



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH - I**

**C.P. (IB) NO. 686/MB/2025**

Under Section 10 of the Insolvency and Bankruptcy Code, 2016 r/w rule 7 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules 2016.

In the matter of

*BMG Chemicals Private Limited*

*[U24110MH1997PTC110888]*

...Corporate Applicant

Order pronounced on 25.08.2025

**Coram:**

Sh. Prabhat Kumar

Hon'ble Member (Technical)

Sh. Sushil Mahadeorao Kochey

Hon'ble Member (Judicial)

**Appearances:**

For the Corporate Applicant : Advocate Manoj Mishra

**ORDER**

1. This Company Petition is filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 ("Code") read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016 by the Corporate Applicant, seeking to initiate its own Corporate Insolvency Resolution Process ("CIRP"). The said application is being preferred by the



Corporate Applicant owing to financial stress faced by it, consequent to which it is not in a position to repay the debts due to its creditors.

**Brief Facts:**

2. The Corporate Applicant was incorporated on 25.09.1997 under the Companies Act, 1956. Its Corporate Identity Number is U24110MH1997PTC110888. Its registered office is at 216-A Gokul Arcadesubhas Road Vile Parle East, Mumbai – 400057. Therefore, this Bench has jurisdiction to entertain and decide the Petition. The Nominal Share Capital of the Corporate Applicant is Rs. 50,00,000/- and Paid -up Capital is Rs. 21,00,000/-. The company is engaged in business of supplying and trading chemicals.
3. The Corporate Applicant submits that the Company has more liability in comparison to its asset/s which have left the Company in a poor condition and results in difficulty in paying off its liability in view of the Company incurring very heavy loss during the Financial Years 2024 – 2025. The Net Loss incurred by the Corporate Applicant as on 31.03.2025 amounts to Rs. 47,96,02,225/- Further, the Company is not performing satisfactorily as it clear from the financial statement for the year 2024 – 2025.
4. The Corporate Applicant have 81 (eighty One ) Total Creditors, the following are the details of the Creditors:
  - i. There is 1 (one) Financial Creditor i.e., YES Bank Limited. YES Bank Limited had issued a sanction letter for a credit facility of Rs. 2,50,00,000/- (Rupees Two Crores Fifty Lakhs only) dated 19.08.2024 in



favour of the Corporate Applicant. The copy of the sanction letter is annexed at **Annexure – P/5**.

ii. There are 74 (Seventy Four) Operational Creditor out of which:-

a) There are 45 (forty-five) Sundry Creditors for Goods as on 18.05.2025. List of name/s & respective address/es of the "sundry creditors for goods" of the Corporate Debtor is annexed at **ANNEXURE-P/6**.

b) There are 29 (twenty-nine) Sundry Creditors for Expenses as on 18.05.2025. List of name/s & respective address/es of the "sundry creditors for expenses" of the Corporate Debtor is annexed at **ANNEXURE-P /7**.

iii. There are 6 (six) other Creditors:

a) The Corporate Debtor owes certain dues to 2 (two) Government departments viz., TDS & GST.

b) Salary is also payable to 4 (four) Employees.

List of name/s and address/es of other creditors of the Corporate Debtor (government department/s and employee/s of the Company) is provided in **ANNEXURE-P/8**.

5. The Corporate Applicants submit that it has defaulted in the payment of dues owed to 8 (eight) Operational Creditor. The Corporate Applicant acknowledges that it was in receipt of the invoice/s and /or bill/s raised by the creditor/s. However, the



Corporate Applicant failed to make the payment. The total amount in default is Rs. 16,65,61,949/- as on 29.05.2025. The details of the Operational Creditor and the default amount is mentioned at para 3 Part III of the Petition.

6. The Corporate Applicant has produced financial statement for the Financial Year 2024 – 2025. These debts are duly reflected therein, thus constituting acknowledgement of debt and notes to accounts and auditor's report appended to financial statements clearly acknowledges the default in payment of debt.
7. This Tribunal had directed the Applicant's Board of Directors, vide Order dated 24.07.2025, to place on record an affidavit undertaking that the books of accounts and records of the Corporate Debtor and sufficient liquid money to meet out the Cost of the CIRP shall be made available by the Suspended Board. The Corporate Applicant has complied with the said directions and the same was taken on record vide Order dated 06.08.2025. The Tribunal has not received any objections from the creditors of the Corporate Applicant against admission of this Application.

**Statutory Compliances**

8. The Corporate Applicant has enclosed a copy of the Board Resolution dated 26.04.2025 passed by the Board of Directors, whereby it was resolved to initiate Corporate Insolvency Resolution Process (CIRP) under Section 10 of the Insolvency and Bankruptcy Code, 2016. Through the said resolution, Mr. Mahesh Vadilal Gandhi was duly authorized to act on behalf of the Company.



9. Subsequently, a Special resolution in this respect was passed by the members in their meeting held on 24.05.2025.
10. The Corporate Applicant has produced a copy of the Provisional Profit and Loss account from 01.04.2024 to 31.03.2025. Additionally, the Corporate Applicant has also furnished a copy of the Audited Accounts along with the Financial Statement for the Financial year 2021 – 2022, 2022-2023 and 2023 - 2024 in support of its financial position.
11. The Corporate Applicant has suggested the name of Mrs. Palak Swapnil Desai having Registration No. IBBI/IPA-001/IP-P-01517/2019-2020/12515 for appointment as the Interim Resolution Professional (“**IRP**”). The proposed IRP has also submitted her Consent in Form 2 confirming eligibility and that there are no disciplinary proceedings pending against her.
12. This application is filed as per Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rule, 2016 in Form-6. Required information is also furnished therein.
13. The Corporate Applicant have duly served the copy of the application to the IBBI on 11.07.2025 in compliance with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016.
14. After hearing the submissions and upon perusing the supporting documents annexed with the Petition, this Bench is of the considered view that the application made by the Corporate Applicant is complete in all respects as required by law. It clearly



shows that the Corporate Applicant is in default of a debt due and payable, and the default is in excess of minimum amount stipulated under section 4(1) of the IBC, at the relevant time. Therefore, the default stands established and there is no reason to deny the admission of the Petition. In view of this, this Adjudicating Authority **admits** this Petition and orders initiation of CIRP against the Corporate Applicant.

**Order**

15. The above CP(IB) No. 686 of 2025 is hereby **Admitted** and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against BMG Chemicals Private Limited.
16. There shall be a moratorium under Section 14 of the IBC, in regard to the following:
  - i. 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;
  - ii. Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
  - iii. 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 (SARFAESI) Act, 2002;



- iv. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
17. Notwithstanding the above, during the period of moratorium: -
- i. 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;
  - ii. That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;
18. 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.
19. Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
20. Mrs. Palak Swapnil Desai having Registration No. IBBI/IPA-001/IP-P-01517/2019-2020/12515, is hereby appointed as the IRP of the Corporate Debtor to carry out the functions as mentioned under IBC. The IRP shall carry out functions as contemplated by sections 15,17, 18, 19, 20 and 21 of the IBC. The fee payable to IRP/RP shall be compliant with Regulations,



Circulars and Directions issued by the Insolvency & Bankruptcy Board of India (IBBI) as may be applicable.

21. 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 of the IBC. 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 within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.
22. The Board of Directors of the Corporate Applicant shall make available requisite funds with the IRP/RP to meet the expenses arising out of issuing public notice and inviting claims till the formation of Committee of Creditors plus out of pocket expenses as well as to meet further process cost, in case the fund are not available with the Corporate Applicant at request of IRP/RP. Needless to say, these expenses shall be subject to rectification by the Committee of Creditors (CoC) and the amount so contributed by the Board of Directors from their personal sources shall be treated as interim finance and dealt with accordingly.
23. The Registry is directed to communicate this Order to the Corporate Applicant and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.
24. A copy of this Order be sent to the Registrar of Companies, Mumbai, Maharashtra, 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.

25. Ordered accordingly.

**Sd/-**

**Prabhat Kumar**

Member (Technical)

*Drupa*

**Sd/-**

**Sushil Mahadeorao Kochey**

Member (Judicial)