corporate Park, off. Ganapatrao Kadam Marg, Lower Parel, Mumbai, already charged. Date of Creation: 12.10.2011 and subsequently modified and registered. Estimated Value: Not Valued Certificate of registration of charge issued by the registrar of companies is annexed and marked as Annexure - I(3)
2.	Particulars of an order of a court, tribunal or arbitral panel adjudicating on the default, if any 1. Copy of the Final order dated 18.05.2018 in the OA 457/2014 DRT - 2 Chennai is attached herewith and marked as Annexure - I(7) 2. Copy of the DRC issued dated 17.07.2018 in favour of Consortium Banks is attached herewith and marked as Annexure - I(8) 3. Copy of the Demand Notice dated 14.08.2018 served on the Respondent is attached herewith and marked as Annexure - I(9) 4. Copy of the Order dated 04.04.2025 in C.P.(IB)/183/CHE/2024 passed by the Hon'ble NCLT, Chennai Bench- I is attached herewith and marked as Annexure - I(13)
3.	Record of default with the information utility: NeSL Report. A copy of the NeSL Report recording date of defaults, obtained on 29.04.2024 is attached herewith and marked as Annexure - I(12)
4.	Details of succession certificate, or probate of a will, or letter of administration, or court decree (as may be applicable), under the Indian Succession Act, 1925 (10 of 1925) Not Applicable

5.	The latest and complete copy of the financial contract reflecting all amendments and waivers to date: 1) Sanction Letter dated 30.11.2010 is attached herewith and marked as Annexure - I(2) 2) Working Capital Consortium Agreement Dated 12.10.2011 is attached herewith and marked as Annexure - I(4) 3) Joint Deed of Hypothecation dated 12.10.2011 is attached herewith and marked as Annexure - I(5) 4) Guarantee Agreement of M/s. Candid Industries Limited (Future Tech Industries Limited) dated 12.10.2011 is attached herewith and marked as Annexure - I(6)
6.	A record of default as available with any credit information company NeSL Report. A copy of the NeSL Report recording date of defaults, obtained on 29.04.2024 is attached herewith and marked as Annexure - I(12)
7.	Copies of entries in a bankers book in accordance with the Bankers Books Evidence Act, 1891 (18 of 1891) : Statement of Accounts with respect to dues as per the DRC is attached herewith and marked as Annexure- I(11)
8.	List of other documents attached to this application in order to prove the existence of financial debt, the amount and date of default: Standalone Audited Financial Statements for period 01/04/2021 to 31/03/2022 of M/s. Best & Crompton Engineering Projects Limited is attached herewith and marked as Annexure - I(10)

Submissions of the Petitioner

6. It is stated that *Candid Industries Limited* (Future Tech Industries Limited) is a Guarantor to principal debtor '*Best & Crompton Engineering Projects Limited*' which was granted credit facilities by individual banks. From December 2010, consortium lending arrangement was sanctioned to principal debtor, wherein Petitioner Bank was consortium leader and Andhra Bank and Corporation Bank (now merged with Union Bank of India) were the other members of the consortium.

7. It is stated that credit facilities extended to Best & Crompton Engineering Projects Limited were guaranteed by the respondent Candid Industries Limited (Future Tech Industries Limited). Candid Industries Limited (Future Tech Industries Limited) mortgaged certain properties to secure the credit facilities sanctioned to Best & Crompton Engineering Projects Ltd and executed guarantee documents.

8. It is stated that the Principal Debtor was not servicing the interest on various dates with the consortium banks and consequently the account of the company was classified as NPA in the books of the consortium banks. Thereafter on 15.04.2014, consortium banks filed an

Original Application before the *Debt Recovery Tribunal, Chennai* and filed a proof affidavit and supporting documents. Debt Recovery Tribunal passed final order on 18.05.2018 in **OA 457/2014** allowing the OA and issued a Recovery Certificate for an amount of Rs.507,22,85,234.93 (Rupees Five Hundred and Seven Crores Twenty-two Lakhs Eighty-five Thousand Two Hundred Thirty-four and paise Ninety-three Only) out of which Rs.213,34,70,741/- (Rupees Two Hundred and Thirteen Crores and Thirty-four Lakhs and Seventy Thousand and Seven Hundred and Forty-one Only) was due and payable to Petitioner. As on 08.07.2024, an amount of Rs.318,89,95,472/- (Rupees Three Hundred and Eighteen Crores and Eighty Nine Lakhs and Ninety Five Thousand and Four Hundred and Seventy-two Only) is payable to Central Bank of India under the pending DRC.

9. It is stated that Recovery Officer issued a Demand Notice to the Principal Corporate Debtor and the respondent Corporate Guarantor along with other guarantors on 14.08.2018 calling to repay the DRC amount but the Corporate Debtor defaulted to pay the same, It is stated that Principal Debtor acknowledged the default in its balance sheet for

the financial year 2021 - 2022. The default was accepted and acknowledged by the Principal debtor, Best & Crompton Engineering Projects in April 2024 in response to record of default intimated by the NeSL Information Utility.

10. It is stated that the *Principal Corporate Debtor Best & Crompton Engineering Projects Limited* was admitted into *Corporate Insolvency Resolution Process* vide order dated 04.04.2025 in **C.P.(IB)/183/CHE/2024** passed by the NCLT, Chennai Bench- I.

Analysis and findings

11. We have heard the counsel for the petitioner and perused the pleadings.

12. It is observed that Corporate Guarantor did not appear before the tribunal despite notice. This tribunal vide order dated 29.05.2025 ordered the petitioner to serve notice to the Respondent/ Corporate Debtor returnable on 08.07.25. Ld Counsel for Petitioner filed Affidavit of Service dated 14.06.2025 stating that respondent has been communicated through e-mail. An additional AOS dated 18th June 2025 was filed stating that notice sent to the Respondent by RPAD was

returned with the endorsement "Addressee Left without instructions". Tribunal vide order dated 08.07.2025 directed the petitioner to effect service through substituted mode by publication in the leading newspapers having wide circulation in the area of Telangana as registered office of respondent is in Hyderabad. Petitioner filed Affidavit of Service dated 25.08.2025 stating that the notice was published in Business Standard (English Version) Mana Telengana ("Telugu version") on 12.08.2025 enclosing copies of the paper publications. Tribunal on 10.10.2025 gave one more opportunity for the respondent to appear and make submissions and listed the matter for hearing on 28.11.2025. On 28.11.2025 , after repeated calls no one was present for the respondent, respondent was made ex-parte by the tribunal.

13. When petitioner was enquired about how the petition is maintainable before this tribunal against the respondent whose registered office is situated at Hyderabad , petitioner clarified that the Principal Corporate Debtor's registered office is within the jurisdiction of State of Tamilnadu. Though, the registered office of the Corporate Guarantor is in Hyderabad, but since the Corporate Debtor's office is in

the State of Tamilnadu, this Tribunal has jurisdiction against Corporate Guarantor. It is stated that CIRP was already initiated against the Corporate Debtor **Best & Crompton Engineering Projects Limited** in CP/183/2024 vide order dated 04.04.2025.

14. It is observed that Principal Corporate debtor acknowledged its liability in the Balance sheets upto Financial Year 2021-22. Further on 28.04.2024 it acknowledged the debt with NeSL and this petition has been filed on 21.04.2025. As per Section 128 of Contract Act 1872 , the liability of guarantor is co existing with that of principal borrower. Hence the petition has been filed within limitation period.

15. Demand Notice was issued by Recovery Officer to the Principal Corporate Debtor and the respondent Corporate Guarantor along with other guarantors on 14.08.2018 calling to repay the DRC amount. As the amount was not paid, present petition has been filed against the respondent.

16. Relevant portion of NeSL acknowledgement by Principal Debtor is appended below:

Authentication Completed on	Not Applicable
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Date of Submission	01-02-2024 17:48:50
Type of Submission	Default Submission
Submission ID	9
Submitted by (CREDITOR)	M/s CENTRAL BANK OF INDIA
Debtor	M/s BEST AND CROMPTON ENGINEERING PROJECTS LTD
Default Amount	739661239.00
Status of Authentication by Debtor	AUTHENTICATED
Authentication Completed on	28-04-2024 00:04:03

17. Hon'ble Supreme Court in **BRS Ventures Investments Ltd vs SREI Infrastructure Finance Ltd & Anr** , in *Civil Appeal No 4565 of 2021* vide its order dated 23rd July 2024 dealt with CIRP of corporate guarantor as under:

LIABILITY OF GUARANTOR / SURETY

14. As far as the guarantee is concerned, the law is very well settled. The liability of the surety and the principal debtor is co-extensive. The creditor has remedies available to recover the amount payable by the principal borrower by proceeding against both or any of them. The creditor can proceed against the guarantor first without exhausting its remedies against the principal borrower.

SIMULTANEOUS PROCEEDINGS UNDER THE IBC AGAINST THE CORPORATE DEBTOR AND GUARANTOR

19. Now, we turn to the provisions of the IBC. Sub-section (8) of Section 5 defines financial debt. Clauses (a) and (i) of sub-section (8) show that the money borrowed against the payment of interest and the amount of any liability in respect of any guarantee for repayment of the loan covered by clause (a) have been put under separate headings. Thus, the liability of the guarantor or surety is a financial debt, and even the money borrowed against the payment of interest is also a financial debt. In the light of these provisions, Section 60 of the IBC is relevant, which reads thus:

"60. Adjudicating Authority for corporate persons. -

(1) The Adjudicating Authority, in relation to insolvency resolution and liquidation for corporate persons including corporate debtors and personal guarantors thereof shall be the National Company Law Tribunal having territorial jurisdiction over the place where the registered office of a corporate person is located.

(2) Without prejudice to sub-section (1) and notwithstanding anything to the contrary contained in this Code, where a corporate insolvency resolution process or liquidation proceeding of a corporate debtor is pending before a National Company Law Tribunal, an application relating to the insolvency resolution or liquidation or bankruptcy of a corporate guarantor or personal guarantor, as the case may be, of such corporate debtor shall be filed before the National Company Law Tribunal.

(3) An insolvency resolution process or liquidation or bankruptcy proceeding of a corporate guarantor or personal guarantor, as the case may be, of the corporate debtor pending in any court or tribunal shall stand transferred to the Adjudicating Authority dealing with insolvency resolution process or liquidation proceeding of such corporate debtor.

28. Hence, we summarize some of our conclusions as under :

a. -----

b.-----

c. The financial creditor can always file separate applications under Section 7 of the IBC against the corporate debtor and the corporate guarantor. The applications can be filed simultaneously as well;

18. In view of the facts stated supra and the legal position supra, this Tribunal admits the present petition and initiates the Corporate Insolvency Resolution Process in relation to the Corporate Guarantor viz., Candid Industries Limited.

19. The petitioner in Part III of Form I has proposed the name of IRP as 'Shri. V. Duraisamy' with Registration number IBBI/IPA 02/IPN 00609/ 2018-19/11862. The proposed IRP has given his consent to act as Interim Resolution Professional and his AFA is available till December 2026. Hence 'Shri. V. Duraisamy' is appointed as IRP.

ORDER

20. In view of the aforesaid findings, the Petition bearing C.P.(IB) No.109/CHE/2025 filed under Section 7 of the Code by Central Bank of India , the Petitioner , for initiating CIRP in respect of Candid Industries Limited, the Corporate Debtor is hereby admitted.

21. As per Section 17 (1) of IBC , from the date of appointment of the interim resolution professional,--

(a) the management of the affairs of the corporate debtor shall vest in the interim resolution professional;

(b) the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the interim resolution professional;

(c) the officers and managers of the corporate debtor shall report to the interim resolution professional and provide access to such documents and records of the corporate debtor as may be required by the interim resolution professional;

(d) the financial institutions maintaining accounts of the corporate debtor shall act on the instructions of the interim resolution professional in relation to such accounts and furnish all information relating to the corporate debtor available with them to the interim resolution professional.

22. We further declare moratorium under Section 14 of the Code with consequential directions as mentioned below: -

I. We prohibit

- 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 Securitisation 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 possession of the Corporate Debtor.

II. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.

III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under Section 31(1) of the Code or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.

IV. That the public announcement of the CIRP shall be made immediately as specified under Section 13 of the Code read with Regulation 6 of the IBBI(Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.

V. That this Bench hereby appoint **‘Shri. V. Duraisamy’** with **Registration number IBBI/IPA 02/IPN 00609/ 2018-19/11862** and e-mail address *karurduraisamy@gmail.com* having valid Authorisation for Assignment up to 31.12.2026 as the Interim Resolution Professional to carry out the functions under the Code.

VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.

VII. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of the Code. The officers and managers of the Corporate Debtor, the Corporate Debtor are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. 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/RP within a period of one week from the date of receipt of this Order

and shall not commit any offence punishable under Chapter VII of Part II of the Code. Coercive steps will follow against them under the provisions of the Code read with Rule 11 of the NCLT Rules for any violation of law.

VIII. That the IRP/IP shall submit to this Tribunal periodical reports with regard to the progress of the CIRP in respect of the Corporate Debtor.

IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Applicant is directed to deposit a sum of **Rs.3,00,000/- (Rupees Three**

Lakhs) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid back to the Applicant on priority upon the funds available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.

X. A copy of this Order be sent to the Registrar of Companies, Telangana, Hyderabad for updating the Master Data of the Corporate Debtor.

XI. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.

XII. The Registry is directed to immediately communicate this Order to the Applicant, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.

XIII. Compliance report of the order by Designated Registrar is to be submitted today.

23. Accordingly, **CP (IB) 109 CHE 2025 stands admitted**. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

-Sd-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)