



**IN THE NATIONAL COMPANY LAW TRIBUNAL
CUTTACK BENCH
CUTTACK**

CP (IB) No. 18/CB/2023

In the matter of:

An application under Section 10 of the Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016;

And

In the matter of:

Roopam Textiles Trading Private Limited, a company incorporated under the Companies Act, 1956 having its Registered Office situated at: One, Janpath Kharvela Nagar; Bhubaneswar, Odisha

... Petitioner/Corporate Applicant

Coram:

Shri P. Mohan Raj : Member (Judicial)
Shri Satya Ranjan Prasad : Member (Technical)

Appearances:

For the Petitioner : Mr. Kishore Kumar Mishra, Adv.
Mr. Parthendu Ray, Adv.

Order reserved on: 17.07.2023

Order pronounced on: 31.07.2023

ORDER

Per: Satya Ranjan Prasad, Member (Technical)

1. This application has been filed by **Roopam Textiles Trading Private Limited** ('Petitioner/Corporate Applicant') under Section 10 of Insolvency and Bankruptcy Code, 2016 read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, to initiate Corporate Insolvency Resolution Process (CIRP) against itself as the Corporate Person is unable to pay the debt of ₹10,00,12,895.49.



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2. As stated in the Petition the Registered Office of the Corporate Debtor is situated at: One, Janapath Kharvela Nagar, Bhubaneswar 751 001, in the State of Odisha, CIN No: U18101OR2004PTC0075790, within the jurisdiction of this Adjudicating Authority.
3. As per the averments the Corporate Debtor (**hereinafter referred to as 'Corporate Applicant'**) was incorporated on 22.04.2004 as a Company Limited by Shares. The Authorised Share Capital of the Corporate Applicant is Rs. 75,00,000/-- divided into 7,50,000 equity shares of Rs. 10/- each and the Nominal Share Capital of the corporate debtor is 80,00,000/- . The Corporate Applicant is engaged in the activity of trade or business of manufactures, processors, buyers, sellers, exporters, importers and dealers in textiles, fabrics, knitwear, hosiery and wearing apparel of every kind and description including suits, shorts, trousers, breaches, hunting coats, overcoats, and wearing apparel of all kinds for playing games.
4. It is stated that in the year 2007, Suman Agarwal, Director resigned and Ms. Sarita Agarwal was inducted as Director along with Mr. Arun Agarwal. It is further stated that due to economic slowdown on account of demonetisation, transition to GST, and Finally COVID-19, drove the corporate applicant to default in its obligations. Also, delay in disbursing the loan amount and refusal to enhance the loan amount by the financial creditors, were some of the reasons for which the Corporate Applicant became unsuccessful to run his company.
5. It is stated by the Corporate Applicant in its application that it has a default in respect of total debt as under: -
 - (i) Total Amount due to the Operational Creditors is Rs. 3,26,44,615.85;
 - (ii) Total Amount due to the Financial Creditors is Rs. 6,37,28,980.67;
 - (iii) Total Amount of Taxes (Statutory) due and payable is Rs. 36,39,298/-.



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6. Record of default in respect of Financial Debt and Operational Debt have been Annexed respectively at **Annexure E** of this Petition. The ledger account from 01.04.2022 to 15.12.2022 of the corporate debtor evidencing the default to Operational and Financial Creditors have been Annexed at **Annexure II**. The Corporate Applicant has also enclosed with the petition copies of the audited financial statements of the Corporate Debtor for 2020-2021 and 2021-2022 and the provisional financial statements for the financial year, 2022-2023.
7. It is further contended that the Reserves and Surplus of the Corporate Debtor is Rs. 4,81,37,297.32 and Other Current Liabilities amounting to Rs. 66,08,128.79 and Trade Payable of Rs. 2,16,75,786.03 in the financial year ending 31st March, 2022. It is observed that the above figures are same in the provisional Balance Sheet for 2022-2023. A list of the Corporate Debtor's assets and liabilities with estimated values assigned to each category has been annexed with the application and marked as **Annexure-V**.
8. The Board of Directors' meeting was held on 04.01.2023 wherein resolution was passed to approach this Adjudicating Authority for initiation of Corporate Insolvency Resolution Process (CIRP). A copy of the resolution has been annexed with the application and marked as **Annexure-B**.
9. It is noted that in the petition the date of default is not clarified. Subsequently, the Submission of affidavit filed by the Director on behalf of the Corporate Debtor dated 16.06.2023. The major contentions of the Corporate Debtor made in its affidavit are as below: -

That during pendency of this application the applicant came to know that the secured creditor has initiated a proceeding under Section 13 (2) of the securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2022 for recovery of the loan amount. The applicant came to know from the above notice that from



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September 2022, the operation and conduct of the financial assistant/credit facilities have become irregular. It also further transpires that due to default committed in repayment of principal debt/instalment and interest thereon the secured creditor was constrained to classify the debt as Non-Performing Asset (NPA) as on 29.11.2022 in accordance with the directives/guidelines relating to asset classification issued by the Reserve Bank of India. Copy of the notice under section 13(2) is annexed vide Annexure-A to this affidavit.

That the applicant humbly submits that the above fact was not within the knowledge of the applicant till filling of the present application, as the notice was not served upon the applicant in accordance with law. In view of above fact, the date of default could not be indicated in the petition filed under Section 10 of IBC, 2016. Be that as it may the deponent in this affidavit clarifies that the debt of applicant was declared as NPA on 29.11.2022.

10. So, in light of the case's facts, circumstances, and legal situation, we believe that this application, as submitted by the Applicant- Corporate Applicant, can be admitted under Section 10 of the IBC, 2016.
11. The Corporate Applicant has proposed the name of **Mrs. Payal Agarwal** , having residing at: Old College Lane, Nimchouri, Cuttack, 753 002, Odisha, having Email-Id- agarwalpayal2008@gmail.com, for appointment as Insolvency Resolution Professional, who is registered with the ICSI Insolvency Professionals Agency having registration No. **IBBI/IPA-001/IP-P-02254/2021-22/13571**. Mrs. Payal Agarwal has submitted her written communication in FORM- 2. There is nothing on record to show that any disciplinary proceeding is pending against the proposed IRP. This application is **ADMITTED** by following orders.



ORDERS

- (i) This application filed by the Corporate Applicant under Section 10 of the Insolvency & Bankruptcy Code, 2016 is hereby **ADMITTED** for initiating the Corporate Insolvency Resolution Process against **ROOPAM TEXTILES TRADING PRIVATE LIMITED**, (Corporate Applicant/Corporate Debtor). Moratorium order is passed for a public announcement as stated in Section 13 of the IBC, 2016.
- (ii) The moratorium is declared for the purposes referred to in Section 14 of the Insolvency & Bankruptcy Code, 2016. The IRP shall cause a public announcement of the initiation of Corporate Insolvency Resolution Process and call for the submission of claims under Section 15. The public announcement referred to in clause (b) of sub-Section (1) of Insolvency & Bankruptcy Code, 2016 shall be made immediately.
- (iii) Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016 prohibits the following: -
 - 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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;



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- d. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
- (iv) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during the moratorium period.
- (v) The provisions of sub-Section (1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
- (vi) The order of moratorium shall take effect the date of admission till the completion of the Corporate Insolvency Resolution Process.
- (vii) 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.
- (viii) Necessary public announcement as per Section 15 of the IBC, 2016 may be made by the Resolution Professional upon receipt of the copy of this order.
- (ix) **Mrs. Payal Agarwal** , registered with the ICSI Insolvency Professionals Agency having Registration No. No. **IBBI/IPA-001/IP-P-02254/2021-22/13571**, having residing at: Old College Lane, Nimchouri, Cuttack, 753002, Odisha, having Email-Id-agarwalpayal2008@gmail.com, is appointed as Interim Resolution Professional for ascertaining the particulars of creditors and convening a meeting of the Committee of Creditors for evolving a Resolution Plan.



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- (x) The Resolution Professional shall conduct CIRP in time bound manner as per Regulation 40A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulation, 2016.
- (xi) The Interim Resolution Professional should convene a meeting of the Committee of Creditors and submit the resolution passed by the Committee of Creditors.
- (xii) Registry is hereby directed to communicate the order to the Corporate Applicant/Corporate Debtor and to the Interim Resolution Professional by Speed Post as well as through E-mail.
- (xiii) Interim Resolution Professional to file 1st progress report on 04.09.2023.
- (xiv) Let the certified copy of the order be issued upon compliance with requisite formalities.

SATYARANJAN PRASAD Digitally signed by SATYARANJAN PRASAD
Date: 2023.07.31 14:58:47 +05'30'

Satya Ranjan Prasad
Member (Technical)

PANDIAN MOHAN RAJ Digitally signed by PANDIAN MOHAN
RAJ
Date: 2023.07.31 15:17:27 +05'30'

P. Mohan Raj
Member (Judicial)

Signed on this, the 31st day of July, 2023.

Supriya_P.S.