

**IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, CHENNAI**

CP/104A/(IB)/CB/2018

Under Section 9 Rule 6 of the IB Code, 2016

In the matter of M/s. Jaimurugan Textiles Limited

M/s. BHADRESH TRADING CORPORATION LIMITED

(CIN: U40105MH2008PLC182506)

(Operational Creditor)

V/s

M/s. JAIMURUGAN TEXTILES LIMITED

(CIN: U17111TZ1990PLC002634)

(Corporate Debtor)

Order delivered on: 04.04.2018

Coram:

K. Anantha Padmanabha Swamy, Member (Judicial)

S. Vijayaraghavan, Member (Technical)

For the Petitioner/OC: Shri. P.J Rishikesh, Advocate
 Shri. P.J Sri Ganesh, Advocate
 Shri. Ami V. Kataria, Advocate

For the Respondents/CD: Shri R. Harishankar, Advocate
 Ms. R. Varalakshmi, Advocate

ORDER

Per: K. ANANTHA PADMANABHA SWAMY, MEMBER (J)

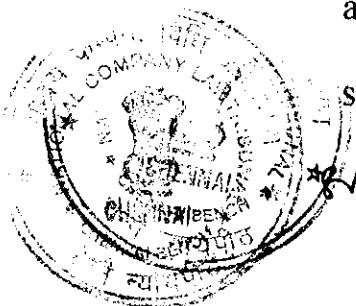
1. Under Consideration is a Company Petition filed by M/s. Bhadresh Trading Corporation Limited (in short, 'Petitioner/Operational Creditor') against M/s. Jaimurugan Textiles Limited (in short, 'Respondent/Corporate Debtor') under section 9 of the Insolvency and Bankruptcy Code 2016 (In



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short, '**IB Code 2016**') r/w Rule 6 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity, '**IB Rules 2016**').

2. Before proceeding with this matter, it would be appropriate to make a note of background facts for the purpose of determination of this petition.
3. The petitioner/OC is a Limited Company incorporated under the Companies Act, 1956, having its registered office at 203, Majestic Shopping Centre, 2nd Floor, 144, J.S.S Road, Girguam, Mumbai-400004, State of Maharashtra. Whereas the respondent company, is a private limited company incorporated under the Companies Act, 1956, having its registered office at No. 693/1A, R. R. G. F. Complex, Dharapuram Road, Tirupur, Coimbatore-641608. The Respondent Company is engaged in the business of manufactures and dealers in all kinds if yarns woollen and other textiles, cloths, lines, nylon, rayon, decron, polyester etc.
4. The learned counsel appearing on behalf of the Petitioner/OC submitted that the Respondent/CD approached the petitioner and expressed its requirements for cotton bales on the mutually agreed conditions and accordingly, the petitioner supplied the said products from time to time under various specified invoices



in the petition. It is also submitted that the goods were delivered on Credit basis against specific invoices, bills etc.

5. It is further submitted that the Respondent as of now has outstanding Rs. 3,52,86,305/- (Value of enclosed invoices is Rs. 3,55,64,655/-) towards payment top the Operational Creditor. The Corporate Debtor has made a part payment of Rs. 18,00,000/- in running account on 02.04.2016. There after no payments were made by the Corporate Debtor to the Operational Creditor, towards the subject debt Invoices as specified in the petition relating to the period from 01.08.2013 to 11.09.2013. With a view to maintain a good relationship with the respondent, various gentle reminders were given by the petitioner in relation to the payment of debt, but there was no satisfactory outcome.
6. It is further submitted that the petitioner after making several requests for settling the dues with the respondent and having waited for a long period of time for his legitimate dues, sent a Demand Notice dated 17.11.2017 as per the provisions under section 8 of the IB Code 2016 r/w Rule 5 of the IB Rules 2016 calling upon the respondent to make the payment of the outstanding dues of Rs. 3,52,86,305/- including of interest and claimed to be an Operational Creditor under the provisions of the



IB Code 2016 and prayed to initiate Corporate Insolvency Resolution Process against the Respondent/CD.

7. Shri R. Harikrishna, the learned Counsel for the Respondent/CD caused appearance and filed vakalat. No counter filed on behalf of Respondent/CD. He simply said has not received any instructions from the respondent for making any submission in this matter.
8. Heard both sides. As per the submission of the counsel for the petitioner, the Petitioner has complied with all the requirements as stipulated under the provisions of the I&B Code, 2016 for the purpose of initiating Corporate Insolvency Resolution Process.
9. After hearing submissions of the counsel for the petitioner and having perused the record, this Adjudicating authority is satisfied that the petitioner has clearly made out a case by establishing that the Corporate Debtor has defaulted on payment dues on various occasions to the petitioner. Also, the petitioner has proved by placing overwhelming evidence viz. Invoices, Demand Notice, financial transactions and Bank statements which reveal that default has occurred for which the Corporate Debtor was responsible. The petitioner has also placed on record, proof of sending notices and its deliveries and also filed an affidavit and bank statement under section 9(3)(b) and 9(3)(c) of I & B Code.



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In the circumstances, we are satisfied with the submissions put forth by the learned counsel for the petitioner, and hence we hereby admit the instant petition.

10. The instant petition is admitted and we order the commencement of the Corporate Insolvency Resolution Process which shall ordinarily get completed within 180 days, reckoning from the day this order is passed.

11. We appoint Ms. Sridharanrevathi as Interim Resolution Professional (IRP) proposed by the Operational Creditor. There is no disciplinary proceedings pending against the IRP and her name is reflected in IBBI website. The IRP is directed to take charge of the Respondent/Corporate Debtor's management immediately. She is also directed to cause public announcement as prescribed under Section 15 of the I & B Code, 2016 within three days from the date the copy of this order is received, and call for submissions of claim in the manner as prescribed.

12. We declare the moratorium which shall have effect from the date of this order till the completion of corporate insolvency resolution process for the purposes referred to in Section 14 of the I&B Code, 2016. We order to prohibit all of the following,

namely:



- 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 (54 of 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.*

13. The supply of essential goods or services of the Corporate Debtor shall not be terminated or suspended or interrupted during moratorium period. The provisions of Sub-section (1) of Section 14 shall not apply to such transactions, as notified by the Central Government



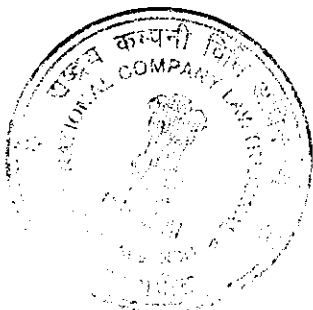
14. The IRP shall comply with the provisions of Sections 13 (2), 15, 17 & 18 of the Code. The directors, Promoters or any other persons associated with the management of Corporate Debtor are directed to extend all assistance and cooperation to the IRP as stipulated under Section 19 and for discharging his functions under Section 20 of the I&B Code, 2016. Accordingly, the application is admitted.

15. The Petitioner/OC as well as the Registry is directed to send the copy of this Order to IRP so that he could take charge of the Corporate Debtor's assets etc. and make compliance with this Order as per the provisions of I&B Code, 2016.

16. The Registry is also directed to communicate this Order to the Operational Creditor and the Corporate Debtor.

17. The address details of the IRP are as follows: -

Ms. Sridharanrevathi
Reg. No. IBBI/IPA-002/IP-N00231/2017-2018/10682)
S1, A Block Kgeyes Apporva Apartments,
No. 2, Nolambur Main Road,
Gangaiamman Nagar Extn, Chennai – 600 107.
E-mail ID: revisri@yahoo.co.uk
Mobile No: 9840966464



S. Vijayaraghavan
(S. Vijayaraghavan)
Member (Technical)

K. Anantha Padmanabha Swamy
(K. Anantha Padmanabha Swamy)
Member (Judicial)

TJS
Certified to be True Copy

G. V. S. Sridharan
6/4/18
Tribunal