



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT-VI, NEW DELHI BENCH**

**COMPANY PETITION IB (IBC) NO. 564/ND/2024**

**A/W**

**I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024**

*A petition under section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 along with an application under Section 60(5) of the Insolvency & Bankruptcy Code, 2016.*

**IN THE MATTER OF:**

**CENTRAL BANK OF INDIA**

**Through its Authorized Representative Ashwini Sagar**

SAM Branch, 5 Jeevan Tara Building,  
Parliament Street, New Delhi- 110001

**...Applicant/Financial Creditor**

**Versus**

**PCI LIMITED**

**Through its Authorized Representative**

Prime Group Building, 11/5 B,  
Pusa Road, New Delhi, India, 110005

**...Respondent/Corporate Debtor**

**AND IN THE MATTER OF I.A. NO. 1752/ND/2025:**

**PCI LIMITED**

**...Applicant/Corporate Debtor**

**VERSUS**

**CENTRAL BANK OF INDIA**

**...Respondent/ Financial Creditor**

**Order Delivered on: 25.04.2025**

**CORAM:**

**JUSTICE JYOTSNA SHARMA  
HON'BLE MEMBER (JUDICIAL)**

**MS. ANU JAGMOHAN SINGH  
HON'BLE MEMBER (TECHNICAL)**

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



## **APPEARANCES:**

### **For the Applicant:**

Adv. Prachi Johri, Adv. Monika Shahi, Adv. Abhipsa Sahu

### **For the Respondent:**

Adv. Saurabh Kalia, Adv. Rajesh Sharma, Adv. Ravi Data, Tannu Rana, Adv. Nagesh

## **ORDER**

1. This is a Company Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity “the Code”) read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, by **Central Bank of India** through its Authorized Representative, Mr. Ashwini Sagar (hereinafter referred to as ‘Financial Creditor’), seeking to initiate Corporate Insolvency Resolution Process (“CIRP”) against **M/s PCI Limited** (“Corporate Debtor”) along with an application bearing I.A. No. 1752/ND/2025 under Section 60(5) of the Code filed by the Corporate Debtor seeking to defer the pronouncement of the order in the main CP IB No. 564/ND/2024.
2. The Corporate Debtor was incorporated on 13.02.1986, having CIN: U74899DL1986PLC023329 under the Companies Act, 1956. Its registered office is at Prime Group Building, 11/5 B, Pusa Road, New Delhi, India 110005. Therefore, this Bench has jurisdiction to deal with this petition.
3. The present application was filed on 05.08.2024 before this Adjudicating Authority on the ground that the Corporate Debtor has defaulted to make a payment of a sum of Rs. 37,69,71,036.45/- (Rupees Thirty-Seven Crores Sixty-Nine Lacs Seventy-One Thousand Thirty-Six and Forty-Five Paise) as on 31.12.2018 (alleged date of default). The Financial Creditor has also filed the NeSL certificate along with the present application which reflects that the Corporate Debtor has defaulted in the payment of Rs. 4,56,89,765/- owed to the Financial Creditor. Further, the status of the authentication of default is stated as ‘Authenticated’.

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



**I.A. No. 1752/ND/2025**

It is observed that after the Order dated 01.04.2025 passed by this Adjudicating Authority, whereby, this Adjudicating Authority had reserved the order for pronouncement in CP IB No. 564/ND/2024, the Corporate Debtor i.e. M/s PCI Limited filed an Interlocutory Application bearing I.A. No. 1752/ND/2025 and sought the following reliefs:

- a) *Take on record the letter dated 05.04.2025 issued by the Central Bank of India.  
AND/ OR*
- b) *In view of the said letter, which records that consideration of any OTS proposal is contingent upon prior approval of the lead bank, i.e., Punjab National Bank (PNB), and further considering that related proceedings are pending before the Hon'ble High Court of Delhi, wherein PNB has consented to a date before this Hon'ble Tribunal, it is most respectfully prayed that pronouncement of an order in the present matter be deferred during the pendency of the said writ petition before the Hon'ble High Court of Delhi, or until such other date as this Hon'ble Tribunal may deem just and appropriate in the interest of justice.*
- c) *Pass any other order as this Hon'ble Tribunal may deem fit in the facts and circumstances of the present case.*

**5. Submissions of the Applicant i.e. the Corporate Debtor (PCI Limited) in I.A. No. 1752/ND/2025:**

- a) The Applicant submits that in order to resolve the matter amicably, the Corporate Debtor had submitted an OTS proposal dated 26.03.2024 for a sum of Rs. 114 crores to the lead bank i.e. Punjab National Bank followed by several follow-ups and an amount of Rs. 23 Crore has already been paid as down payment and lies in No-lien account with the lead bank and Rs. 2.07 Cr. with the Respondent Bank.
- b) The Applicant submits that the Applicant has filed the writ petition bearing No. 3818/2025 before the Hon'ble Delhi High Court praying for issuance of directions

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



to the Respondent Bank to consider the OTS proposal, as recoded in the Order dated 26.03.2025. It is further submitted that the OTS proposal offered by the Corporate Debtor was rejected by the Financial Creditor vide its letter dated 11.03.2025 and such rejection was communicated to the Corporate Debtor on 28.03.2025 i.e. pursuant to the order dated 26.03.2025 passed by the Hon'ble High Court of Delhi in WP(C) No. 3818/ 2025.

- c) The Financial Creditor while stating the reason for rejection of OTS proposal sent a Letter dated 05.04.2025 to the Corporate Debtor and submitted that the Corporate Debtor's account is part of a consortium lending arrangement and currently, no decision has been taken by the lead bank i.e. PNB regarding any settlement. Accordingly, the Respondent Bank will be in a position to take any view only pursuant to the decision of the lead bank.
- d) The Applicant submits that the last enhanced offer made by the Corporate Debtor to the Financial Creditor herein now stands at Rs. 7.5 Cr. [OTS Proposal dated 09.04.2025] out of which Rs. 2,06,79,414/- has been deposited under lien against the OTS offer.
- e) The Applicant submits that the pendency of aforesaid writ petition(s) has a substantial bearing on the alleged default and therefore, prayed for deferment of the pronouncement of orders in main petition No. CP IB-564/ND/2024 which was reserved for orders by this Adjudicating Authority on 01.04.2025.

**Submissions of the Respondent in I.A./1752/ND/2025/Financial Creditor:**

- 6. Ld. Counsel appearing on behalf of the Financial Creditor/Respondent in the instant application made the oral submissions and submitted that in the interest of expediency of the pronouncement of the Order in main CP IB No. 564/ND/2024, the Ld. Counsel appearing on behalf of the Respondent does not wish to file any reply to the instant application and stated that the OTS proposal dated 09.04.2025 given by the Corporate Debtor was rejected by the Financial Creditor on 16.04.2025 and currently, no OTS proposal is alive.

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



## ANALYSIS & FINDINGS IN I.A. NO. 1752/ND/2025

Since the instant application bearing No. 1752/ND/2025 was filed for seeking the deferment of the pronouncement in the main Company Petition No. 564/ND/2024, we deem it fit to deal with the instant application before dealing with the main Company Petition. We have heard the Learned Counsel for the Applicant (Corporate Debtor) and the Respondent (Financial Creditor) and perused the averments made in the application. Vide Order dated 01.04.2025, the matter was reserved for pronouncement of the main petition bearing No. CP IB-564/ND/2024. Subsequently, an I.A. bearing No. 1752/ND/2025 was filed on behalf of the Corporate Debtor seeking to place on record the Letter dated 05.04.2025 and to defer the pronouncement of the order in the main CP on the grounds mentioned in the Letter dated 05.04.2025.

8. We have perused the Letter dated 05.04.2025 sent by Central Bank of India (Financial Creditor) to PCI Limited (Corporate Debtor) which states as under:

“ .....

*We would like to inform you that your account is part of a consortium lending arrangement, and currently, no decision has been taken by the lead bank of the consortium with regard to any compromise settlement. Accordingly, our Bank shall be in a position to take a view in the matter only after a decision is taken by the consortium leader. Further, we would also like to bring to your notice that no compromise proposal is presently pending with our Bank, as the same had already been duly conveyed to you by our SAM Delhi Branch in December 2024.*

.....”


On the perusal of the aforesaid Letter dated 05.04.2025, we observe that there is no acceptance of OTS by the Financial Creditor nor any statement to settle the dues has been made. Further, during the course of hearing, the Ld. Counsel appearing on behalf of the Financial Creditor clarified that the OTS proposal dated 09.04.2025 sent by the Corporate Debtor stood rejected by the Financial Creditor on 16.04.2025

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



and as on date, no OTS proposal is pending, as also recorded in our Order dated 21.04.2025.

9. It is pertinent to mention that the Corporate Debtor had also approached the Hon'ble High Court of Delhi by invoking its writ jurisdiction by filing a writ petition bearing No. W.P. (C) 3818/2025. As recorded in the Order dated 02.04.2025 passed by the Hon'ble High Court of Delhi, the Corporate Debtor i.e. PCI Limited had made the following prayer:

*“(a) Pass ad-interim order directing the Ld. NCLT, Bench-VI, New Delhi to adjourn IB-564/ND/2024 titled "Central Bank of India Vs PCI Limited" on 01.04.2025 to any other date after 08.04.2025 or till the disposal of present Writ petition.”*


On perusal of the Order dated 02.04.2025, it is noted that the Hon'ble High Court of Delhi had been apprised of the fact that the judgment in the main petition has already been reserved by this Adjudicating Authority. However, **no stay on proceedings was granted** by the Hon'ble High Court of Delhi in the aforesaid Order dated 02.04.2025. The relevant extract of the decision of the Hon'ble High Court of Delhi in the aforesaid Order dated 02.04.2025 is reproduced hereunder as:

*“4. In view of the above, the respondent Bank is directed to place the policy of the Bank dealing with the one-time settlement scheme in a sealed cover on the next date of hearing.*

***5. The learned counsel appearing on behalf of the respondent also apprise the Court that the arguments before the NCLT have been concluded and the judgment has been reserved.***

*6. List on 08.04.2025, the already fixed.”*

10. Additionally, pursuant to the orders being reserved by this Adjudicating Authority in the main CP on 01.04.2025, the Corporate Debtor had also filed an appeal before the Hon'ble NCLAT vide Company Appeal (AT) (Insolvency) No. 580 of 2025 challenging the order dated 01.04.2025, whereby, the Hon'ble NCLAT vide its Order dated 09.04.2025 had also dismissed the appeal filed by the Corporate Debtor by



holding that the appeal need not be entertained at this stage. It is to be noted that **no stay on proceedings** in the instant case had been granted by the Hon'ble NCLAT either. The relevant extract of the Order dated 09.04.2025 passed by the Hon'ble NCLAT is reproduced hereunder as:

*“2. Learned counsel for the Appellant submits that Writ Petition has been filed by the Appellant before the Delhi High Court where an order was passed by the Delhi High Court on 26.03.2025. He referred to Para 10 of the order which is as follows:*

*10. He submits that he will be making a request to the learned NCLT for adjourning the matter after the next date fixed before this Court. The learned NCLT may consider the same having regard to the pendency of the present petition before this Court.*

*3. Learned counsel for the Appellant submits that the order of the High Court was placed before the Adjudicating Authority for consideration and the Adjudicating Authority after hearing the argument has reserved the order and order does not reflect that there is any consideration of the order dated 26.03.2025 of the Delhi High Court.*

***4. When we look into Para 10 of the order of the Delhi High Court, it is submission of the Appellant that he will be making a request to the learned NCLT for adjourning the matter after the next date fixed before the Court. When the Adjudicating Authority proceeded and reserved the order, it is obvious that prayer for adjournment was not acceded to. Order having been reserved by the Adjudicating Authority, we are of the view that at this stage this appeal need not be entertained. With all contentions and remedies left open to both the parties, this appeal is dismissed.”***

11. Pertaining to the issue in the instant case, we rely on the decision of the Hon'ble NCLAT in the matter of **Ananta Charan Nayak Vs. State Bank of India & Ors. [Company Appeal (AT) (Ins) No. 870 of 2021]**, whereby, the Hon'ble NCLAT has held as under:

***“9. The other contention of the Learned Counsel of the Appellant is that the Appellant had submitted an OTS proposal to the financial creditor (State Bank of India), which was pending decision, and hence the Adjudicating Authority should not have passed admission***

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



**order on section 7 application. The acceptance of the settlement proposal by the financial creditor is a matter entirely in the ambit of the financial creditor (SBI) and we do not think that the proceedings before the Adjudicating Authority should have been held up and delayed, waiting for a response by the State Bank of India. IBC does not provide for keeping the proceedings in abeyance and the application for admission has to be decided in a stipulated timeframe. If a settlement would have been reached, the Appellant would have had recourse to Section 12A of the IBC. We, therefore, do not find this contention of the Appellant sustainable.”**

12. The Hon’ble Supreme Court in the judgement of **“Innoventive Industries Limited v. ICICI Bank and Another” (2018) 1 SCC 407** has held that once NCLT is satisfied that the default has occurred, there is hardly a discretion left with NCLT to refuse admission of the Application under Section 7 of I & B Code, 2016. The relevant extract of the said judgment is reproduced hereunder as:

*“30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, **the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred.** It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.”*

13. Subsequently, the Hon’ble Supreme Court in the matter of **E S Krishnamurthy & Ors. Vs. M/s Bharath Hi Tech Builders Pvt. Ltd. (Civil Appeal No. 3325 of 2020)** has observed as under:


*“24. On a bare reading of the provision, it is clear that both, Clauses (a) and (b) of sub-Section (5) of Section 7, use the expression “it may, by order” while referring to the power of the Adjudicating Authority. In Clause (a) of sub-Section (5), the Adjudicating Authority may, by order, admit the application or in Clause (b) it may, by order, reject such an application. **Thus, two courses of action are available to the Adjudicating Authority in a petition under Section 7. The Adjudicating Authority must either***



***admit the application under Clause (a) of sub-Section (5) or it must reject the application under Clause (b) of sub-Section (5). The statute does not provide for the Adjudicating Authority to undertake any other action, but for the two choices available.***

*27. The Adjudicating Authority has clearly acted outside the terms of its jurisdiction under Section 7(5) of the IBC. **The Adjudicating Authority is empowered only to verify whether a default has occurred or if a default has not occurred. Based upon its decision, the Adjudicating Authority must then either admit or reject an application respectively. These are the only two courses of action which are open to the Adjudicating Authority in accordance with Section 7(5). The Adjudicating Authority cannot compel a party to the proceedings before it to settle a dispute.***

14. From the submissions of the Corporate Debtor and the Financial Creditor who are respectively, the Applicant and the Respondent in this I.A., this is an admitted position that presently no OTS proposal is pending, though a round of litigation is pending before the Hon'ble High Court as regard the validity and/or the propriety of the rejection of the OTS proposals by the Financial Creditor. It may be noted that the fact of pendency of the petition filed by the Financial Creditor for initiating the insolvency proceedings under Section 7 of the IBC and having it fixed for orders, was brought to the notice of the Hon'ble High Court as well as the Hon'ble NCLAT but **no stay as against continuation of the Section 7 proceeding or on passing the orders on admission thereon, was ever granted.** In our view, the conduct of the Respondent (FC) in rejecting the OTS proposals given on behalf of the Corporate Debtor do not deserve any scrutiny by this Adjudicating Authority as they are non-issues as far as Section 7 proceeding is concerned. The pleas of the Applicant in this respect are not at all material and more so because currently, no OTS proposal is under consideration. In our view, there is neither any sufficient reason nor it would be appropriate to defer the pronouncement in the wake of the legal position that the whole framework of the IBC rests on prescribed timelines to be respected by the parties as well as the Adjudicating Authority.

 Resultantly, the instant application bearing No. **I.A./1752/ND/2025 in CP IB No. 564/ND/2024 stands dismissed** and accordingly, disposed off. No orders to costs.

**C.P. (IB) No. 564/ND/2024**

**16. Submissions of the Financial Creditor in the CP IB No. 564/ND/2024 are as under: -**

- a) On 27.08.2011, the Corporate Debtor approached the Financial Creditor for grant of term loan of Rs. 15 crores for Long-Term Working Capital, for meeting running expenses to be incurred during the trial run for the transformer project of the Corporate Debtor at SEZ Nellore and for funds to be used for expansion of its Bawal Unit. This loan was to be repaid within 7 years.
- b) On 14.11.2012, the Corporate Debtor approached the Financial Creditor for renewal of limits and sanction of fresh fund based working capital limits of Rs. 10 cr. and Non-Fund Based limits of Rs. 20 cr. (L/C import D/DP basis of Rs. 10 cr. and Bank guarantee of Rs. 10 cr.), which was duly sanctioned by the Financial Creditor. The loan and guarantee documents were executed on 31.12.2012.
- c) Subsequently, on 30.07.2013, the Applicant Bank became part of the consortium lenders of the Corporate Debtor. The Applicant Bank renewed/reviewed existing limit of Rs. 30 crores to the Corporate Debtor.
- d) On 05.10.2015, the borrower confirmed and acknowledged indebtedness as on 30.09.2015 for sum of Rs. 36,69,00,436.06/- to the Financial Creditor. Further, on 15.12.2016, the Corporate Debtor issued revival letter for the purpose of acknowledgement of its debts.
- e) On 22.03.2018, the Corporate Debtor executed various loan related documents and agreements with the PNB consortium of which the Financial Creditor herein was also a part.
- f) On 11.07.2018, the account of the Corporate Debtor was declared NPA by the consortium and subsequently, on 31.12.2018, the Financial Creditor classified

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



Corporate Debtor's dues as NPA in accordance with the guidelines issued by Reserve Bank of India.

- g) On 12.02.2019, the Financial Creditor issued a Demand Notice under Section 13(2) of the SARFAESI Act to the Corporate Debtor with a demand for the discharge of full liabilities within period of 60 days.
- h) The Corporate Debtor had issued last revival letter for acknowledgement of debt on 24.10.2019. The Corporate Debtor failed to pay the outstanding amounts in the Cash credit and LC Devolved account.
- i) First OTS proposal was received from the borrower on 31.05.2021. Several communications were exchanged between the Financial Creditor and the Corporate Debtor from 31.05.2021 till 31.05.2024. The Financial Creditor requested to improve OTS offer substantially for consideration. However, as on date, all OTS proposals stand rejected.

**17. Submissions of the Corporate Debtor in the CP IB NO. 564/ND/2024 are as under:**

- a) The Respondent submits that the Respondent is a viable and running concern, and is also solvent and in a position to pay its alleged debts to its creditors, including the Petitioner herein.
- b) The Respondent submits that the Respondent is registered under MSME and is entitled to all benefits and concessions available to the Respondent under MSME Act and Respondent is deprived of all those benefits and concessions by the Petitioner.
- c) The Petitioner bank is a nationalized bank and is doing the business of banking in India and is alleged to have granted credit facilities to the Respondent in consortium with Canara Bank and Punjab National Bank, wherein the Punjab National Bank is the lead bank of consortium.
- d) The Respondent submits that the financial cycle of the Respondent got disturbed due to an expected delay in receipt of a confirmed payment of Rs. 27 Crore from

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



a Japanese Joint Venture Partner which led to a temporary default for mere Rs. 9 crores.

- e) The Respondent submits that when the account of the Respondent was under SMA-2, the consortium member banks withdrew all Non-Fund Based facilities like Bank Guarantees and Letter of Credits. Subsequently, the Respondent received the aforesaid delayed payment and the same was fully repaid to the consortium member banks, however, due to stoppage of banking facilities, the temporary default amount had gone higher in the meantime.
- f) The Respondent submits that the Respondent has made substantial deposits of over Rs. 146 Crores (77 crores to PNB, 18 crores to Central Bank of India and remaining to Canara Bank) till date to the consortium member banks, even after the alleged date(s) of declaration of accounts as NPA.
- g) The Respondent submits that the Respondent is a fully solvent company capable to pay its dues, however, due to certain circumstances such as demonetization, imposition of GST, etc. the financial stability of the Respondent company got disturbed.

#### **ANALYSIS AND FINDINGS IN CP IB NO. 564/ND/2024**


18. We have heard the Learned Counsels for the Financial Creditor and the Corporate Debtor and perused the averments made in the petition, reply and written submission. Since the registered office of the Corporate Debtor is in Delhi, this Tribunal which has territorial jurisdiction over the Union Territory of Delhi, is the Adjudicating Authority in relation to the prayer for initiation of Corporate Insolvency Resolution Process in respect of the respondent Corporate Debtor under Section 7 of the Code.
19. In the present case, on 27.08.2011, the Applicant herein granted Term Loan of Rs. 15 crores to the Corporate Debtor for Long-Term Working Capital and for meeting running expenses, which was to be repaid within a period of 7 years. Further, vide Sanction Letter dated 14.11.2012, the Applicant herein renewed the existing

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



working capital limits and sanctioned fresh fund based working capital limits of Rs. 10 crores and Non-Fund Based limits of Rs. 20 crores and in this regard, due loan and guarantee documents were executed on 31.12.2012. Therefore, it is established that the Corporate Debtor has availed loan facility from the Financial Creditor and admittedly, the Corporate Debtor has consistently been making repayments in lieu of the loan facility so availed. Therefore, there is no dispute as to the existence of 'Financial Debt'.

20. In the instant case, the Corporate Debtor was declared as NPA on 31.12.2018. Further, the Financial Creditor in Part IV of the application has stated the Date of Default as the Date of NPA. Accordingly, 31.12.2018 is considered as the date of default. It is observed that the Corporate Debtor had sent the OTS proposals dated 31.05.2021 and 16.05.2024 to the Financial Creditor. Accordingly, a fresh period of limitation begins from the date of each OTS proposal and the present petition was filed on 05.08.2024. Therefore, we are satisfied that the present application has been duly filed within the period of limitation.


21. We have considered the submissions of the Corporate Debtor that the Corporate Debtor is making bona fide attempts to repay the debt of the Financial Creditor, however, due to unfortunate circumstances such as imposition of demonetization and GST by the government, non-receipt of timely funds from the joint venture company of the Corporate Debtor, etc., the Corporate Debtor was unable to repay the dues of the Financial Creditor. We are of the view that while adjudicating a Section 7 application, the Adjudicating Authority has merely to satisfy itself regarding the existence of 'Debt' and 'Default'. Furthermore, a certificate from the NeSL substantiating that the Corporate Debtor has defaulted in the payment of 'Financial Debt' has been filed and the status of such authentication is reflected as 'Authenticated'. Moreover, it is a laid down law that once the twin conditions of 'Debt' and 'Default' are met, the Adjudicating Authority has to proceed to admit the application under Section 7 of the Code.

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



Therefore, this Adjudicating Authority is satisfied that the present petition made by the Financial Creditor is complete in all respects as required by law. The Petition established that the Corporate Debtor is in default of a debt due and payable and that the default is more than the minimum amount stipulated under Section 4(1) of the Code, stipulated at the relevant point of time. We are of the view that since this Petition was filed on 05.08.2024, and even admittedly the updated debt owed to the Financial Creditor is an amount of Rs. 31,90,10,212.99/- (Rupees Thirty-One Crores Ninety Lacs Ten Thousand Two Hundred Twelve and Ninety-Nine Paise) which meets the threshold of Rs. One Crore as laid down under Section 4 of the Code.

23. In the light of the above facts and circumstances, and in terms of Section 7(5) (a) of the Code, the instant petition **COMPANY PETITION IB (IBC)/564 (ND) 2024** filed by Central Bank of India, the Financial Creditor, under Section 7 of the Code read with Rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating CIRP against M/s PCI Limited, the Corporate Debtor, stands **admitted** and CIRP of PCI Limited is initiated.
24. That the petitioner in part-III of the petition has proposed the name of Mr. Bhoopesh Gupta, as Interim Resolution Professional, having Registration Number IBBI/IPA-001/IP-P-01468/2018 -2019/12271 and E-mail Id- cabhoopesh@rediffmail.com, is hereby appointed as an Interim Resolution Professional (IRP) for Corporate Debtor. The consent of the proposed interim resolution professional in Form-2 is taken on record. It is pertinent to mention that IRP has a valid AFA.
25. We also declare moratorium in terms of Section 14 of the Code. The necessary consequences of imposing the moratorium flows from the provisions of Section 14 (1) (a), (b), (c) & (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;*

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



- (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.*
- (e) The IB Code 2016 also prohibits Suspension or termination of any license, permit, registration, quota, concession, clearances 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, 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, concessions, clearances or a similar grant or right during the moratorium period.*

26. It is made clear that the provisions of moratorium shall not apply to transactions which might be notified by the Central Government and 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 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.

27. In pursuance of Section 13 (2) of the Code, we direct that public announcement shall be made by the Interim Resolution Professional immediately (within 3 days) as prescribed by Explanation to Regulation 6(1) of the IBBI Regulations, 2016) with regard to admission of this application under Section 7 of the Insolvency & Bankruptcy Code, 2016.


28. We direct the applicant Financial Creditor to deposit a sum of Rs. 2 Lakhs (Two Lakh Rupees) with the Interim Resolution Professional namely Mr. Bhoopesh Gupta to meet out the expenses to perform the initial functions assigned to him in accordance

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025



with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within three days from the date of receipt of this order by the Financial Creditor. The said amount, however, is subject to adjustment towards Resolution Process cost as per applicable rules.


29. The Interim Resolution Professional shall perform all his functions as contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the Code and transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, Rules and Regulations.
30. It is further made clear that all the personnel connected with the Corporate Debtor, its promoters or any other person associated with the Management of the Corporate Debtor are under legal obligation under Section 19 of the Code to extend every assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day-to-day affairs of the 'Corporate Debtor'. In case there is any violation committed by the ex- management or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing appropriate orders.
31. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of his obligation imposed by Section 20 of the Code and perform all his functions strictly in accordance with the provisions of the Code, Rules and Regulations.
32. A copy of the order shall be communicated to the applicant, Corporate Debtor and IRP above named, by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records. Applicant is also directed to provide a copy of the complete paper book to the IRP. A copy of this order is also sent to the ROC for updating the Master Data. ROC shall send compliance report to the Registrar, NCLT.

CP IB 564/ND/2024

A/W

I.A. 1752/ND/2025 IN CP IB NO. 564/ND/2024

Order Delivered on: 25.04.2025

 Accordingly, the instant application filed under Section 7 of the Code, 2016 bearing **C.P. I.B./564 (ND)/2024 stands admitted.**

34. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

**Sd/-**  
**(ANU JAGMOHAN SINGH)**  
**MEMBER (TECHNICAL)**

**Sd/-**  
**(JYOTSNA SHARMA)**  
**MEMBER (JUDICIAL)**