



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

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **04.04.2025** THROUGH VIDEO CONFERENCING

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

APPLICATION NUMBER :
PETITION NUMBER :CP(IB)/183/CHE/2024
NAME OF THE PETITIONER(S) :Central Bank of India
NAME OF THE RESPONDENTS :Best & Crompton engineering Projects Ltd
UNDER SECTION :Sec 7 Rule 4 of IBC, 2016

ORDER

Present: Ld. Counsel Shri. Ebenezar Inbaraj for the Petitioner.

None for the Respondent.

Vide separate order pronounced in Open Court, the petition is allowed as
Shri. V. Duraisamy is appointed as the IRP.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

MG

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)



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

CP(IB)/183(CHE)/2024

*(filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 R/w Rule 4 of IBC
Rules, 2016)*

In the matter of M/s. Best & Crompton Engineering Projects Limited.

Central Bank of India

Stressed Asset Management Branch
No. 48/49, Montieth Road, Egmore,
Chennai – 600 008

Rep. by its Assistant General Manager
Mr. Santosh Kumar Santosh

... Petitioner / Financial Creditor

-Vs-

M/s. Best & Crompton Engineering Projects Limited,

No. 19A, Emerald Apartments,
Flat No. 4, First Floor, Wheatcrofts Road,
Nungambakkam, Chennai – 600 034
Email: bcepl@bestandcrompton.com

... Respondent / Corporate Debtor

Present:

For Petitioner :Ebenezar Inbaraj, Advocate
For Respondent :Rohan Rajasekaran, Advocate

CORAM:

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

Order Pronounced on 4th April, 2025



ORDER

(Heard through Hybrid Mode)

1. The **Central Bank of India** through its Stressed Asset Management Branch, the Financial Creditor / Petitioner herein has filed this petition under Section 7 of Insolvency and Bankruptcy Code, 2016 R/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 seeking to initiate Corporate Insolvency Resolution Process (CIRP) against **Best and Crompton Engineering Products Limited**, the Corporate Debtor / Respondent herein.
2. Part-I of the petition sets out the particulars of the Financial Creditor. It was incorporated on 14.02.1970 and having its office at Egmore, Chennai. Vide Power of Attorney dated 29.08.2023, the Financial Creditor has appointed Shri. Santosh Kumar to file this petition. Part-II of the petition sets out the particulars of the Corporate Debtor. It was incorporated on 21.10.1999 with authorized share capital of Rs. 64,00,00,000/- and paid up share capital of Rs. 55,99,23,660/-. It has its registered office at Nungambakkam, Chennai, within the jurisdiction of this Tribunal.



3. In Part-III of the petition, the Financial Creditor has proposed the name of Shri. V. Duraisamy as the IRP to conduct the CIRP.
4. Part IV of the petition contains the particulars of financial debts i.e. Rs. 40.0 Crores as cash credit, Rs. 40.0 Crores as letter of credit and Rs. 40.0 Crores as bank guarantee with date of disbursement as 30.11.2010.
5. It is stated that as per the demand notice issued by the DRT dated 14.08.2018, the amount of default was Rs. 507,22,85,234.93 out of which an amount of Rs. 213,34,70,741/- was payable to the Petitioner. Adding the interest, as on 08.07.2024, the amount payable to the Petitioner is Rs. 318,89,95,472/-.
6. Part-V of the petition provides the details of documents and records filed with the petition which includes the copy of the final order dated 18.05.2018 in OA. No. 457 of 2014 passed by DRT-2, Chennai as Annexure I(11), copy of DRC issued on 17.07.2018 in favour of the consortium banks as Annexure I(12), copy of demand notice dated 14.08.2018 served on the Respondent as Annexure I(16), NeSL report recording the date of defaults obtained on 29.04.2014 as Annexure I(16), copies of entries in the bankers book and statement of accounts with



respect of dues as per the DRC as Annexure I(15) and standalone audited financial statements for the period from 01.04.2021 to 31.03.2023 of the Corporate Debtor as Annexure I(14).

7. As per the averments made in the petition, the Corporate Debtor which was carrying on business in EPC transmission lines, Railway electrification and setting up of high voltage substations was granted credit facilities by the Banks in December 2010. The Petitioner is the consortium leader. Andhra Bank and Corporation Bank now merged with Union Bank of India are the other members of the consortium. The Corporate Debtor mortgaged certain properties to secure the credit facilities and executed the loan documents. Since the Corporate Debtor was not servicing the interest, its account was classified as NPA. On 15.04.2014, the consortium Banks filed an application before the DRT for recovery of loan amount along with interest. The DRT passed an order on 18.05.2018 in OA. No. 457 of 2014 and issued a debt recovery certificate on 14.08.2018 for a sum of Rs. 507,22,85,234.93. Out of the said sum, Rs. 213,34,70,741/- was payable to the Petitioner. It is stated that despite demand notice dated 14.08.2018, the Corporate Debtor defaulted to repay the amount, however, it acknowledged the default in



its balance sheets for the financial year 2021-2022. This petition has been filed on 20.07.2024.

8. On getting notice of the petition, Shri. Rohan Rajasekaran, Ld. Counsel appeared for the Respondent / Corporate Debtor and raised an issue of maintainability of the petition on the point of limitation. The Petitioner referred the balance sheets at page 162 and 163 of the petition to contend that there was an acknowledgment of debt within the period of limitation and the petition is maintainable. The Petitioner also filed copy of an email dated 19.09.2020 sent to the Financial Creditor proposing OTS by the Corporate Debtor as Annexure I(18) and reply by the Bank to the OTS offer dated 25.09.2020 as Annexure I(19). Thereafter, the Counsel appearing for the Corporate Debtor during the hearing on 04.03.2025 admitted the liability stating that CIRP be initiated against the Respondent.
9. We have heard Ld. Counsels for the parties and perused the record.
10. A perusal of the documents reveals that the Petitioner being one of the consortium lenders along with other Banks had granted credit facilities to the Corporate Debtor in December 2010. The Corporate Debtor failed



to service the interest and its account was declared as NPA. The consortium lenders then filed OA. No. 457 of 2014 before the DRT for recovery of the amount. The DRT-2, Chennai, vide an order dated 18.05.2018 allowed the OA and held the consortium lenders of the banks entitled to recover a sum of Rs. 339,84,90,744.89 from the Defendants including the Corporate Debtor jointly and severally together with interest at the rate of 12% per annum from the date of OA till realization together with cost. The Tribunal thereafter issued the debt recovery certificate on 17.07.2018 for Rs. 507,22,85,234.93.

11. The Petitioner has placed the statement of accounts as well as standalone audited financial statements of the Corporate Debtor for the period from 01.04.2021 to 31.03.2022 showing the debts payable by the Corporate Debtor to the Financial Creditors. The name of the Petitioner is also appearing in the balance sheet as seen at page 162 and 163 of the petition. The Respondent had also sent an email on 19.09.2020 proposing OTS to the Financial Creditor which was replied on 25.09.2020. A perusal reveals that the Corporate Debtor has admitted the debt and its liability to repay the debt. The acknowledgment is within the period of three years from the debt recovery certificate. The



Hon'ble Supreme Court in *Suo Moto Writ Petition (Civil) No. 3 of 2020* in its order dated 10.01.2022 also extended the period of limitation in all the proceedings before the Courts / Tribunals w.e.f. 15.03.2020 till 28.02.2022. The NeSL certificate placed on record also proves the debt repayable by the Corporate Debtor.

12. It was held in the case of *Asset Reconstruction Company (India) Limited and Others Vs. Tulip Star Hotels Limited and Others*, 2022 SCC Online SC 944, that entries in books of accounts and / or balance sheets of a Corporate Debtor would amount to an acknowledgment under Section 18 of the Limitation Act. The entries in the books of account / balance sheets of the Corporate Debtor also reflect the debt payable by the Corporate Debtor to the Petitioner / Financial Creditor. In the present case, debt recovery certificate was issued on 18.05.2018. This petition has been filed on 20.07.2024. The OTS proposal was sent by the Corporate Debtor on 19.09.2020 i.e. within the period of three years from the DRC acknowledging the debt. The financials of the Corporate Debtor for the period from 01.04.2021 to 31.01.2022 also reflect the debts payable by the Corporate Debtor. Considering the above facts and the cases supra, we are of the view that the petition is within limitation.



13. In the present case, the Petitioner has proved the debt and the default which is within the period of limitation. The debt amount is more than the threshold limit as provided under Section 4 of the IBC.
14. Having considered the above facts, the Corporate Debtor M/s. Best & Crompton Engineering Projects Limited is admitted to Corporate Insolvency Resolution Process (CIRP).
15. In the instant case, the Petitioner has proposed the name of V. Duraisamy as the IRP whose registration No. is IBBI/IPA-002/IP-N00609/2018-2019/11862 and AFA valid upto 31.12.2025. The proposed IRP has also given his consent vide letter dated 07.07.2024 in Form 2 placed at page 254 of the application stating that there are no disciplinary proceedings pending against him. He has also given Form-B i.e. Authorization for assignment dated 04.12.2023 along with certificate of registration which is valid as on date. We therefore appoint **Mr. V. Duraisamy as the IRP**. 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 30 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 CIR Process in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.

16. As a consequence of the petition being admitted in terms of Section 7 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;

17. 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.

18. 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.

19. The IRP is directed to take charge of the Corporate Debtor's management immediately. The IRP is also directed to cause public announcement as prescribed under Section 15 of the IBC, 2016 within three days from the date the copy of this Order is received, and call for submissions of claim by the creditors in the manner as prescribed under Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

20. 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 IBC, 2016 and file his report within 30 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.

21. The IRP shall comply with the provisions of Sections 13(2), 15, 17 & 18 of the Code. The Directors of the Corporate Debtor, its Promoters or



any person associated with the management of the Corporate Debtor are/is directed to extend all assistance and cooperation to the IRP as stipulated under Section 19 of IBC, 2016 for the purpose of discharging his functions under Section 20 of IBC, 2016.

22. The IRP shall take custody of the records of information relating to the assets, finances and operations of the Corporate Debtor referred in clause (a) of section 18 and such other information required under regulation 36; and also the assets recorded in the balance sheet of the Corporate Debtor or in any other records referred in clause (f) of section 18 of IBC, 2016 and the personnel of the Corporate Debtor, its promoters or any other person associated with the management of the Corporate Debtor shall provide to the IRP, the list of assets in terms of Regulation 3A of the IBBI (Insolvency Resolution Process of Corporate Persons) Regulations, 2016.
23. The IRP shall conduct the Corporate Insolvency Resolution Process in respect of the Corporate Debtor as stipulated under Chapter VIII of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.



24. Based on the above terms, the Petition stands admitted in terms of Section 7 of the Code and the Moratorium shall come into effect as of this date. A copy of the Order shall 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 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.
25. Accordingly, the petition CP(IB)/183(CHE)/2024 stands **admitted**.

Sd/-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

Sd/-

SANJIV JAIN
MEMBER (JUDICIAL)