



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

ATTENDANCE CUM ORDER SHEET OF THE HEARING  
HELD ON **11.07.2025** THROUGH VIDEO CONFERENCING

---

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

---

**APPLICATION NUMBER** :  
**PETITION NUMBER** : CP(IB)/65(CHE)2024  
**NAME OF THE PETITIONER(S)** : Aditya Birla Finance Ltd  
**NAME OF THE RESPONDENTS** : KMP Spinners Pvt Ltd  
**UNDER SECTION** : Sec 7 Rule 4 of IBC, 2016

---

**ORDER**

Present: Ld. Counsel Ms. Shiksha for the Petitioner.

Vide separate order pronounced in Open Court, the petition is admitted.

Shri. Ravindra Belayur is appointed as IRP.

**Sd/-**

**(VENKATARAMAN SUBRAMANIAM)**

MEMBER (TECHNICAL)

MG

Date: 11.07.2025

**Sd/-**

**(SANJIV JAIN)**

MEMBER (JUDICIAL)



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

**CP/IB/65/CHE/2024**

*(filed under section 7 of the Insolvency and Bankruptcy Code,2016  
r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating  
Authority) Rules,2016)*

In the matter of **KMP SPINNERS PRIVATE LIMITED**

**Aditya Birla Finance Limited**

Indian Rayon Compound,  
Veraval,  
Gujarat - 362266

*...Financial Creditor/ Petitioner*

-vs-

**KMP Spinners Private Limited**

SF No. 299/7, Paraikkadu,  
Ellanthaikutai, Pirivu Veppadai Post —  
Thiruchengode Taluk  
TN- 638008

*... Corporate Debtor/ Respondents*

*Order pronounced on 11<sup>th</sup> July, 2025*

CORAM :

**SANJIV JAIN, MEMBER (JUDICIAL)**

**VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)**

*For Applicant* : *Surayana, Shiksha Advocate*  
*For Respondent* : *A.S.Sathish Kumar, PCS*



## ORDER

1. This petition under Section 7 of the Insolvency and Bankruptcy, 2016 (“IBC”) read with Rule 4 of the Insolvency and Bankruptcy Board of India (Petition to Adjudicating Authority) has been filed by **Aditya Birla Finance Limited** (hereinafter referred to as “**Petitioner/Financial Creditor**”) against **KMP Spinners Private Ltd.** (hereinafter referred to as “**Respondent/Corporate Debtor**”) to initiate Corporate Insolvency Resolution Process (“CIRP”) against the Corporate Debtor.

2. **Part-I** of the petition sets out the details of the Petitioner/Financial Creditor. Its Registered Office is situated at Indian Rayon Compound, Veraval, Gujarat – 362266. **Part-II** of the petition sets out the details of the Corporate Debtor. It has its Registered Office at SF no. 299/7, Paraikkadu, Ellanthaikutai, Pirivu Veppadai Post – Thiruchengode Taluk, TN- 638008. It was incorporated on 12.07.2006 with Authorized Capital of Rs.6,50,00,000/- (Rupees Six Crores Fifty Lakhs only) and Paid-up Share Capital of Rs.6,48,68,500/- (Rupees Six Crores Forty-Eight Lakhs Sixty-Eight Thousand and Five Hundred Lakh only)

3. In **part-III** of the petition, the Petitioner has proposed the name of the Interim Resolution Professional, Shri. Ravindra Beleyur having Registration IBBI/IPA-001/IP-P00189/2017-18/10368.

4. **Part-IV** of the petition sets out the details of the financial debt due and payable as Rs.11,43,92,972/- (Rupees Eleven Crores Forty-Three



Lakhs Ninety-Two Thousand Nine Hundred and Seventy-Two only) and date of default as 29.08.2019. It is stated that after excluding the time period from 15.03.2020 to 28.02.2022 granted by the Supreme Court on account of Covid, the Petition is within limitation.

5. In **Part V** of the Petition, the Petitioner has given the details of the amounts claimed to be in default in a tabular form which is extracted as under:

Particulars	Amount INR	Amount INR	Amount INR	Amount INR
	80000493	80001123	MINACS0173801	Total
Principal o/s	0.00	98,53,469.00	0.00	98,53,469.00
Principal overdue	0.00	0.00	2,99,51,071.89	2,99,51,071.89
L.P.P Charges	91,26,304.00	36,52,830.00	16,33,584.00	1,44,12,718.00
Overdue Charges (including others)	6,63,943.00	1,84,861.00	0.70	8,48,804.70
Unbilled Interest	0.00	0.00	3,45,053.00	3,45,053.00
Unpaid Interest	0.00	0.00	1,78,81,830.12	1,78,81,830.12
Interest on Termination	0.00	1,17,078.38	0.00	1,17,078.38
Foreclosure charges	0.00	4,65,083.74	0.00	4,65,083.74
Pending Installments	2,87,88,883.81	1,17,28,980.00	0.00	4,05,17,863.81
Refunds	0.00	0.00	0.00	0.00
Net Payable/ Net Receivable(after Waive Off Amount adjustment)	3,85,79,130.81	2,60,02,302.12	4,98,11,539.71	11,43,92,972.64
TDS Receivable (not included in Net receivable)				

6. **Part – VI** of the Petition discloses the details of the documents filed with the Petition by the Financial Creditor to prove the existence of 'Financial debt' and the same are enumerated hereunder:-

1. *Sanction Letter dated 11.08.2016 (Annexure -4)*
2. *Sanction Letter dated 02.02.2018 (Annexure -5)*
3. *Term Loan Agreement dated 13.08.2016. (Annexure-6)*
4. *Line of Credit Agreement dated 13.08.2016. (Annexure-7)*
5. *Term Loan Agreement dated 02.02.2018. (Annexure-8)*



6. *Line of Credit Agreement dated 02.02.2018. (Annexure-9)*
7. *Deed of Guarantee dated 02.02.2018 (Annexure-10)*
8. *Memorandum of Deposit of Title Deeds dated 09.02.2018 (Annexure- 11)*
9. *Supplemental Deposit of Title deeds dated 09.02.2018 (Annexure-12)*
10. *Notice of demand under Section 13(2) of the SARFAESI Act, 2002 dated 16th September 2019 along with postal receipts and delivery reports. (Annexure- 16)*
11. *Notice of invocation of personal guarantee dated 15th October 2022. (Annexure-17)*

7. It is stated that following a default committed by the Corporate Debtor, the financial creditor has recalled the loan granted to KMP Spinners Pvt Ltd and hence this petition has been filed for initiating corporate insolvency resolution process against the Corporate Debtor, KMP Spinners Pvt Ltd 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

8. The Petitioner/Financial Creditor served the notice to the Corporate Debtor as per the directions of this Tribunal vide order date 21.03.2024 and filed an Affidavit of Service in S.R. No 2327 dated 08.05.2024. The duly signed acknowledgment card has been enclosed with the Affidavit as proof of service.



9. This Tribunal gave ample opportunity to the Corporate Debtor to enter appearance and file reply statement. On the hearing dated 15.07.2024, A.S. Sathish Kumar, PCS appeared before this Tribunal and sought time to file reply.

10. However, even after awarding time and opportunity, the Respondent failed to file a reply/counter statement in this matter. Hence, this Tribunal was constrained to set the Corporate Debtor *ex-parte* in the hearing dated 27.08.2024 and proceed with the present petition.

11. The Petitioner has filed the latest record of default as per the directions dated 05.12.2024. The record of default reflects “No authentication done by any parties till now”.

12. We have heard Ld. Counsel for the Petitioner and perused the record.

13. On a perusal of Sanction Letter dated 11.08.2016, it is seen that the Respondent/ Corporate Debtor had availed Line of Credit and Term Loan facilities from the Financial Creditor to the tune of Rs. 1,50,00,000 and Rs. 3,00,00,000 respectively. Thereafter, vide letter dated 02.02.2018, an additional amount of Rs. 3,00,00,000 was sanctioned by the Financial Creditor. (The Sanction Letter dated 11.08.2016 is annexed and marked as **Annexure A4** and Sanction Letter dated 02.02.2018 is annexed and marked as **Annexure A5**).



14. The Financial Creditor has placed on record the Term Loan Agreement dated 13.08.2016, the Line of Credit Agreement dated 13.08.2016, Term Loan Agreement dated 02.02.2018 and Line of Credit Agreement dated 02.02.2018 as proof of existence of Financial Debt. Further, the Financial Creditor has submitted the Statement of Accounts pertaining to Loan Account No. 80001123, Loan Account No. 80001123 and Loan Account No. MINACS0173801 as proof of disbursement of debt. As per the Statement of Accounts, the loans were disbursed on 31.08.2016, 13.02.2018 and 30.06.2021.

15. It is seen from the Statement of Accounts pertaining to the Term Loan Account No. 80001123 for the period from 01.01.2020 to 25.01.2024, that the Corporate Debtor had made a payment of Rs. 60,082/- on 05.07.2019. Further, it is seen from the Statement of Accounts pertaining to Term Loan Account No. 80000493 for the period from 01.01.2020 to 25.01.2024, that the Corporate Debtor had made a payment Rs. 2,64,918/- and Rs. 2,14,842.51 vide two separate cheques on 05.07.2019. However, subsequently, the Corporate Debtor committed continuous defaults on the due dates. Thereafter, payments of Rs. 48,645/- were made towards Loan Account No. 80001123 on 31.03.2023 and payment of the same amount was made towards Term Loan Account No. 80000493 on 29.04.2023.

16. Similarly, in Credit Loan Account No. MINACS0173801, it is seen from the Statement of Accounts pertaining to the period from 01.01.2020



to 25.01.2024 that the Corporate Debtor's account remained irregular after 13.02.2018.

17. Owing to the default committed by the Corporate Debtor, the Financial Creditor issued notice under Section 13(2) of SARFAESI Act, 2002, on 16.09.2019 calling upon the Corporate Debtor to make payment of Rs. 6,94,34,457/-. It is seen that the Corporate Debtor's Account was declared as an NPA on 29.08.2019, which is the date of default for filing the present petition.

18. It is seen from Part IV of the petition that the total amount of default is Rs. 11,43,92,972/-.

19. Since the date of default is 29.08.2019, the limitation period expired on 29.08.2022. However, the Petitioner/ Financial Creditor is entitled to the benefit of limitation from 15.03.2020 to 28.02.2022 as extended by *Hon'ble Supreme Court in Suo Moto W.P. (Civil) No. 3 of 2020*. The Apex Court in *Suo Motu Writ Petition (C) No. 3 of 2020* by order dated 10.01.2022 held as follows:

*III. In cases where the limitation would have expired during the period between 15.03.2020 till 28.02.2022, notwithstanding the actual balance period of limitation remaining, all persons shall have a limitation period of 90 days from 01.03.2022. In the event the actual balance period of limitation remaining, with effect from 01.03.2022 is greater than 90 days, that longer period shall apply.*



20. In view of the aforementioned judgement, the period of limitation in the present case would expire on 13.03.2024. The instant Petition has been filed on 13.02.2024. Hence, the petition is within limitation.

21. The Hon'ble Supreme Court in the case *Innoventive Industries Limited -Vs- ICICI Bank & Anr., (2018) 1 SCC 407* has held that Tribunal is required to see whether there is a 'debt' which is due and payable under the law and whether the default is more than Rupees One Lakh (now Rupees One Crore). The moment the default amount exceeds Rupees One Crore; this Tribunal is required to initiate Corporate Insolvency Resolution Process as against the Corporate Debtor.

22. In view of the facts as stated supra and also in view of the 'financial debt' which is proved by the Financial Creditor and the 'default' being committed on the part of the Corporate Debtor, this Tribunal admits the present petition and initiates the Corporate Insolvency Resolution Process in relation to the Corporate Debtor viz., **KMP Spinners Private Limited.**

23. The Financial Creditor proposed the name **Mr. Ravindra Belayur** with *Registration Number: IBBI/IPA-001/IP-P00189/2017-18/10368*, (email- [ravi@beleyur.com](mailto:ravi@beleyur.com)) as the Interim Resolution Professional (IRP) who has also filed his consent in Form – 2 and also upon verification from the IBBI website, it is seen that the Authorization for Assignment is granted to the said IRP till 31.12.2025. We therefore appoint **Mr. Ravindra Belayur** as the IRP. The proposed IRP who is appointed shall



take forward the process of Corporate Insolvency Resolution of the Corporate Debtor. 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 20 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.

24. The Financial Creditor is directed to pay a sum of **Rs. 3,00,000/- (Rupees Three Lakhs Only)** to the Interim Resolution Professional to meet out the expenses and to perform the functions assigned to him in accordance to Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

25. As a consequence of the Application being **admitted** in terms of Section 7 of the Code, the moratorium as envisaged under the 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;



26. However, during the pendency of the moratorium period in terms of Section 14(2) (2A) 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.

27. The duration of the period of moratorium shall be as provided in Section 14(4) of the Code and for ready reference reproduced as follows:



(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.

28. Based on the above terms, the Application stands **admitted** in terms of Section 7 (5) of IBC, 2016 and the moratorium shall come in to 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 who is figuring in the list of Resolution Professionals forwarded by IBBI be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.

**-Sd-**

**VENKATARAMAN SUBRAMANIAM**  
MEMBER (TECHNICAL)

**-Sd-**

**SANJIV JAIN**  
MEMBER (JUDICIAL)