



IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT- I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **01.09.2025** THROUGH VIDEO CONFERENCE

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

Application No :
Petition No : CP(IB)/1/CHE/2025
Name of Petitioner : The karur Vysya Bank Ltd
& Vs
Name of Respondent : Ran India Steels Pvt Ltd
Section : 7 Rule 4 of IBC, 2016

ORDER

CP(IB)/1/CHE/2025

Present: Mr. Gowthaman, Ld. Counsel for Petitioner.
None for Respondent.

Vide separate Order pronounced in open Court, Petition is admitted.

Corporate Insolvency Resolution Process is initiated against the Corporate Debtor i.e. Ran India Steels Pvt Ltd.

Mr. P.Balasubramanian is appointed as IRP.

-sd-

[VENKATARAMAN SUBRAMANIAM]
MEMBER (TECHNICAL)

MS

-sd-

[SANJIV JAIN]
MEMBER (JUDICIAL)

Date: 01.09.2025



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

CP/IB/1/CHE/2025

(filed under section 7 of the Insolvency and Bankruptcy Code,2016)

In the matter of **RAN INDIA STEELS PRIVATE LIMITED**

Karur Vysya Bank Limited,
No.20, Erode Road,
Vadivel Nagar, L.N.S Karur,
Tamil Nadu, India - 639002.

...Financial Creditor/ Petitioner

-VS-

Ran India Steels Pvt Ltd
First Floor, New No.510, Old No.164,
T.T.K.Road, Alwarpet, Chennai,
Tamil Nadu, India, 600018

... Corporate Debtor/ Respondent

Order pronounced on 1st September 2025

CORAM :

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

*For Petitioner : N.P. Viiaykumaa. R. Pradeep, M. Navaneethakrishnan,
Anish G K, Advocates*

For Respondent : A.S. Sathish Kumar, Ld. PCS, Roshan Atiq, Advocate



ORDER

1. This petition under Section 7 of the Insolvency and Bankruptcy, 2016 (“IBC”) read with Rule 4 of the Insolvency and Bankruptcy Board of India (Petition to Adjudicating Authority) has been filed by **Karur Vysya Bank** (hereinafter referred to as “**Petitioner/Financial Creditor**”) against **Ran India Steels Private Limited** (hereinafter referred to as “**Respondent/Corporate Debtor**”) to initiate Corporate Insolvency Resolution Process (“CIRP”) against the Corporate Debtor.

2. **Part-I** of the petition sets out the details of the Petitioner/Financial Creditor. Its Registered Office is situated at No.20, Erode Road, Vadivel Nagar, L.N.S Karur, Tamil Nadu, India - 639002. The Financial Creditor is represented by its Chief Manager, P.S. Sundaravarathan. (The power of attorney of P.S. Sundaravarathan is appended at **Pgs. 335-339** of the petition typeset.) **Part-II** of the petition sets out the details of the Corporate Debtor. It has its Registered Office at First Floor, New No. 510, Old No.164, T.T.K. Road, Alwarpet, Chennai, Tamil Nadu, India, 600018. It was incorporated on 25.05.1995 with Authorized Capital of Rs.3,10,00,000/- (Rupees Three Crores Ten Lakhs only) and Paid-up Share Capital of Rs. 2,61,08,100/- (Rupees One Crore Ninety Lakhs Eighteen Thousand only).



3. In **part-III** of the petition, the Petitioner has proposed the name of the Interim Resolution Professional, P. Balasubramanian having Registration IBBI/IPA-001/IP-P-02867/2024-2025/14404.

4. **Part-IV** of the petition sets out the details of amount of financial debt disbursed i.e., Rs. 60,19,00,000/- (Rupees Sixty Nineteen Fifty Lakhs only) in the form of open cash credit, inland letter credit/ foreign letter credit, working capital term loan/ guaranteed emergency credit limit. Out of the credit facility extended, the total debt due is Rs. 21,57,94,893.02/- (Rupees Twenty One Crore Fifty Seven Lakhs Ninety Four Thousand Eight Hundred and Three and Two Paise only) along with interest is due. The date of default is stated to be 14.12.2023.

5. The details of loan facilities availed by the Corporate Debtor from the Financial Creditor are extracted below,

Nature of facility	Default Amount in Rs.
Open Cash Credit (OCC)	12,07,12,741/- Along With interest @14.20%
Working Capital Term Loan (WCTL) Guaranteed Emergency Credit Limit (GECL) 2.0	5,67,07,636.15/- Along With interest @9.25%



Working Capital Term Loan (WCTL)-Guaranteed Emergency Credit Limit (GECL) 2.0 Extn	3,83,74,515.87/- Along With interest @9.25%
Total	21,57,94,893.02/-

6. It is stated that the Corporate Debtor sanctioned the above credit facilities by securing the movable and immovable assets of the Corporate Debtor by creating equitable mortgage by deposit of title deeds with the Petitioner/ Financial Creditor Bank. However, the Corporate Debtor committed default in its loan payments and its account was declared as a Non-Performing Asset (NPA) on 14.12.2023.

7. The details of the outstanding due from the Corporate Debtor to the Financial Creditor are as below:

Nature of facility and date	Amount in Rs.
Open Cash Credit (OCC) 31.07.2023. Sanction letter is filed as Annexure –III	20,00,00,000/-
Inland Letter Credit/Foreign Letter Credit (ILC/FLC)- 31.07.2023. Sanction letter is filed as Annexure -III	30,00,00,000/-
Working Capital Term Loan (WCTL) - Guaranteed Emergency Credit Limit (GECL)- 2.0- 24.09.2021. Sanction letter along with Agreement cum Undertaking are filed as Annexure -IV	6,75,00,000/-



Working Capital Term Loan (WCTL)- Emergency Guaranteed Credit Limit (GECL) - 2.0 Extn 10.02.2022. Sanction letter along with Agreement cum undertaking are filed as Annexure –V	3,44,00,000/-
Total	60,19,00,000/-

8. **Part – V** of the Petition discloses the details of the documents filed with the Petition by the Financial Creditor to prove the existence of 'Financial debt' and the same are enumerated hereunder: -

- i. *Open Cash Credit Sanction Letter dated 31.07.2023 as **Annexure III***
- ii. *Sanction Letter/Agreement cum undertaking dated 24.09.2021 as **Annexure IV***
- iii. *Sanction Letter/Agreement cum undertaking dated 04.02.2022 as **Annexure V***
- iv. *Registered Memorandum Extension of Equitable Mortgage by way of Deposit of title Deeds is registered as Document No. 4967 of 2021., executed by the Respondent in favour of Financial Creditor, registered at SRO, Radhapuram on 12.11.2021 is filed as **Annexure VI**.*
- v. *Memorandum of Extension of Equitable Mortgage by way of Deposit of title Deeds, registered as Document No. 8359 of 2021 at SRO, Tiruchengode on 20.11.2021 is filed as **Annexure VII**.*
- vi. *Registered Memorandum Extension of Equitable Mortgage by way of Deposit of title Deeds is registered as Document No. 644 of 2022, executed by the Respondent in favour of Financial Creditor, registered at SRO, Radhapuram on 07.02.2022 is filed as **Annexure VIII**.*
- vii. *Registered Memorandum Extension of Equitable Mortgage by way of Deposit of title Deeds dated 07.02.2022 is registered on 09.02.2022 as Document No. 1151 of 2022, executed by the Respondent in favour of*



the Financial Creditor, registered at SRO, Tiruchengode is filed as Annexure IX.

- viii. *The copy of Demand Notice dated 15.02.2024 sent by Financial Creditor to the Corporate Debtor along with Guarantors and tracking issued by the Deputy Postmaster, Coimbatore is filed as Annexure X.*
- ix. *The copy of Credit Facility Report from NeSL generated as on 22.08.2024 is filed as Annexure XI*
- x. *Copies of Entries in a Bankers Book in Accordance with the Bankers Books Evidence Act, 1981 is filed as Annexure XII.*
- xi. *The Statement of Accounts of the Corporate Debtor is filed as Annexure XIII*

9. The Petitioner has filed NeSL Credit Facility Report as generated on 22.08.2024 showing a total outstanding liability of the Corporate Debtor of INR 9936.14 lakhs and USD 661.64. (The Credit Report Facility dated 22.08.2024 is annexed and marked as *Annexure XI* of the petition typeset.)

10. The directors of the Corporate Debtor, Balasubramanian Ganesan and, Prabhakaran Saravanaprasad have filed affidavits vide S.R No. 3125 dated 29.07.2025. The submissions made by the directors are,

10.1. It is stated that they were inducted as directors of the Corporate Debtor on 09.09.2023. They took the office, all statutory records, files, books of accounts and other records of the Corporate Debtor were under the custody of Mr. Ramasamy Nagaraj, Managing Director of the Corporate Debtor.



10.2. It is stated that Directors did not have access to any of the statutory records or other records of the Corporate Debtor. Even as on date all the statutory records and books of account are under the custody of Mr. Ramasamy Nagaraj which have been relocated from the registered office of the Corporate Debtor. Subsequent to relocating the said records of the Respondent, Mr. Ramsamy Nagaraj and Mrs. N. Tamilselvi tendered their resignation as Directors of the Corporate Debtor.

10.3. It is stated that presently, the factory premises of the Corporate Debtor has been locked by the Petitioner. Some of the Shareholders have instituted a Company Petition CP(CA)/25(CHE)/2024 before this Tribunal seeking reliefs under Section 241 of the Companies Act, 2013 and the directors have been arrayed as Respondents in the Company Petition.

10.4. It is stated from the date of their appointments as directors, the Corporate Debtor has not borrowed any loan. The loans borrowed by the Corporate Debtor were prior to their appointments as directors of the Corporate Debtor.

11. We have heard Ld. Counsel for the Petitioner and perused the record.

12. The Petitioner/ Financial Creditor, **Karur Vysya Bank Limited**, has filed CP(IB)/1(CHE)/2025 under Section 7 of Insolvency and



Bankruptcy Code, 2016 (IBC, 2016) seeking to initiate Corporate Insolvency Resolution Process against the Corporate Debtor, Ran India Steels Private Limited.

13. It is seen that vide sanction letter dated 31.07.2023, the Financial Creditor granted the Open Cash Credit facility (OCC) and Inland Letter of Credit/Foreign Letter of Credit facility (ILC/FLC) for Rs. 50 Crores. (The sanction letter dated 31.07.2023 is placed at **Pgs. 55 to 74** of the petition typeset)

14. As per the Statements of Accounts for the period from 01.08.2024 to 02.12.2024 of Account No. 119422300000008 pertaining to the OCC facility extended by the Financial Creditor to the Corporate Debtor, an amount of Rs. 12,07,12,741.00 is due and payable by the Corporate Debtor. (The Statements of Accounts for OCC facility is placed at **Pg. 319** of the petition typeset)

15. Further, the Financial Creditor sanctioned a Working Capital Term Loan (WCTL) – Guaranteed Emergency Credit Limit (GECL) 2.0 facility to the Corporate Debtor for a sum of Rs. 6,75,00,000/- carrying interest at 8.20% vide sanction letter dated 24.09.2021. (The sanction letter dated is placed at **Pgs. 75 to 91** of the petition typeset)

16. The Financial Creditor also sanctioned extension of Working Capital Term Loan (WCTL) – Guaranteed Emergency Credit Limit (GECL) 2.0 facility to the Corporate Debtor for a Rs. 3,44,00,000/-



carrying interest at 8.05% vide sanction letter dated 04.02.2022. (The sanction letter dated is placed at **Pgs. 92 to 104** of the petition typeset)

17. The Financial Creditor has placed on record the Loan Account Statements relating to Account No. 1194809000000086 (WCTL- (GECL) 2.0 facility) for the periods from 27.09.2021 to 01.08.2024 and 01.12.2023 to 04.12.2024, as well as that of Account No. 1194808000000284 (WCTL- (GECL) 2.0 facility extension) for the periods from 10.02.2022 to 01.08.2024 and 01.12.2023 to 04.12.2024. On perusal of both account statements, it is seen that the Corporate Debtor has been irregular in repayment of instalments. A penalty interest was levied by the Financial Creditor as early as on 06.10.2023 (The Statements of Accounts are placed at **Pgs. 320–331** of the petition typeset).

18. The Computer Officer of the Financial Creditor has certified the aforementioned Statement of Accounts of the Corporate Debtor in terms of the Section 2(a) and Section 2A of the Bankers Book Evidence Act, 1891 and the same is appended as **Annexure XII** of the petition typeset.

19. The Hon'ble Supreme Court in the case ***Innoventive Industries Limited -Vs- ICICI Bank & Anr., (2018) 1 SCC 407*** has held that Tribunal is required to see whether there is a 'debt' which is due and payable under the law and whether the default is more than Rupees One Lakh (now Rupees One Crore). The moment the default amount



exceeds Rupees One Crore; this Tribunal is required to initiate Corporate Insolvency Resolution Process as against the Corporate Debtor.

20. From the material placed on record i.e., the sanction letters, account statements, and certificate as per Bankers' Book of Evidence Act, 1891, it is evident that the debt claimed by the Financial Creditor is a financial debt within the meaning of Section 5(8) of the IBC, 2016. It is further seen from the Statements of Accounts that the Corporate Debtor defaulted in repaying the credit facilities and its accounts turned irregular with outstanding dues exceeding the threshold of Rupees One Crore.

21. In view of the facts as stated supra and also in view of the 'financial debt' which is proved by the Financial Creditor and the 'default' having been committed by the Corporate Debtor, this Tribunal admits the present petition and initiates the Corporate Insolvency Resolution Process in relation to the Corporate Debtor viz., **Ran India Steels Private Limited.**

22. The Financial Creditor has proposed the name **P. Balasubramanian** with *Registration Number: IBBI/IPA-001/IP-P-02867/2024-2025/14404*, (email- karurbalaw@gmail.com) as the Interim Resolution Professional (IRP). He has also filed his consent in Form – 2. Also upon verification from the IBBI website, it is seen that the



Authorization for Assignment granted to the IRP is valid till 31.12.2025. We therefore appoint **Mr. P. Balasubramanian** as the IRP. The proposed 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. (The consent of the Interim Resolution Professional in Form 2 is annexed as *Annexure A-II* of the Petition typeset)

24. The Financial Creditor is directed to pay a sum of **Rs. 3,00,000/- (Rupees Three Lakhs Only)** to the Interim Resolution Professional to meet 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.

25. As a consequence of the Petition being **admitted** in terms of Section 7 of the Code, the moratorium as envisaged under the 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;

26. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) 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.

27. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:

(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.

28. Based on the above terms, the Petition stands **admitted** in terms of Section 7 (5) of IBC, 2016 and the moratorium shall come into effect as of this date. A copy of the Order be communicated to the Financial Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order be also forwarded to IBBI for its records. Further, the Interim Resolution Professional above named who is figuring in the list of Resolution Professionals forwarded by IBBI be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies.

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VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-

SANJIV JAIN
MEMBER (JUDICIAL)