



**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**NEW DELHI BENCH, COURT-III (SPECIAL BENCH)**

**(IB)-556(ND)/2025**

**IN THE MATTER OF:**

Prudent ARC Limited

..... **Financial Creditor**

**Versus**

Crew B.O.S. Products Limited

..... **Corporate Debtor**

**Order Pronounced On: 28.11.2025**

**CORAM:**

**SHRI BACHU VENKAT BALARAM DAS, HON'BLE MEMBER (JUDICIAL)**

**MS. REENA SINHA PURI, HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the Applicant : Mr. Gaurav Mitra, Mr. Anmol Bansal, Mr. Arpit Paul, Advs.

For the Ex. Mang. : Ms. Pooja Saigal, Sr. Adv., Mr. Nivesh Dixit, Adv.


**ORDER**

**PER: BACHU VENKAT BALARAM DAS, MEMBER (JUDICIAL)**

1. This application has been filed by Prudent ARC Limited, the Financial Creditor under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of the Corporate Insolvency Resolution Process of Crew B.O.S Products Limited, the Corporate Debtor.
2. The Corporate Debtor is represented through its official Liquidator. The Applicant-Financial Creditor is an assignee of multiple lenders, namely Allahabad Bank, IDBI Bank, Standard Chartered Bank, Citibank N.A., State Bank of India (now EARCL), ICICI Bank (now Phoenix ARC), IFCI Venture Capital Funds Ltd., and Bank of Baroda (now ARCIL). Pursuant to assignment agreements executed between 2017-2024, the Applicant has stepped into the shoes of the original lenders for all rights, securities, and remedies.
3. It is stated by the Ld. Counsel appearing on behalf of the Applicant that
  - (i) Standard Chartered Bank sanctioned working capital facilities aggregating to Rs. 5 crore, including overdraft, pre/post shipment

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financing, letter of credit, and guarantee facilities, vide Banking Facility Letter dated 20.02.2008.

- (ii) IDBI Bank, at the request of the Corporate Debtor, sanctioned credit facilities aggregating to Rs. 29.50 crore, comprising Cash Credit/Working Capital Demand Loan, Bill Discounting and Letter of Credit facilities. The terms were duly recorded in the Sanction Letter dated 05.11.2008, followed by a Loan Facility Agreement dated 10.11.2008.
- (iii) Allahabad Bank sanctioned working capital facilities to the tune of Rs. 38 crore, consisting of Cash Credit (Rs. 25 crore) and Letter of Credit (Rs. 13 crore), vide Sanction Letter dated 14.12.2009. Loan agreements were executed on 24.12.2009 for both facilities.
- (iv) IDBI Bank revised and enhanced the earlier facilities to an aggregate of Rs. 40 crore, as per Sanction Letter dated 30.10.2009 and Facility Agreement dated 13.11.2009.
- (v) Bank of Baroda sanctioned fund-based working capital facilities aggregating to Rs. 12.50 crore (Packing Credit, Foreign Bill Purchase/Discount, Cash Credit) with 100% interchangeability, subject to annual review.
- (vi) State Bank of India sanctioned working capital and non-fund-based facilities aggregating to Rs. 30 crore, including Cash Credit of Rs. 23 crore and LC/ILC facilities of Rs. 7 crore, vide Sanction Letter dated 09.09.2009.
- (vii) ICICI Bank sanctioned working capital facilities aggregating to Rs. 25 crore, consisting of fund-based limits (CC, EPC, PCFC, short-term loans) and non-fund-based LC/guarantee facilities, vide Sanction Letter dated 29.09.2010
- (viii) Bank of Baroda further sanctioned a term loan of Rs. 18.25 crore (takeover from Axis Bank), and an FCNR (B) loan of Rs. 4.35 crore, in addition to earlier facilities. The FCNR loan was recorded under the Loan Agreement dated 14.06.2010
- (ix) IFCI Venture Capital Funds sanctioned two short-term loans of Rs. 5 crore and Rs. 3 crore respectively, for meeting working

capital requirements, under Sanction Letters dated 24.03.2011 and 29.04.2011.

- (x) IDBI Bank, after earlier enhancement, revised the working capital facilities back to Rs. 20 crore vide Sanction Letter dated 21.03.2011.

4. The Corporate Debtor defaulted in its payment obligations and was classified as NPA by each lender. The details are mentioned below:

<b>Lender</b>	<b>Date of NPA</b>
IDBI Bank	28.09.2011
Standard Chartered Bank	23.10.2011
Citibank	31.03.2012
SBI/EARCL	31.03.2012
Bank of Baroda/ARCIL	30.06.2012
Allahabad Bank	02.10.2012
IFCI Venture Capital	31.12.2012
ICICI/Phoenix ARC	30.09.2013

5. The lenders issued recall/demand notices to the Corporate Debtor, which are as under:

<b>Lender</b>	<b>Date of Recall/demand notices</b>
IDBI Bank (recall notice)	Dated 22.11.2011 for Rs. 20.62 crores
Allahabad Bank [Section 13(2)]	Dated 30.03.2013 for Rs. 36.04 crores
Bank of Baroda [Section 13(2)]	dated 27.12.2012 for Rs. 34.24 crores
SBI/EARCL [Section 13(2)]	dated 01.11.2013 for Rs. 24.39 crores
ICICI/Phoenix ARC [Section 13(2)]	dated 27.02.2014 for Rs. 29.43 crores

6. It is stated that DBS Bank Ltd. filed a winding-up petition bearing Company Petition No. 52/2013 before the Hon'ble Delhi High Court on 24.01.2013. The Hon'ble High Court vide order dated 14.03.2024 appointed an official Liquidator.



7. SBI assigned its debt to Edelweiss ARC on 11.08.2014, Bank of Baroda assigned its debt to ARCIL on 26.03.2014, and ICICI Bank assigned its debt to Phoenix ARC on 25.09.2014.
8. Consequently, the lender initiated proceedings before Ld. DRTs which are mentioned as under:
  - (i) DRT-II, Delhi (OA-75/2012, IDBI Bank vs. Crew B.O.S. Products Ltd. & Ors.) – Order dated 14.01.2015, holding Rs. 22,23,14,883/- as on 10.05.2012 recoverable with interest @ 13.50% p.a. thereafter.
  - (ii) DRT-II, Delhi (OA-12/2014, Prudent ARC Ltd. vs. Crew B.O.S. Products Ltd. & Ors.) – Order dated 06.07.2020, holding Rs. 44,10,16,062.99/- as on 06.01.2014 recoverable with interest @ 12% p.a. from 07.01.2014.
  - (iii) DRT-I, Delhi (TA-203/2015, Edelweiss ARC Ltd. vs. Crew B.O.S. Products Ltd. & Ors.) – Order dated 11.01.2019, holding Rs. 32,32,48,953/- as on 18.12.2013 recoverable with future interest @ 15% p.a. till realization and Rs. 1,50,000/- as costs.
9. It is submitted that the Company Petition bearing Company Petition No. 52 of 2013 titled as “DBS Bank Limited Vs Crew B.O.S. Products Limited”, seeking winding up of the Corporate Debtor, was filed on 24.01.2013 before the Hon’ble Delhi High Court and vide Order dated 14.03.2014, the Hon’ble High Court appointed an official liquidator. Pursuant thereto, the winding-up proceedings were carried out by the said official Liquidator.
10. It is also submitted that in and around September, 2024, an application under Section 434 of the Companies Act, 2013 (bearing Co. Appl. No. 813/2024) was filed by the Applicant/Prudent ARC Limited (being a party to the winding up proceedings) before the Hon’ble Delhi High Court, seeking the transfer of the above winding up petition to the Ld. NCLT, Delhi, in terms of the Proviso to Section 434(1)(c), as amended by the Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 (Act No. 26 of 2018) and settled precedents by the Hon’ble Supreme Court.



11. Subsequently, vide an Order dated 26.11.2024, the Hon'ble High Court in view of the observations of Apex Court, in the judgment in the case titled as **Action Ispat and Power Private Limited Vs Shyam Metalics and Energy** reported in (2021) 2 SCC 641 and **A. Navinchandra Steels Pvt Ltd Vs SREI Equipment Finance Limited** reported in (2021) 4 SCC 435, was pleased to allow the aforesaid transfer application and ordered the transfer of the winding up proceedings to the Ld. NCLT, Delhi. Notably, in terms of the Proviso to Section 434(1)(c) (added w.e.f. 06.06.2018, vide the IBC Second Amendment Act, 2018), it stipulates that the transferred winding up proceedings are to be dealt with by the Ld. NCLT as an application for the initiation of CIRP under the IBC.
12. Accordingly, the present application under Section 7 of IBC, 2016 has been filed against Crew B.O.S Products Limited through its Liquidator, who has been appointed by the Hon'ble Delhi High Court vide order dated 14.03.2014.
13. The Respondent-Corporate Debtor filed reply affidavit in which he has categorically stated that the winding up proceedings in respect of the Corporate Debtor-Crew B.O.S Products Limited had been initiated before the Hon'ble High Court of Delhi vide order dated 14.03.2014 passed in Company Petition No. 52 of 2013 and order dated 23.07.2014 passed in Company Petition No. 19 of 2013 and official Liquidator was appointed in respect thereof.
14. It is further stated that vide order dated 26.11.2024, the Hon'ble High Court directed the winding up proceedings to be transferred to the NCLT in terms of the proviso to Section 434(1)(c) of the Companies Act, 2013, consistent with the Supreme Court's directions in **Action Ispat (supra)** and **A. Navinchandra Steels (supra)**.
15. It is also submitted that Respondent-Company does not seek to oppose the continuation and consideration of the present proceedings.
16. Further, the Respondent in Para 27 and 28 of the Reply Affidavit submitted, as under:

*“27. It is respectfully submitted that the issues relating to (i) existence of financial debt; (ii) the occurrence of default; (iii) the assignment in favour of the Petitioner /its locus as Financial*



*Creditor; and (iv) the initiation of winding up proceedings against the Respondent Company, are matters already forming part of the record in CP No. 53 of 2013 before the Hon'ble Delhi High Court and as such the default, debt due and payable by the Respondent Company is not disputed by the Respondent Company.*

**28.** *The Respondent Company, therefore, does not, in the present reply, traverse the said aspects beyond what is borne out from the aforesaid matter of record in CP No. 53 of 2013 before the Hon'ble Delhi High Court."*

17. We have heard submissions of Mr. Gaurav Mitra, Ld. Counsel appearing on behalf of the Applicant-Financial Creditor and Ms. Pooja Saigal, Ld. Senior Counsel appearing on behalf of the Respondent/Ex-Management.
18. Before proceeding further, it is essential to refer to the order dated 14.03.2014 passed by the Hon'ble Delhi High Court in CO.PET.52/2013, in the matter of **DBS BANK LTD vs. M/S CREW B.O.S PRODUCTS LTD**, which is quoted below:

*"It is apparent that the respondent owes certain sums to the petitioner and is unable failed to discharge its admitted debts. The petition is accordingly, admitted and the petitioner is directed to publish the advertisement of the said petition in the ?Statesman? (English Edition) and ?Jansatta? (Hindi Edition) for a hearing to be held on 14.07.2014. The petitioner shall also publish the citation in the ?Delhi Gazette?.*

CA No.129/2013

*By an order dated 30.01.2013, the respondents were restrained alienating or transferring or otherwise creating any third party rights in respect of their immovable assets. The said order is made absolute.*

*The application stands disposed of.*

CA No.128/2013

*The Official Liquidator is appointed as a Provisional Liquidator to take charge of all assets and records of the company. The Directors of the respondent company are directed to file a Statement of*



*Affairs within 21 days from this order becoming effective. The Directors shall also file an affidavit indicating the current addresses of the offices of the respondent company, the current addresses of all the Directors of the respondent company and the location of the premises where the records of the company are kept. However, in order to enable the respondent to discharge its admitted dues, the directions as given above shall not come into effect for a period of two weeks from today. In the event, the respondent is able to discharge its dues to the petitioner or arrive at an amicable settlement, the learned counsel for the petitioner shall communicate the same to the Official Liquidator who shall, thereafter, refrain from taking further steps.”*

19. It is evident that the Hon'ble Delhi High Court, in its order dated 14.03.2014 in CO.PET.52/2013, acknowledged the respondent's failure to discharge its admitted debts and accordingly admitted the petition. Furthermore, by appointing the Official Liquidator as Provisional Liquidator and requiring the Directors to furnish a Statement of Affairs and affidavits detailing the company's records and addresses, the Hon'ble Delhi High Court ensured transparency and accountability in the winding-up process. At the same time, the Hon'ble Delhi High Court granted two weeks to the respondent to settle its dues or reach an amicable resolution, thereby balancing the petitioner's rights with an opportunity for compliance. This order thus underscores both the seriousness of the respondent's default and the Hon'ble Delhi High Court's commitment to safeguarding creditors' interests while allowing a final chance for resolution.
20. On the basis of the above analysis, we are of the considered view that the amount involved in the present case should be considered as a Financial Debt within the definition of Sub-Section 8 of Section 5 of the Code and the Applicant is a Financial Creditor holding financial debt which is in default of payment by the Corporate Debtor, and the present Application under Section 7 of the Code is maintainable.
21. It is settled law that the prerequisites for an application under Section 7 of the Code are the existence of 'financial debt' and a 'default'.



In light of the above facts and circumstances, the existence of debt and default is reasonably established by the Applicant as a major constituent for admission of the Application under Section 7 of the Code.

Therefore, the Application under sub-section (2) of Section 7 is taken as Complete.

22. Therefore, the present Section 7 Application filed by the Financial Creditor deserves to be admitted, and the CIRP needs to be initiated against the Corporate Debtor.

23. **Order**

In light of the above facts and circumstances, it is ordered as follows:

- i. The Application bearing **IB-556(ND)/2025** filed by the Applicant, under Section 7 of the Code, read with Rule 4 of the Adjudicating Authority Rules for initiating CIRP against the Respondent is **admitted**.
- ii. We also declare a moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flow from the provisions of Section 14(1)(a), (b), (c) and (d) of the Code. Thus, the following prohibitions are imposed:

*“(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 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 Corporate Debtor.*




*[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, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;]*”

- iii.** It is made clear that the provisions of the moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor, as may be specified, are not to be terminated or suspended, or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018, which has come into force w.e.f. 06.06.2018, the provisions of the moratorium shall not apply to the surety in a contract of guarantee to the Corporate Debtor in terms of Section 14(3)(b) of the Code.
- iv.** The Applicant has proposed the name of Mr. Pankaj Mahajan as the Interim Resolution Professional (“IRP”) having address: H-223, 22<sup>nd</sup>, Floor, DLF Capital Greens, 15, Shivaji Marg, Delhi-110015. His Email id is pankaj@acgasso.com. His registration number is IBBI/IPA-001/IP-P00836/2017-2018/11420. The Applicant filed a copy of the Consent Issued by Mr. Pankaj Mahajan in Form 2, Written Communication by Proposed Interim Resolution Professional, along with the Certificate of Registration and Authorization for Assignment in Form B.  
Accordingly, Mr. Pankaj Mahajan is appointed as IRP.
- v.** In pursuance of Section 13(2) of the Code, we direct the IRP, as the case may be, to make a public announcement immediately with



regard to the admission of this application under Section 7 of the Code. The expression immediately means within three days as clarified by the Explanation to Regulation 6(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

- vi.** During the CIRP period, the management of the Corporate Debtor shall vest in the IRP/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 all information within 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 opportunity given in this regard.
- vii.** The IRP is expected to take full charge of the Corporate Debtor's assets and documents without any delay whatsoever. He is also free to take police assistance, and this Adjudicating Authority hereby directs the Police Authorities to render all assistance as may be required by the IRP/RP in this regard.
- viii.** The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority a periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- ix.** The Financial Creditor shall deposit a sum of Rs 2,00,000/- (Rupees Two Lakh Only) with the IRP to meet the expenses to perform the functions assigned to him in accordance with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within one week from the date of receipt of this order by the Financial Creditor. The amount, however be subject to adjustment by the Committee of Creditors, as accounted for by IRP, and shall be paid back to the Financial Creditor.
- x.** In terms of Section 7(7) of the Code, the Registry is hereby directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor, the IRP and the Registrar of Companies, NCT of



Delhi and Haryana, by Speed Post and by email, at the earliest but not later than seven days from today.

- xi.** The Registrar of Companies shall update his website by updating the status of the Corporate Debtor, and specific mention regarding admission of this application must be notified.
- xii.** The Registry is directed to send a copy of this order to the Insolvency and Bankruptcy Board of India (“IBBI”) for their record.
- xiii.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

No order as to cost.

Sd/-

**(REENA SINHA PURI)**  
**MEMBER (TECHNICAL)**

Sd/-

**(BACHU VENKAT BALARAM DAS)**  
**MEMBER (JUDICIAL)**