

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

**PRESENT: JUSTICE TELAPROLU RAJANI – MEMBER JUDICIAL
ATTENDANCE-CUM-ORDER SHEET OF THE HEARING HELD ON 05.05.2022 AT 10.30 AM**

TC/CP. Nos.	CA/IA No.	Section/ Rule	Name of Parties
CP(IB) No. 19/10/AMR/2022		10 of IBC	Kumar's Kotex Limited (Corporate Applicant)

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 (IB) No. 19/10/AMR/2022 is allowed, vide separate orders.


**JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL**

**NATIONAL COMPANY LAW TRIBUNAL
AMARAVATI BENCH**

CP (IB) No.19/10/AMR/2022

**In the matter of a petition 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**

**In the matter of
M/s. KUMAR'S COTEX LIMITED**

BETWEEN:

M/s. KUMAR'S COTEX LIMITED,
Registered Office at Dokiparru Village,
Medikonduru Mandal, Guntur District,
Andhra Pradesh- 521332.

... Corporate Applicant

Date of pronouncement of orders: 05.05.2022

Coram:

Justice Telaprolu Rajani, Member Judicial.

Parties/Counsels present:

For the Applicant : Mr.Deepak Dingra, Advocate

For the Financial Creditors : None Appeared

ORDER

1. The Corporate Applicant has moved this Tribunal by way of
Petition Under Section 10 of the Insolvency and Bankruptcy



Code, 2016 (The Code) seeking to initiate Corporate Insolvency Resolution Process (CIRP) for itself due to its default in meeting its obligations to its Financial Creditors.

2. The Corporate Applicant was incorporated on 30.09.1991 in the then combined State of Andhra Pradesh and was engaged in the business of manufacture of yarn and combed cotton yarn, etc. The Corporate Applicant availed secured credit facilities from Canara Bank [Now sold to Asset Reconstruction Company of India Limited (ARCIL)] and from IDBI Bank [Now sold to Stressed Assets Stabilization Fund (SASF)] for working capital facility and for purchase of machineries. Over a period of time, the Corporate Applicant faced financial difficulties and suffered losses due to which it was unable to repay the loans to the Financial Creditors. Hence the Financial Creditors declared the entire amount as Non-Performing Asset (NPA). Financial Creditor filed an application before DRT, Hyderabad and the same is allowed by the DRT vide its order dated 06.05.2017. But the Corporate Applicant failed to comply the order of DRT, Hyderabad. Hence left with no option, this Petition is filed, seeking to initiate Corporate Insolvency Resolution Process under Section 10 of the Insolvency and Bankruptcy Code, 2016.

Mace

3. Notices were served on the Financial Creditors. None appeared for the Financial Creditors. Hence, heard the Counsel for the Corporate Applicant.
4. There are no suspicious circumstances shrouding this Petition. Admittedly there is default by the Corporate Applicant in payment of the Financial Debt. The special resolution passed by the shareholders, resolving to initiate Corporate Insolvency Resolution Process is also enclosed with the Petition. The Petition fulfils all the conditions laid down Section 10 of the Code. Hence the Company Petition is admitted.

ORDER

- i. The Company Petition be and the same is admitted.
- ii. The Corporate Insolvency Resolution Process of the Corporate Applicant shall commence from this date and shall be completed within 180 days hence.
- iii. Mr.Rajiv Bajaj, (Registration No. IBBI/IPA-002/IP-N00276/2017-18/10834), having office at 4/180, Ground Floor, Back Side, Subhash Nagar, New Delhi-

7/10/22

110027, E-mail ID:rbajajip@gmail.com, Mobile No.8800794355 is appointed as the Interim Resolution Professional. The IRP has mentioned in the written consent letter that no disciplinary proceedings are pending. On verification with IBBI website, the said statement is found to be true. No disciplinary proceeding is pending against him as per the IBBI website.

- iv. He is directed to take charge of the Corporate Applicant management forthwith and take necessary steps in furtherance of the CIRP in terms of Sections 13(2), 15, 17, 18 and 20 of the Code and Rules made there under.
- v. Moratorium in respect of the Corporate Applicant is hereby declared in terms of Section 14 of the Code.
- vi. The Directors, Promoters or any other person (s) associated with the management of Corporate Applicant shall extend all assistance and cooperation to the IRP as stipulated under Section 19 for effectively discharging his functions under the Code.

Maus

- vii. The Registry is directed to communicate the order to the Corporate Applicant and the Financial Creditors forthwith.
- viii. The Corporate Applicant and the Registry are also directed to send the copy of this order to IRP for necessary compliance.


JUSTICE TELAPROLU RAJANI
MEMBER JUDICIAL

Swamy Naidu