

**NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH
(Video Conference)**

**PRESENT: JUSTICE TELAPROLU RAJANI – MEMBER JUDICIAL
ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 26.04.2022 AT 10.30 AM**

TC/CP. Nos.	CA/IA No.	Section/ Rule	Name of Parties
CP No.37/7/AMR/2022		7 of IBC	Pridhvi Asset Reconstruction and Securitisation Company Limited Vs Andhra Cements Limited

Counsel for Petitioner(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

Counsel for Respondent(s):

Name of the Counsel(s)	Designation	E-mail & Telephone No.	Signature

ORDER

CP No.37/7/AMR/2022 is admitted, vide separate orders.

Telaprolu Rajani

**JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL**

**NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH AT HYDERABAD**

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CP (IB) No. 37/7/AMR/2022

**In the matter of a Petition under Section 7 of the Insolvency and
Bankruptcy Code, 2016 Read with Rule 4 of the Insolvency and
Bankruptcy (Application to Adjudicating Authority) Rules, 2016**

**In the matter of
M/s. ANDHRA CEMENTS LIMITED**

Between:

M/s. Pridhvi Asset Reconstruction and Securitisation Company Limited,
Rep. by Mr.K.V.Ramakrishna Prasad- Trustee,
Having its registered office at D.No.1-55,
Raja Praasadamu, 4th Floor, Wing-I,
Plot No.6, 6A, 6B, Masjid Banda Road,
Kondapur, Hyderabad – 500084, Telangana.

... Financial Creditor

AND

M/s. Andhra Cements Limited,
Having its registered office at
Sri Durga Cement Works,
Sri Durgapuram, Guntur,
Andhra Pradesh – 522414.

... Corporate Debtor

Date of Order: 26.04.2022

CORAM:

Justice Telaprolu Rajani, Member Judicial.

Appearance:

For Financial Creditor : Mr.P.Vikram, Advocate.
For Corporate Debtor : Ms.Naveeni Jain, Advocate.

7/1/22

ORDER

1. This Company Petition is filed by M/s. Pridhvi Asset Reconstruction and Securitisation Company Limited (“hereinafter referred to as Financial Creditor”) seeking for initiation of Corporate Insolvency Resolution Process (CIRP) against M/s. Andhra Cements Limited (“hereinafter referred to as Corporate Debtor”).
2. The facts stated in the Petition are briefly as follows:

The Corporate Debtor is engaged in the business of manufacturing of Cement and had for the purpose of its business, approached several Banks including IDFC First Bank Limited, HDFC Limited and Karur Vysya Bank Limited for various credit facilities and amounts were disbursed as a creditor during the period from 2012 to 2016. Subsequently, Edelweiss Asset Reconstruction Company Limited acting in its capacity as Trustee of EARC Trust SC – 244 & 247 had vide Assignments Agreements dated 22.03.2017 and 31.03.2021, acquired the loans and underlying security interest, including all rights, title and interest therein, held by the original lenders, being IDFC First Bank Limited and HDFC Limited. Thereafter, the Financial Creditor acquired loans to an extent of Rs.804,72,79,210/- and underlying security interest including all rights, title and interest therein held by Edelweiss Asset Reconstruction Company Limited and Karur Vysya Bank

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- Limited. The Corporate Debtor failed to abide by its repayment obligations. Hence, this application seeking to initiate CIRP against the Corporate Debtor.
3. The Corporate Debtor filed counter putting forth all the problems encountered by him in running the Company. It is stated that the Plant is capable of producing 26 MW of power and requires 9500 tons of indigenous coal for 20 days operation/month and running of CPP will save cost of power of DCW to the extent of 1.12 Crore per month. It is further submitted that due to inadequate working capital facility, the Corporate Debtor has not been able to operate the plant at about 60% capacity utilization and is in requirement of working capital. It is stated that only for the reasons mentioned therein the Corporate Debtor Company had requested the Financial Creditor for additional support, to recommence the operations of cement plants by providing working capital assistance and that the Corporate Debtor all along cooperated with the lenders for undertaking Expression of Interest (EoI) process as well as Assignment process. It is submitted that the Corporate Debtor Company has not wilfully defaulted the amounts.
 4. Hence, from the contents of the counter it is clear that there is an admission of debt and also the default. The reasons put forth for not being able to discharge the debt, unfortunately cannot be considered within the frame work of IBC. What Section 9 requires is only default on the part of the Corporate Debtor, for initiating CIRP. At

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the hearing, no argument was made against the default in discharging the debt. Hence, since there is acknowledgement of debt in clear terms and also default, there need not be any further discussion and demur to allow the Application. The Financial Creditor suggested Mr.Nirav Kirit Pujara as Insolvency Resolution Professional (IRP) and sought the Tribunal to appoint him as IRP. Hence, **Mr.Nirav Kirit Pujara**, (Registration No. IBBI/IPA-001/IP-P-01450/2018-2019/12285) is appointed as Insolvency Resolution Professional (IRP).

ORDER

The Company Petition is admitted. The Corporate Insolvency Resolution Process of the Corporate Debtor shall commence from this date and shall be completed within 180 days hence.

- i. **Mr.Nirav Kirit Pujara**, (Registration No. IBBI/IPA-001/IP-P-01450/2018-2019/12285), having office at Tower 3, 27th floor, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road, West, Mumbai City, Maharashtra-400013; e-mail: **npujara.ip@gmail.com**; Mobile: **9820082397** is appointed as the Interim Resolution Professional. No disciplinary proceeding is pending against him as per the IBBI website.
- ii. He is directed to take charge of the Corporate Debtor's management forthwith and take necessary steps in furtherance of the CIRP in

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terms of Sections 13(2), 15, 17, 18 and 20 of Code and Rules made thereunder.

- iii. Moratorium in respect of the Corporate Debtor is hereby declared in terms of Section 14 of the Code.
- iv. The Directors, Promoters or any other person(s) associated with the management of Corporate Debtor shall extend all assistance and cooperation to the IRP as stipulated under section 19 of the Code for effectively discharging his functions under the Code.
- v. The Registry shall communicate the order to the Financial Creditor and the Corporate Debtor forthwith.
- vi. The Financial Creditor and the Registry shall send the copy of this order to IRP for necessary compliance.



**JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL**

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