

**FREE OF COST COPY**

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AMARAVATI BENCH**  
(Through Hybrid Mode)

**Item No.9**  
**CP(IB)/11/7/AMR/2026**

**IN THE MATTER OF:**  
State Bank of India

.... Financial Creditor

**Versus**

Sri Venkata Sivaparvathi Spinning Mills Private Limited

.... Corporate Debtor

**Under Section: 7 of IBC, 2016**

**Rule: 4 of the Insolvency & Bankruptcy (Application to  
Adjudicating Authority) Rules, 2016**

**Order delivered on 08.05.2026**

**CORAM:**

HON'BLE SHRI KISHORE VEMULAPALLI, MEMBER (JUDICIAL)

HON'BLE SHRI UMESH KUMAR SHUKLA, MEMBER (TECHNICAL)

**PRESENT:**

For the Financial Creditor : Mr. G.P. Yash Vardhan, Adv.

For the Corporate Debtor :

**ORDER**

The instant Petition bearing no. CP(IB)/11/7/AMR/2026 ('CP 11/2026' or 'Petition') was filed on 04.03.2026 (vide Diary No.399) by State Bank of India ('Financial Creditor') under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC' or 'Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 ('IB Rules') seeking initiation of the Corporate Insolvency Resolution Process ('CIRP') against Sri Venkata Sivaparvathi Spinning Mills Private Limited ('Corporate Debtor') against the default amount of Rs.57,15,17,200/- (Rupees Fifty-Seven



Crores Fifteen Lakhs Seventeen Thousand Two Hundred only) as on 24.02.2026.

2. As per the Master Data of the Corporate Debtor, its registered office is situated at Door No.19-8-97, Near Suryadevara Estates, Etukuru Road, Guntur-522003, Andhra Pradesh. Therefore, the territorial jurisdiction lies with this Adjudicating Authority. The relevant extract of the Master Data, enclosed as Annexure-2 at pages 48-50 of the Petition, is reproduced below:

## Ministry Of Corporate Affairs

Date : 23-02-2026 2:13:13 pm



### Company Information

CIN	U17111AP2003PTC040926
Company Name	SRI VENKATA SIVAPARVATHI SPINNING MILLS PRIVATE LIMITED
ROC Name	ROC Vijayawada
Registration Number	040926
Date of Incorporation	01/05/2003
Email Id	vspinning[at]yahoo[dot]co[dot]in
Registered Address	D NO 19-8-97, NEAR SURYADEVARA ESTATES, ETUKURU ROAD, GUNTUR, Andhra Pradesh, India, 522003
Address at which the books of account are to be maintained	.
Listed in Stock Exchange(s) (Y/N)	No
Category of Company	Company limited by shares
Subcategory of the Company	Non-government company
Class of Company	Private
ACTIVE compliance	ACTIVE Compliant

3. Facts of the case as submitted by the Counsel for the Financial Creditor during the course of today's hearing and stated in its pleadings are as under:

- (i) The Financial Creditor is a body corporate constituted under the State Bank of India Act, 1955, engaged in banking business, with its Corporate Centre located at State Bank Bhawan, Nariman Point, Mumbai, and that the loan account of the Corporate Debtor is maintained at its Stressed Assets Management Branch-II, Kachiguda, Hyderabad.
- (ii) The Corporate Debtor is a Company incorporated under the provisions of the Companies Act, 1956 and is engaged in the business of preparation and spinning of textile fibre, including weaving of textiles and allied activities.
- (iii) At the request of the Corporate Debtor, the Financial Creditor herein conveyed vide letter dated 30.09.2022, which is at Annexure-6 at pages 106 to 132 of the Petition, the sanction of credit facilities comprising of Cash Credit (Hyp) & Letters of Credit of Rs.60 crores & Rs.11 crores respectively by the consortium consisting of Financial Creditor herein and HDFC Bank, out of which the share of Financial Creditor was Cash Credit (Hyp) of Rs.35 crores & Letters of Credit of Rs.5 crores.
- (iv) Subsequently, at the request of the Corporate Debtor, the Financial Creditor herein conveyed vide letter dated 06.10.2023, which is at Annexure-6 at pages 134 to 165 of the Petition, the



enhancement of the Letters of Credit facility to Rs.16 crores by the consortium consisting of Financial Creditor herein and HDFC Bank, out of which the share of Financial Creditor herein was Rs.10 crores.

- (v) To avail the sanction facilities and execution of the requisite loan and security documents in favour of the consortium, the Corporate Debtor passed the Board Resolutions in its Board meetings held on 04.10.2022, 13.10.2023 and 15.01.2024, which are at Annexure-7 (Colly) at pages 165-175 of the Petition, authorising the Managing Director of the Corporate Debtor.
- (vi) In furtherance of the sanction and enhancement of credit facilities, the Corporate Debtor executed the Working Capital Consortium Agreement dated 18.05.2023 & First Supplemental to Working Capital Consortium Agreement dated 21.02.2024, which are at Annexure-8 at pages 176-298 of the Petition, formalising the lending arrangement and regulating inter-lender rights and obligations; and Joint Deeds of Hypothecation dated 18.05.2023 & 21.02.2024, which are at Annexure-9 at pages 299-335 of the Petition, creating charge over its movable assets including stocks & receivables as security for repayment of facility and also have given a letter of confirmation dated 18.05.2023 for creation of mortgage by deposit of title deeds, which is at Annexure-18 at pages 645-649 of the Petition.
- (vii) The Personal Guarantors of the Corporate Debtor, namely, Shri Maddali Giridhara Rao and Shri Maddali Krishna Vinuth have also



given letters of confirmation dated 18.05.2023 for creation of mortgage by deposit of title deeds, which are at Annexure-18 at pages 650-655 of the Petition.

- (viii) The Corporate Debtor and consortium lenders executed the Inter-se Agreement dated 18.05.2023, which is at Annexure-10 at pages 337-345 of the Petition, governing enforcement and recovery rights amongst the lenders, according to which, the Financial Creditor herein has been recognised as the Lead Bank of the consortium.
- (ix) The Financial Creditor and HDFC Bank appointed SBICAP Trustee Company Limited as Security Trustee and executed a Security Trustee Agreement dated 21.02.2024, which is at Annexure-11 at pages 368-413 of the Petition, authorising it to hold the securities created for the benefit of the consortium lenders.
- (x) The Corporate Debtor availed said Cash Credit (Hypothecation) facility through Account No. 41410031244 maintained with the Industrial Finance Branch, Guntur, of the Financial Creditor. The Financial Creditor disbursed the entire sanctioned amount of Rs.45 crores, the first disbursement made on 09.11.2022.
- (xi) The Corporate Debtor committed default in repayment of interest on 01.09.2024, and the cash credit account remained continuously overdrawn. Consequently, loan account of the Corporate Debtor was classified as a Non-Performing Asset ('NPA') on 29.11.2024. Thereafter, the said account was transferred to the Financial



Creditor's SAMB-II Branch, Kachiguda, Hyderabad for recovery purposes.

- (xii) Subsequently, vide Legal Notice dated 18.08.2025, the Financial Creditor demanded repayment of the outstanding loan amount along with applicable interest, to which the Corporate Debtor responded on 27.08.2025, which is at Annexure-23 at page 796 of the Petition, admitting the loan facilities and seeking deferment of legal action.
- (xiii) The Financial Creditor also filed Original Application bearing OA No. 484 of 2025 before the Hon'ble Debt Recovery Tribunal, Hyderabad ('DRT'), seeking recovery of the outstanding dues, which is presently pending adjudication.
- (xiv) In the Joint Lenders' Meeting held on 31.01.2026, the Minutes of which are at Annexure-24 at pages 797-798 of the Petition, the HDFC Bank confirmed that it has no objection to the Financial Creditor herein in independently initiating CIRP against the Corporate Debtor.
- (xv) As per Part-IV of Form-1 of the Petition, the total amount claimed to be in default and the date on which the default occurred are Rs.57,15,17,200/- (as on 24.02.2026) and 01.09.2024 respectively as shown in table below:



2.	AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED	The total amount claimed to be default is Rs.57,15,17,200.00 (Rupees Fifty-Seven Crores Fifteen Lakhs, Seventeen Thousand, Two Hundred only) as on 24.02.2026.  Copy of the workings for computation of amount in tabular form is filed herewith as Annexure No. 3.  <u>DATE OF DEFAULT: 01.09.2024</u>
	State Bank of India SAMB-II, Hyderabad	

Annexure No. 3



Sri Venkata Siva Parvathi Spinning Mills Pvt. Ltd. Closure balance (total dues) as on 24.02.2026

Nature of Facility	Outstanding Amount	Un applied interest incl. Penal interest up to 23.02.2026	Penal Interest	Cost/ Charges incurred by Bank	Total Dues as on 07.10.2024
Cash Credit A/c No. 41410031244	44,82,89,500.08	10,29,51,253.00	1,98,11,421.00	4,65,026.20	571517200.28
Total	44,82,89,500.08	10,29,51,253.00	1,98,11,421.00	4,65,026.20	57,15,17,200.28
Total Amt of dues incl. Un-applied interest, Penal Interest, Cost/ Charges incurred by Bank: Rounded off to nearest Rupee Rs.57,15,17,200.00 as on 24.02.2026					

4. As per Rule 4(3) of the IB Rules, the Financial Creditor served a copy of the Petition to the registered address of the Corporate Debtor by speed post on 03.03.2026 and filed the proof of service on 24.03.2026, which is reproduced below:

Himayathnagar S.O 500029  
EN414530097IN, IVR No1: 697414530097  
03-03-2026 11:07:31, Counter No: 24101  
To: VENKATA SIVAPARVATHI  
SPINNING MILLS PRIV, GUNTUR, 522003  
From: G P YASH VARDHAN  
INDIA LAW LLP HIMA, HYDERABA, 500029  
Base Amt: 180.00, CGST:16.00, SGST:16.00  
To: VENKATA SIVAPARVATHI  
P.Mode: QR



5. During the course of hearing dated 07.04.2026, this Adjudicating Authority directed the Registry to issue notice upon the Corporate Debtor and file a memo of compliance thereto, and upon receipt of notice, the Corporate Debtor was to file the Vakalath and Counter within two weeks.

6. Pursuant to the above order dated 07.04.2026 of this Adjudicating Authority, the Registry sent notice at the registered address of the Corporate Debtor through speed post on 09.04.2026. As per the tracking report, the letter containing the notice was taken out for delivery on 10.04.2026, but was kept on hold, as the door was locked and was subsequently returned on 16.04.2026 to the sender being 'unclaimed', which was delivered back to the Registry on 17.04.2026. As per the endorsement on the envelope, containing notice, delivered back, it is noted that the intimation was given to the Corporate Debtor on 10.04.2026 and remaining 'unclaimed' up to 16.04.2026, the same was returned back to the sender i.e., Registry. The relevant extracts of the tracking report and envelope delivered back to the Registry are reproduced below:





Generated through Indiapost website on: 8/5/2026, 4:54:09 pm

**Consignment/MO Tracking Report**

Consignment/MO Number: EN744066282IN

Article Number

EN744066282IN

Article Type

SP\_INLAND\_DOC

Booked At:

Mangalagiri H.O

Booked On:

09/04/2026, 15:53:52

Destination:

Etukuru Road(Guntur) S.O

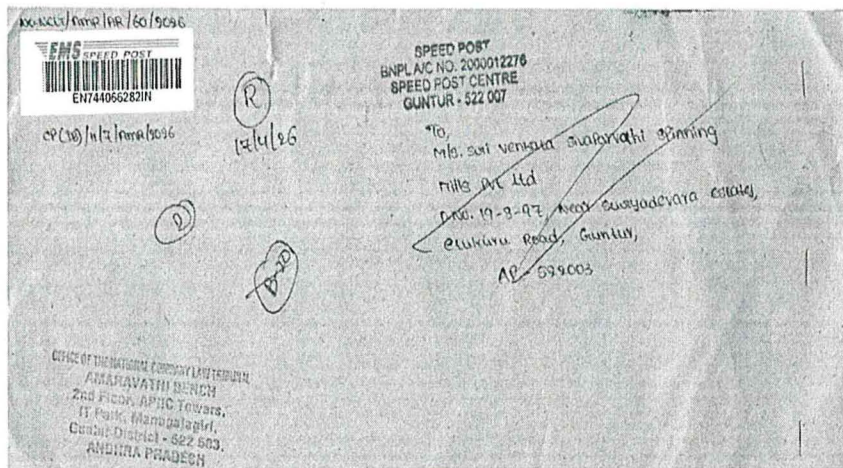
Origin Pincode:

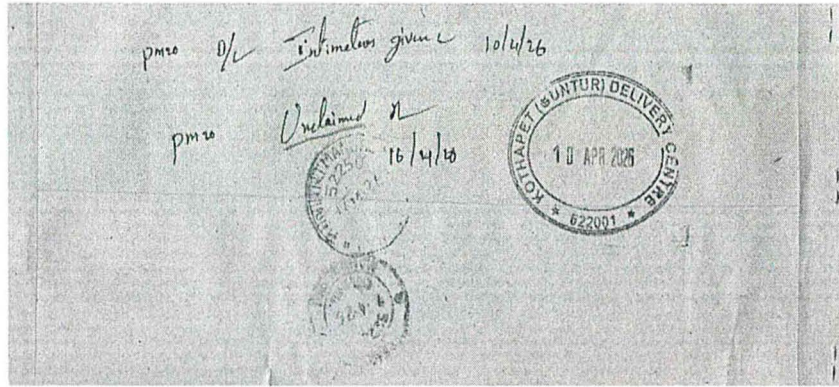
522503

Destination Pincode:

522003

Event	Date	Time	Office	Remarks
Item Booked	09/04/2026	15:53:52	Mangalagiri H.O	-
Item bagged	09/04/2026	17:24:04	Mangalagiri H.O	-
Item Dispatched	09/04/2026	17:30:54	Mangalagiri H.O	-
Item Received	09/04/2026	22:26:23	Guntur ICH	-
Item bagged	10/04/2026	01:36:10	Guntur ICH	-
Item Dispatched	10/04/2026	04:27:57	Guntur ICH	-
Item received at Destination	10/04/2026	07:49:57	-	-
Taken out for delivery	10/04/2026	09:46:14	IDC Kothapet	-
Item Kept on Hold	10/04/2026	16:13:20	IDC Kothapet	Door Locked
Taken out for delivery	16/04/2026	09:42:19	IDC Kothapet	-
Item Returned to Sender	16/04/2026	16:30:12	IDC Kothapet	Unclaimed
Item bagged	16/04/2026	17:23:23	-	-
Item Dispatched	16/04/2026	17:25:30	-	-
Item Received	16/04/2026	18:58:17	Guntur ICH	-
Item Dispatched	17/04/2026	03:45:13	Guntur ICH	-
Item received at Destination	17/04/2026	08:33:13	Mangalagiri H.O	-
Taken out for delivery	17/04/2026	09:06:11	Mangalagiri H.O	-
Item Delivered(Sender)	17/04/2026	15:49:09	Mangalagiri H.O	Delivered





7. The Financial Creditor vide Diary No.754 dated 27.04.2026, filed a Memo stating that it has also issued notice informing the date of next hearing i.e. 08.05.2026 to the Corporate Debtor through speed post on 10.04.2026 and enclosed the postal receipt and track consignment, which are reproduced below:



INDIALAW

Annexure No. 1

4

Date: 10.04.2026

To,

Sri Venkata Sivaparvathi Spinning Mills Private Limited

D.NO.19-8-97, Near Suryadevara Estates, Etukuru Road, Guntur, Andhra Pradesh, India, 522003

**Subject:** Notice for Appearance in Company Petition (IB)/11/7/AMR/2026 U/s 7 of IBC, 2016, in the matter of State Bank of India versus M/s. Sri Venkata Sivaparvathi Spinning Mills Pvt Ltd, before the Hon'ble NCLT, Amaravati Bench.

Dear Sir/Madam,

Please take notice that the State Bank of India ("Financial Creditor") has filed the captioned Company Petition (IB)/11/7/AMR/2026 U/s 7 of IBC, 2016, in the matter of State Bank of India versus M/s. Sri Venkata Sivaparvathi Spinning Mills Pvt Ltd ("Corporate Debtor"), before the Hon'ble NCLT, Amaravati Bench.

We would like to inform you that the subject matter is now posted to 08.05.2026 for your appearance and counter, if any.

Please appear before the Hon'ble NCLT, AMARAVATI Bench on 08.05.2026, failing which you may be heard in absentia and requisite orders shall be passed thereto.

With Regards,

  
GP Yashvardhan

Counsel for Applicant/Financial Creditor



EY080248227IN

Duty Office & Pincode: Etukuru Road(Guntur) S.O.(522003)

Booking Office: Hyderabad G.P.O. (500001)

Counter No. 22, 10-04-2026 17:55:58

GST No. 36AAAGH0325U1ZP, Disc.Rate: 3034000110042681643

Charged Weight (kgs): 20, Phy. Volume: 20, Vol. Volume: N/A(L.N.A. B.N.A. H.N.A.)

Amount Paid: 65.00 (Basic Tariff: Rs. 47, Tax: Rs. 8) (CGST 4.00, SGST 4.00)

Mode of Payment: ONLINE Payment Transaction ID

Sender	Receiver
G.P. YASH VARDHAN Mobile No. 8325413055 HEMAYATHNAGAR  HYDERABAD TELANGANA-500029	SRI VENKATA SIVAPARVATHI Mobile No. 9234557890 GUNTUR  GUNTUR ANDHRA PRADESH-522003

For a valid and legal parcel, the sender must affix the barcode on the parcel and the barcode must be scanned at the destination office. The system generates a receipt on receipt of the parcel. The system generates a receipt on receipt of the parcel.

Department of Posts  
Government of India  
Ministry of Communications

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Generated through Induspost website on: 24/4/2026, 2:46:02 pm

### Consignment/MO Tracking Report

Consignment/MO Number: EY080248227IN

Consignment No: EY080248227IN      Article: SP\_INLAND\_DOC

Origin: Hyderabad G.P.O.      Date: 10/04/2026, 17:55:58      Destination: Etukuru Road(Guntur) S.O.

Origin Pincode: 500001      Destination Pincode: 522003

Event	Date	Time	Office	Remarks
Item Booked	10/04/2026	17:55:58	Hyderabad G.P.O.	-
Item bagged	10/04/2026	20:22:23	Hyderabad G.P.O.	-
Item Dispatched	10/04/2026	20:35:28	Hyderabad G.P.O.	-
Item Received	11/04/2026	11:03:39	Hyderabad NSH	-
Item bagged	11/04/2026	14:15:42	Hyderabad NSH	-
Item Dispatched	11/04/2026	15:58:28	Hyderabad NSH	-
Item Received	12/04/2026	23:05:17	Vijayawada NSH	-
Item bagged	13/04/2026	00:18:38	Vijayawada NSH	-
Item Dispatched	13/04/2026	02:29:26	Vijayawada NSH	-
Item Received	13/04/2026	17:59:37	Guntur ICH	-
Item bagged	14/04/2026	02:12:05	Guntur ICH	-
Item Dispatched	14/04/2026	05:15:18	Guntur ICH	-
Item received at Destination	15/04/2026	07:47:28	-	-



Taken out for delivery	15/04/2026	09:58:20	IDC Kothapet	-
Item Kept on Hold	15/04/2026	16:34:18	IDC Kothapet	Door Locked
Taken out for delivery	16/04/2026	09:42:19	IDC Kothapet	-
Item Kept on Hold	16/04/2026	16:30:12	IDC Kothapet	Door Locked
Taken out for delivery	20/04/2026	09:55:47	IDC Kothapet	-
Item Returned to Sender	20/04/2026	10:35:03	IDC Kothapet	Unclaimed
Item bagged	21/04/2026	17:24:11	-	-
Item Dispatched	21/04/2026	17:26:53	-	-
Item Received	21/04/2026	19:48:46	Guntur ICH	-
Item Received	22/04/2026	01:29:45	Vijayawada NSH	-
Item bagged	22/04/2026	03:24:56	Vijayawada NSH	-
Item Dispatched	22/04/2026	03:27:53	Vijayawada NSH	-
Item Received	22/04/2026	23:38:03	Hyderabad NSH	-
Item bagged	23/04/2026	02:22:13	Hyderabad NSH	-
Item Dispatched	23/04/2026	06:44:04	Hyderabad NSH	-
Item received at Destination	23/04/2026	08:10:17	Hyderabad G.P.O.	-
Taken out for delivery	23/04/2026	10:22:31	Hyderabad G.P.O.	-
Item Delivered(Sender)	23/04/2026	17:00:18	Hyderabad G.P.O.	Delivered

8. During the course of today's hearing, the Counsel of the Financial Creditor submitted that the notice of the Petition was sent by registered post on 03.03.2026 at the registered office of the Corporate Debtor as reflected in the Master Data of the Corporate Debtor available on the MCA website. Further, the notice of today's hearing has also been sent by the speed post at the registered office of the Corporate Debtor. It was also submitted that the address as mentioned in the MCA Master Data is also mentioned in the Working Capital Consortium Agreement dated 18.05.2023 as well as First Supplemental Working Capital Consortium Agreement dated 21.02.2024. Therefore, the Counsel of the Financial Creditor argued that the notice to the Corporate Debtor would be deemed as served, even if it is returned 'unclaimed'.

9. During the course of hearing, it is observed that as per Section 20 of the Companies Act, 2013, a document may be served on the company by sending it at its registered office by speed post. Therefore, the notice by the Financial Creditor to the Corporate Debtor would be



deemed as a valid service of the notice. The relevant extract of Section 20 is reproduced below:

20. **Service of documents.**—(1) A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed:

Further, as per Rule 38 of the National Company Law Tribunal Rules, 2016 (NCLT Rules), a notice by the Tribunal may be served by Speed Post at the address provided in the Petition. In this case, the Registry issued the notice to the Corporate Debtor by Speed Post at the address mentioned in Part-II of Form 1 of the Petition, which is also the address of the registered office as per the MCA Master Data of the Corporate Debtor. Therefore, the notice by the Registry would also be a valid service of the notice.



10. It is further observed that the Hon'ble NCLAT, New Delhi in the matter of **Shubham Jain vs. Gagan Ferrotech Limited & Anr.** in Company Appeal (AT) (Ins.) No. 1008 of 2019 vide Judgment dated 29.01.2021 at para 7 held that notice sent to the functional address of the Corporate Debtor met with the remarks 'unclaimed' will have to be treated as a Service of Notice. The relevant extract of para 7 of the above Judgment is reproduced below:

*"7. Admittedly, the Demand Notices sent u/s 8 of the Code to the registered address, and functional address of the Corporate Debtor met with the remarks' addressee moved' and 'unclaimed' respectively. Unclaimed, will also have to be treated as Service of Notice....."*

Further, the Co-ordinate NCLT Kolkata Bench in the matter of **Punjab National Bank vs. Mrs. Anindita Mukherjee, Personal**

**Guarantor of M/s. Purulia Metal Casting Pvt. Ltd** vide its order dated 13.01.2026 at para 13 observed as under:

*“13. Further the aforesaid demand notice was returned undelivered from the post office with remarks as “addressee absent” from the post office. It is well settled by a catena of judgments of the Hon’ble Supreme Court that where a notice is dispatched by registered post to the correct and last known address of the addressee and is returned with endorsements such as “refused,” “not available in house,” “house locked,” “shop closed,” “addressee not in station,” or “unclaimed,” the same constitutes deemed service. Reliance is placed upon judgment of Hon’ble Supreme Court of India in Jagdish Singh Vs Natthu Singh (1992) 1 SCC 647, and Shalini Singh Vs Avanish Kumar Singh TP (Civil) No.1843 of 2023 and followed by the Hon’ble High Court at Calcutta in matter of RPNN Ltd Vs Tangail Construction CO No.1412 of 2012.”*



11. In view of the foregoing discussion, we are of the considered view that there has been proper service of the notice to the Corporate Debtor.

12. In today's hearing the Counsel for the Financial Creditor submitted that the Corporate Debtor have chosen not to appear in today's hearing, in spite of proper service of notice and further, requested to pass the Order for initiating the CIRP against the Corporate Debtor, as both the 'debt' and 'default' exists in the case, and a significant amount of more than Rs.57 crores is involved in the matter. In view of the above submission of the Financial Creditor, the matter is heard on merits.

13. The first issue for consideration before us is **“Whether the Petition has been filed within the limitation period?”**

(i) As per Part-IV of Form 1 of the Petition, the date of default is mentioned as 01.09.2024.

(ii) The Petition has been e-filed on 03.03.2026 and physically filed on 04.03.2026.

(iii) Since the Petition has been filed within three years of date of default, we are of the considered view that the present Petition has been filed within the limitation period.

14. The next issue that arises before us is **“Whether there is a financial debt and default in repayment thereof, when it became due and payable, which meets the minimum threshold limit of Rupees One crore as required under Section 4 of the IBC, 2016?”**

(i) As stated in Part-IV of the Form 1, the total amount of default is Rs.57,15,17,200/- as on 24.02.2026. To substantiate the said default, the Counsel of the Financial Creditor drawn to our attention to the following evidences:

**Record of Default issued by the NeSL:**

(ii) The Record of Default in Form D issued by the NeSL in respect of loan account of the Corporate Debtor reflects the default amount as Rs.44,82,89,500/- with the date of default being 01.09.2024, and the status of the authentication of the default is 'Authenticated'. The aforesaid Form D is enclosed as Annexure-5 at page 96 of the Petition and is reproduced below:



FORM D  
RECORD OF DEFAULT (RoD)

(Issued By information utility under sub-regulation (4) of regulation 21 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017)

This Record of Default is issued to the Financial Creditor M/s STATE BANK OF INDIA in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s STATE BANK OF INDIA
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s SRI VENKATA SIVA PARVATHI SPINNING MILLS PVT LTD
(d) Unique Debt Identifier Number:	AAACS8577K_41410031244
(e) Registered Address:	SBI CORPORATE CENTRE, MADAM CAMA ROAD, NARIMAN POINT, MUMBAI
(f) Total Outstanding Amount:	INR 448289500.00
(g) Default Amount:	INR 448289500.00
(h) Submission ID:	1
(i) Date of Default:	01-09-2024
(j) Status of Authentication of Default:	<u>AUTHENTICATED</u>
(k) Authentication Completed on:	22-02-2026 02:34:48
(l) Date of Last Acknowledgement of Debt (AoD):	Not Available

**Banker's Certificate as per Bankers' Book of Evidence Act, 1891:**

(iii) Certificate under Section 2A of the Bankers' Book of Evidence Act, 1891, which is at page 507-509 of the Petition, states that statement of the Cash Credit Account No.41410031244 and 41418811364 of the Corporate Debtor is maintained in the ordinary business of the Financial Creditor and is kept in a written form stored in Core Banking Solutions and is a printout of such entry/ copy of the printout of such entry. Further, the computer system operated properly as on the date of taking the print out of the statement of Term Loan Account No. 41410031244 and 41418811364 of the Corporate Debtor and the same represents correctly/ is appropriately derived from the Core Banking Solutions at State Bank of India, Stressed Assets Management Branch-II,



Hyderabad. The relevant extracts of the above Certificates are reproduced below:

CERTIFICATE UNDER SECTION 2A (A) OF THE BANKER'S BOOK OF EVIDENCE ACT, 1981

This is to certify that the statement of Cash Credit account No. 41410031244 and 41418811364 of M/s Sri Venkata Siva Parvathi Spinning Mills Private Limited at the State Bank of India, Stressed Assets Management Branch - II, Hyderabad, Where the account of the said borrower is maintained in the ordinary business of the Bank and is kept in a written form or as printouts of data stored in Core Banking Solutions and is a printout of such entry / copy of printout of such entry.

Date: 23.02.2026

Place: Hyderabad

कृते भारतीय स्टेट बैंक  
For STATE BANK OF INDIA

सहायक महा प्रबन्धक (अधिकृत अधिकारी)  
Asst. General Manager & Authorised Officer  
एस.ए.एम. शाखा-II, हैदराबाद  
(Signature-Auth Designation)

CERTIFICATE UNDER SECTION 2A (C) OF THE BANKER'S BOOK OF EVIDENCE ACT, 1981 (AS AMENDED)

This is to further certify that to the best of my knowledge and belief, the computer system operated properly as on the date of taking the print out of the statement of Term loan account no 41410031244 and 41418811364 of M/s Sri Venkata Siva Parvathi Spinning Mills Private Limited and I was provided with all the computer system having access to Core Banking Solutions of State Bank of India and represents correctly / is appropriately derived from the Core Banking Solutions at State Bank of India, Stressed Assets Management Branch - II, Hyderabad

Date: 23.02.2026

Place: Hyderabad

SIGNATURE

कृते भारतीय स्टेट बैंक  
For STATE BANK OF INDIA

सहायक महा प्रबन्धक (अधिकृत अधिकारी)  
Asst. General Manager & Authorised Officer  
एस.ए.एम. शाखा-II, हैदराबाद  
SAM Br-II-18359, Hyderabad

- (iv) In the Statement of Account No. 41418811364 of the Corporate Debtor at pages 497-506 of the Petition, the outstanding amount as on 31.03.2025 is shown as Rs.81,84,607/- and the relevant extracts of the same is reproduced below:



**STATEMENT OF ACCOUNT**

SRI VENKATA SIVA PARVATHI SPIN

D NO 19-8-97,SURYADEVARA ESTATE  
ETUKURU ROAD,GUNTUR-3  
GUNTUR DIST  
Guntur

Pin Code : 522003

Date of Statement : 20-01-2026  
Time of Statement : 17:21:48  
Available Balance : 0.00  
Limit : 10,00,00,000.00CR  
CTA Maintained Branch : 0  
Account Open Date : 11-11-2022

STATE BANK OF INDIA

INDUSTRIAL FINANCE BRANCH,  
D.NO.26-1-52, WARD NO.17 NAGARAM PALEM  
KANNAVARITHOTA GUNTUR GUNTUR DISTRICT  
Pin Code : 522004

Branch Code : 13483  
Branch Email : sbi.13483@sbi.co.in  
Branch Phone : 2228810

Account No : 41418811364  
Product : LC(INLD)CON LIAB(C&I)STDBY  
IFSC CODE : SBIN0013483  
MICR Code : 520002123  
Currency : INR  
Email : vspspinning@yahoo.co.in

Statement From : 01-11-2022 To 31-03-2025



XXXXXXX

05-02-2025	63933	308243720	05-02-2025	1	41030	81,84,607.00 CR	0.00CR	1348324LUC000079 01308000612002TF 0000209076
							0.00	CLOSING BALANCE

- (v) In the Statement of Account No.41410031244 of the Corporate Debtor at pages 414-496 of the Petition, the disbursement of Rs.35 crores on 09.11.2022 and the outstanding amount as on 19.09.2025 as Rs.44,82,89,500/- are reflected, which includes Rs.81,84,607/- being the outstanding balance transferred from Letters of Credit Account No. 41418811364 as on 05.02.2025. The relevant extracts of Account No.41410031244 are reproduced below:

**SBI**  
STATEMENT OF ACCOUNT

EXVII

STATE BANK OF INDIA  
SAM BRANCH-2 HYDERABAD  
HOUSE NO. 3-4-1013/A, NEW BUS STATION  
1ST FLOOR, TSRTC, KACHIGUDA, HYDERABAD  
Pin Code : 500027

SRI VENKATA SIVA PARVATHI SPIN  
D NO 19-8-97,SURYADEVARA ESTATE  
ETUKURU ROAD,GUNTUR-3  
GUNTUR DIST  
Guntur  
Pin Code : 522003

Branch Code : 18359  
Branch Email : SBI.18359@SBI.CO.IN  
Branch Phone : 23251982

CIF No : 80764771490  
Account No : 41410031244  
Product : EB-MSME-CC-USUAL CREDIT DISPEN  
IFSC Code : SBIN0018359  
MICR Code : 500002240  
Currency : INR  
Account Status : ACCEPTED  
Nominee Name :  
CKYC No : Not Available  
Email : vspspinning@yanco.co.in

Date of Statement : 19-09-2025  
Time of Statement : 17:08:50  
Cleared Balance : 44,82,89,500.08DR  
Uncleared Amount : 0.00  
MOD Bal : 0.00  
Limit : 35,00,00,000.00  
Monthly Avg Balance : 0.00  
Interest Rate : 15.85 % p.a.  
Drawing Power : 0.00  
Account Open Date : 07-11-2022

Statement From : 07-11-2022 To 19-09-2025

Post Date	Value Date	Description	Cheque No/Reference	Debit	Credit	Balance
		BROUGHT FORWARD				0.00
08-11-2022	08-11-2022	DEP TFR RTGS UTR NO: HDFCR52022110858572478 009866044304 AT 18359 SAM BRANCH-2 HYDERABAD			17,00,000.00	17,00,000.00 CR
08-11-2022	08-11-2022	WDL TFR COMM ON LOAN PROCESSING 0098313134939 AT 18359 SAM BRANCH-2 HYDERABAD		18,77,600.00		22,040.00CR
09-11-2022	09-11-2022	WDL TFR RTGS UTR NO SBINR52022110913834207 0099107044303 AT 18359 SAM BRANCH-2 HYDERABAD		35,00,00,000.00		34,99,77,960.00 CR
XXXXXX						
05-02-2025	05-02-2025	WDL TFR : 1348324LU0000079 01308000512002TF,0000008076 0099963134838 AT 18359 SAM BRANCH-2 HYDERABAD		81,84,607.00		44,82,60,526.00 DR
XXXXXX						
30-04-2025	30-04-2025	CREDIT RVRSL_PNL_INT_TO_PNL_ACCR_U NOFR_SCORE_REQ_8009839			27,03,368.84	44,82,89,500.00 DR
		CLOSING BALANCE				44,82,89,500.00 DR



(vi) In view of the above, the outstanding balance as on 19.09.2025 of both the Accounts amounts to Rs.44,82,89,500/-.

**Acknowledgement by the Corporate Debtor**

(vii) After classifying the accounts of the Corporate Debtor as NPA, the Financial Creditor issued the Legal Notice dated 18.08.2025 to the Corporate Debtor recalling the outstanding loan of

Rs.52,03,51,175/- of the Corporate Debtor together with interest and costs till the date of final payment. The relevant extract of the legal notice dated 18.08.2025 is reproduced below:

G.Prabhakar Sarma  
Advocate

Cell:98856 44355  
H.No.12-1-79/5, Plot No.49,  
Anandi Enclave,  
Bandlaguda Cross Road,  
Nagole, GSI Post,  
Hyderabad-500 068.

DATE: August 18, 2025

LEGAL NOTICE BY RPAD

- To
1. M/s.Sri Venkata Siva Parvathi Spinning Mills Private Limited,  
D.No.1/718/9, Chebrolu GBC Road, Chebrolu, Guntur District-522 212  
&  
D.No.19-8-97, Near Suryadevara Estates, Etukuru Road, Guntur-522 003.  
&  
Unit-1 at Chebrolu Village & Gram Panchayat,  
Chebrolu Mandal, Guntur District-522 212.  
&  
Unit-2 at Pathareddypalem Village, Chebrolu Gram Panchayat &  
Mandal, Guntur District-522 212.

XXXXXX

Sir/Madam,

Under the instructions of my client State Bank of India, Stressed Assets Management Branch-II (SAMB-II), First Floor, TSRTC Commuter Amenity Centre, Bus Terminal Complex, Kachiguda, Hyderabad, represented by its Asst. General Manager, this Legal Notice is issued to you as under:

XXXXX

2. My client states that after availing the above said loan facilities, No.1 of you, committed irregularities in operating the loan account and failed to repay the outstanding loan amount. No.1 of you, also failed to pay the interest accrued to the loan account from time to time. No.1 of you, failed to route the business transactions through the loan account and also failed to submit the stock statements and financial data from time to time. As No.1 of you, committed default in discharging the debt, the loan account of No.1 of you, has been classified as Non Performing Asset (NPA) and the same has been transferred to my client, on administrative reasons for further follow-up. Therefore, my client is constrained to issue this Final Legal Notice calling upon you to repay the outstanding loan amount together with interest.
3. My client states that as on this day, you are jointly and severally liable to pay a sum of Rs.52,03,51,175/- under Cash Credit (Hyp) Loan A/c.No.41410031244 of No.1 of you, together with interest & costs till the date of final payment to my client.
4. My client, therefore, calls upon you to pay the above said outstanding loan amount together with interest & costs till the date of final payment to my client within a period of ONE WEEK; failing which my client will be constrained to initiate appropriate legal action against you before the competent court for recovery of the said loan amount together with interest and costs from you, apart from proceeding under the provisions of SARFAESI Act, 2002, for sale of the Mortgaged & Hypothecated Properties, holding you responsible for the costs and consequences incidental thereto.

This Annexure is the True Copy  
of Original Document



(G.Prabhakar Sarma)  
Advocate



(viii) In response to the above legal notice, the Corporate Debtor vide reply dated 27.08.2025 admitted the liability and committed to resolving the debt through mutual consultations and support. The relevant extract of the reply letter dated 27.08.2025 is reproduced below:



## Sri Venkata Siva Parvathi Spinning Mills (P) Ltd.

Mill : GBC Road, CHEBROLE - 522 212, Guntur Dt. (A.P)

Ph: +91 - 8644 - 25110, 254500, Fax: +91 - 8644 - 254710

H.O. : # 19-8-97, Suryadevara Estate East, Etukuru Road, GUNTUR - 522 003. (A.P)

+91 - 863 - 2220271, +91 - 863 - 2226826

QUALITY ASSURANCE



Ref. To Mr.G.Prabhakar Sarma, Advocate, Hyderabad. Date 27-08-2025

LXVII

1235

Dear Sir,

We, on behalf of Sri Venkata Siva Parvathi Spinning Mills Pvt. Ltd. and its personal guarantors, namely:

1. Shri Vyshnav Akshit Maddali
2. Sri Maddali Krishna Vinuth
3. Smt. Naga Venkata Poornima Maddali
4. Smt. Naga Venkata Poornima Maddali

We acknowledge receipt of the Legal Notice dated 18.08.2025 issued on behalf of State Bank of India, in connection with the loan facilities availed by our company.

We would like to bring to your attention the recent meeting held on March 3, 2025, with senior officials from SBI and HDFC Bank, where we discussed our proposal to resolve the debt obligations by selling our assets, including the factory building and lands. We have already started finding prospective investors/buyers to help the process of selling our assets.

The spinning industry is facing significant challenges due to the mismatch between cotton procurement prices and yarn sale prices, which has forced our unit to shut down. Furthermore, factors specific to Andhra Pradesh have hindered our debt resolution efforts. We are also struggling with substantial statutory liabilities, including ₹40 crores in power dues, which are straining our finances. However, we are committed to resolving the debt through mutual consultations and support.

Given our proposal and ongoing asset sale efforts, we request SBI to defer any recovery action, which would impede our asset maximization efforts. We hope SBI will consider our proposal and engage in constructive discussions to resolve the outstanding debt. We look forward to hearing from SBI soon.

Sincerely,

For Sri Venkata Siva Parvathi Spinning Mills Pvt. Ltd.

Managing Director

(ix) In view of the above, we are of the considered view that the Financial Creditor has been able to establish the debt and default exceeding the threshold limit of Rupees One Crore as required under Section 7 of the Code and therefore, the Petition needs to be admitted.

15. However, before admission, this Adjudicating Authority has to satisfy that the Petition is complete and there are no disciplinary proceedings pending against the proposed IRP.

16. We have gone through the contents of the Petition filed by the Financial Creditor and found that the same is complete in all respects. The Financial Creditor has proposed the name of Mr. Mahalingam Suresh Kumar, having Registration No. IBBI/IPA-001/IP-P00110/2017-2018/10217 as IRP in this matter. The written consent of the proposed IRP in Form 2 dated 12.12.2025 affirming that he is eligible to be appointed as IRP in respect of the Corporate Debtor and certifying that there are no disciplinary proceedings pending against him with the Board or on any of the designated partners of his firm M/s. SPP Insolvency Professionals LLP, is at page 24 to 26 of the Petition. It is noted from the copy of the Authorisation for Assignment (AFA) of the proposed IRP annexed at page 28 of the Petition, that his AFA is valid till 31.12.2026. During the course of hearing, the credentials of the proposed IRP have also been verified on the IBBI website, which shows that the proposed IRP holds the valid AFA up to 31.12.2026. The relevant extract of the IBBI website is given below:



Name of the IP	Mr. Mahalingam Suresh Kumar
Registration no	IBBI/IPA-001/IP-P00110/2017-2018/10217
Date of Registration	23-May-17
Member of IPA	Indian Institute of Insolvency Professionals of ICAI
Member of IPE	SPP INSOLVENCY PROFESSIONALS LLP
Email id	msureshkumar[at]icai[dot]org
Address	SPP Insolvency Professionals LLP, 2nd Floor, CODISSIA G.D. Naidu Towers, Huzur Road, Coimbatore, Tamil Nadu, 64018
Have Valid AFA	Yes
AFA Certificate No.	AA1/10217/02/311226/108768
AFA Valid Upto	31-Dec-26
Total CPE Earned	149
Total Assignments	58

17. As a sequel to the discussion above, the present Petition bearing CP(IB)/11/7/AMR/2026 filed by the Financial Creditor under Section 7 of the IBC for initiating CIRP against the Corporate Debtor, namely, Sri Venkata Sivaparvathi Spinning Mills Private Limited is hereby admitted and accordingly, the Moratorium is declared in terms of Section 14 of the Code:

- (i) Moratorium under Section 14(1) for prohibiting 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 judgement, 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 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 Corporate Debtor.

(ii) 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, permit, registration, quota, concession, clearances or a similar grant or right during the moratorium period;

(iii) The provisions of Section 14(1) shall not apply to 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; and also to a surety in a contract of guarantee to a 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 moratorium period, 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.
- (v) The order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 as the case may be.



18. Accordingly, we hereby appoint Mr. Mahalingam Suresh Kumar, bearing Registration No. IBBI/IPA-001/IP-P00110/2017-2018/10217, email ID- msureshkumar@icai.org having registered address at SPP Insolvency Professionals LLP, 2<sup>nd</sup> Floor, CODISSIA, G.D. Naidu Towers, Huzur Road, Coimbatore-641018, Tamil Nadu, as IRP in the instant matter, with the following directions: -

- (i) The term of appointment of Mr. Mahalingam Suresh Kumar shall be in accordance with the provisions of Section 16(5) of the Code;
- (ii) The aforesaid IRP shall submit an affidavit to this Adjudicating Authority within 7 days of this Order that his existing assignments including the present assignment are within the permissible limit of clause 22 of Code of Conduct specified in First Schedule to IBBI (Insolvency Professionals) Regulations, 2016;

- (iii) The aforesaid IRP shall also submit an affidavit to this Adjudicating Authority within 7 days of this Order that he is eligible to be appointed as IRP under Regulation 3 of IBBI (Insolvency Resolution Process for Corporate Persons), Regulations, 2016;
- (iv) The IRP shall make all requisite disclosures as per First Schedule under Regulation 7(2)(h) of the IBBI (Insolvency Professionals) Regulations, 2016 in the first meeting of the CoC;
- (v) In terms of Section 17 of the Code, from the date of this appointment, the powers of the Board of Directors shall stand suspended and the management of the affairs shall vest with the IRP and the officers and the managers of the Corporate Debtor shall report to the IRP, who shall be enjoined to exercise all the powers, as are vested with the IRP and strictly perform all the duties as are enjoined on the IRP under Section 18 and other relevant provisions of the Code, including taking control and custody of the assets, over which the Corporate Debtor has ownership rights recorded in the balance sheet of the Corporate Debtor, etc. as provided in Section 18(1)(f) of the Code. The IRP is directed to prepare a complete list of the inventory of assets of the Corporate Debtor;
- (vi) The IRP shall strictly act in accordance with the Code, all the rules framed thereunder by the Board or the Central Government and in accordance with the Code of Conduct governing his profession and as an Insolvency Professional with high standards of ethics and moral;



- (vii) The IRP shall cause a public announcement within three days as contemplated under Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 of the initiation of the CIRP in terms of Section 13(1)(b) read with Section 15 of the Code calling for the submission of claims against Corporate Debtor;
- (viii) The IRP/RP shall prepare the Audited Financial Statements as on date of the CIRP and shall submit before the CoC for consideration.
- (ix) The IRP/RP shall also ensure that all the assets appearing in the Financial Statements on the CIRP date have been considered in the valuation report. The IRP/RP shall send individual communication through post or electronic means along with a copy of public announcement to all the creditors as per last available books of accounts / financial statements on the CIRP date of Corporate Debtor as prescribed under Regulation 6A of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- (x) The Corporate Debtor, its Directors, personnel and the persons associated with the management shall extend all cooperation to the IRP in managing the affairs of the Corporate Debtor as a going concern and extend all cooperation in accessing books and records as well as assets of the Corporate Debtor;



(xi) The suspended Board of Directors is directed to give complete access to the books of accounts of the Corporate Debtor maintained under Section 128 of the Companies Act, 2013. In case, the books are maintained in the electronic mode, the suspended Board of Directors are to share with the IRP/ RP all the information regarding maintaining the backup and regarding service provider kept under Rule 3(5) and Rule 3(6) of the Companies (Accounts) Rules, 2014 respectively as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the service provider and its location, and also address of the location of the books of accounts maintained in the cloud. In case accounting software for maintaining the books of accounts is used by the Corporate Debtor, then IRP/ RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs. A reference is made to the provisions of Section 128(5) of the Companies Act, 2013, whereby every company should maintain its books of accounts for not less than eight financial years immediately preceding a financial year. Minutes and statutory records are the principal documents of the company that should be maintained and preserved since inception.

(xii) In view of the above mandatory provisions, the suspended Directors of the Board will ensure that the books of accounts for the eight previous financial years preceding the date of this order be made available to the IRP/ RP within 15 days of the initiation of



the CIRP order. The Statutory Auditor is also directed to share the records maintained by him in the course of the audit of the accounts of the Corporate Debtor for the period of three years prior to the date of initiation of this CIRP order within the same period of 15 days.

(xiii) In case of any non-cooperation by the suspended Board of Directors or the statutory auditors, the IRP/ RP may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/ RP in implementing this order for retrieval of relevant information from the systems of the Corporate Debtor. The suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the Corporate Debtor, particularly for government portals, for various compliances. The IRP is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.

(xiv) The IRP/ RP is directed to approach the government departments, banks, corporate bodies and other entities with request for information/ documents available with those authorities/ institutions/ others pertaining to the Corporate Debtor, which would be relevant in the CIRP. The government departments, banks, corporate bodies and other entities are directed to render the necessary information and cooperation to the IRP/ RP to enable him to conduct the CIRP as per law.



(xv) The IRP shall, after collation of all the claims received against the Corporate Debtor and the determination of the operational position of the Corporate Debtor constitute a Committee of Creditors and shall file a report, certifying constitution of the Committee to this Adjudicating Authority on or before the expiry of thirty days from the date of his appointment, and shall convene first meeting of the Committee within seven days of filing the report of constitution of the Committee;

(xvi) The IRP shall also serve a copy of this order to all relevant statutory departments such as Income Tax, GST (Centre and State), Provident Fund authorities, trade unions, and employee associations to inform them about the commencement of CIRP.

(xvii) The IRP is directed to send a regular progress report to this Adjudicating Authority every month.

19. The Financial Creditor is directed to deposit Rs.5,00,000/- (Rupees Five Lakhs only) with the IRP to meet out the expense to perform the functions assigned to him in accordance with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The amount, however, will be subject to adjustment by the Committee of Creditors as to be duly accounted for by IRP and shall be paid back to the Financial Creditor.



20. A copy of this Order shall immediately be communicated to the Financial Creditor, the Corporate Debtor, IBBI, and the IRP named above by the Court Officer/ Registry of this Adjudicating Authority.



21. Accordingly, CP (IB)/11/7/AMR/2026 stands admitted.

Sd/-  
(UMESH KUMAR SHUKLA)  
MEMBER (TECHNICAL)

Sd/-  
(KISHORE VEMULAPALLI)  
MEMBER (JUDICIAL)

Krishna/ Suresh

प्रमाणित प्रति/CERTIFIED TRUE COPY

का संख्या

CASE NUMBER CP (IB)/11/7/AMR/2026

निर्णय का तारीख

DATE OF JUDGEMENT 08.05.2026

प्रति तैयार किया गया तारीख

COPY MADE READY ON 13.05.2026

  
Deputy Registrar / Assistant Registrar /  
Court Officer  
NATIONAL COMPANY LAW TRIBUNAL  
AMARAVATI BENCH