

**FREE OF COST COPY**

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

Item No.1  
IA (IBC)/428/2025 and  
CP (IB)/32/7/AMR/2025

**IN THE MATTER OF:**

Axis Bank Ltd. ... Petitioner/Financial Creditor

**Versus**

Krishna Ganga Spinning Mills Ltd. ... Respondent/Corporate Debtor

**Under Section: 7, 60(5) of IBC, 2016**

**Order delivered on 10.03.2026**

**CORAM:**

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

**SHRI KISHORE VEMULAPALLI**  
HON'BLE MEMBER (JUDICIAL)

**PRESENT:**

In CP

For the Financial Creditor : Mr. Durga Bose Gandham, Adv.  
For the Corporate Debtor : Mr. Y. Surya Narayana, Adv.

In IA (IBC)/428/2025

For the Financial Creditor : Mr. Durga Bose Gandham, Adv.  
For the Corporate Debtor : Mr. Y. Surya Narayana, Adv.

**ORDER**

Order pronounced and recorded *vide* separate sheets. The Application bearing IA (IBC)/428/2025 filed by the Financial Creditor is allowed and disposed of. The Petition bearing CP (IB)/32/7/AMR/2025 filed by the Financial Creditor under Section 7 of the IBC, 2016 is **admitted**, and the IRP is appointed.

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

Sd/-  
(KISHORE VEMULAPALLI)  
MEMBER (JUDICIAL)

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
AMARAVATI BENCH AT MANGALAGIRI**

*(Exercising powers of Adjudicating Authority under  
the Insolvency and Bankruptcy Code, 2016)*

**IA (IBC)/428/2025 in CP (IB)/32/7/AMR/2025**

**AND**

**CP (IB)/32/7/AMR/2025**

**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**

**IN THE MATTER OF CP (IB)/32/7/AMR/2025**

**AXIS BANK LIMITED,**

Structured Assets Group, Axis Bank Limited  
Axis House, New No.3, First Floor,  
Club House Road, Anna Salai, Chennai-600002.

..... Financial Creditor

**Versus**

**M/S. KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED**

PAN: AAACK9373P

Having Registered Office:  
KGSM Buildings, NH-5, G.T. Road,  
Thimmapuram-522233, Guntur District, Andhra Pradesh

..... Corporate Debtor

**AND**

**IN THE MATTER OF IA (IBC)/428/2025 in CP (IB)/32/7/AMR/2025**

**Under Section 60(5) of the Insolvency  
and Bankruptcy Code, 2016**

**AXIS BANK LIMITED,**

Structured Assets Group, Axis Bank Limited  
Axis House, New No.3, First Floor,  
Club House Road, Anna Salai, Chennai-600002.

..... Applicant

**Versus**

**M/S. KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED**

PAN: AAACK9373P

Having Registered Office:  
KGSM Buildings, NH-5, G.T. Road,  
Thimmapuram-522233, Guntur District, Andhra Pradesh

..... Respondent



**ORDER DELIVERED ON: 10.03.2026**

**CORAM:** HON'BLE SHRI KISHORE VEMULAPALLI, MEMBER (JUDICIAL)  
HON'BLE SHRI UMESH KUMAR SHUKLA, MEMBER (TECHNICAL)

**PRESENT:**

**In CP**

For the Financial Creditor : Mr. Durga Bose Gandham, Advocate.

For the Respondent : Mr. Y. Surya Narayana, Advocate.

**In IA (IBC)/428/2025**

For the Applicant : Mr. Durga Bose Gandham, Advocate.

For the Respondent : Mr. Y. Surya Narayana, Advocate.



**[ORDER]**  
**[PER: BENCH]**

**CP (IB)/32/7/AMR/2025:**

This Petition bearing no. CP (IB)/32/7/AMR/2025 (hereinafter referred to as “**CP 32/2025**” or the “**Petition**”) has been e-filed on 06.08.2025 and physically filed vide Diary No.1683 dated 18.08.2025, by the Axis Bank Limited (hereinafter referred to as “**Financial Creditor**”), under Section 7 the Insolvency and Bankruptcy Code, 2016, (hereinafter referred to as the “**IBC**” or the “**Code**”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as the “**IB Rules**”) seeking initiation of Corporate Insolvency Resolution Process (hereinafter referred to as the “**CIRP**”) against M/s Krishna Ganga Spinning Mills Private Limited (hereinafter referred to as the “**Corporate Debtor**”) for having defaulted an amount of Rs.34,07,53,683/-

2. The Corporate Debtor is a Company with its registered office at KGSM Buildings, NH-5, G.T. Road, Thimmapuram-522233, Guntur District, Andhra Pradesh. Hence, the territorial jurisdiction lies with this Adjudicating Authority.

**FACTS OF THE CASE:**

3. The facts of the case, as stated in the Petition filed by the Financial Creditor, are summarized below:

- (i) The Corporate Debtor having CIN No. U18100AP1983PTC004121 was incorporated under the provisions of the Companies Act, 1956 and is engaged in manufacturing materials.
- (ii) The Financial Creditor having CIN: L65110GJ1993PLC020769 is a company incorporated under the Companies Act, 1956 and is a banking company within the meaning of the Banking Regulation Act, 1949.
- (iii) On 23.11.2021, the Corporate Debtor approached the Financial Creditor for the credit facilities amounting to Rs.35.29 Crore. On 15.12.2021, the Financial Creditor sanctioned Term Loan-1 limit for an amount of Rs.8 crore to set up solar panels of Indigenous 3 MW new solar power machinery, Term Loan-2 limit for an amount of Rs.3,68,94,169/- to meet the liquidity mismatch arising out of Covid-19, and Term Loan-3 limit for an amount of Rs.2,10,00,000/-. The Corporate Debtor executed facility-cum-hypothecation agreement in favour of the Financial Creditor on 15.12.2021. On 15.09.2023, the Corporate Debtor again approached the Financial Creditor for renewal-cum-enhancement of credit facility of Rs.35.46 crore and the Financial Creditor issued a sanction letter for renewed/ enhanced facilities. On 16.09.2023, the Corporate Debtor executed working capital loan agreement in favour of the Financial Creditor.



- (iv) The Corporate Debtor defaulted in payment of credit facilities availed from the Financial Creditor and account was classified as Non-Performing Asset (hereinafter referred to as the “NPA”) on 23.11.2024 in accordance with the guidelines issued by the Reserve Bank of India. Subsequently, the recall-cum-guarantee invocation notice of credit facilities sanctioned to the Corporate Debtor was issued on 15.02.2025 and as per the proof of service, the notice was received by the Corporate Debtor on 18.02.2025.
- (v) The amount of debt is more than Rupees one crore and since the registered office of the Corporate Debtor is situated at Andhra Pradesh, this Adjudicating Authority has jurisdiction to entertain/ admit the Petition.
- (vi) The Petition is complete and to best of the Financial Creditor’s knowledge, Shri Rajesh Chillale, (IBBI/IPA-001/IP-P00699/2017-2018/11226) is fully qualified and permitted to act as an Insolvency Professional in accordance with the Code and the applicable rules and regulations.
- (vii) The present Petition filed under Section 7 of the Code is maintainable as the essential conditions laid down under the Code are fully satisfied.
- (viii) As per Part IV of Form-1, the amount claimed to be in default and the date of default are Rs,34,07,53,683/- and 23.11.2024 respectively.
- (ix) The Financial Creditor has also stated to have enclosed the following documents with the Petition:
- (a) Copy of power of attorney of the authorized representative of the Financial Creditor dated 11.08.2023 at pages 31-40 of the Petition
- (b) Copy of Certificate of Incorporation, Memorandum of Association (hereinafter referred to as the “MoA”), Articles of Association



(hereinafter referred to as the “**AoA**”) of the Financial Creditor at pages 41-102 of the Petition

- (c) Copy of interest calculation sheet depicting the total default amount at pages 103-104 of the Petition
- (d) Form D- record of default at pages 105-150 of the Petition
- (e) Copy of CIBIL report dated 05.04.2025 at Pages 151-231 of the Petition
- (f) Copy of statement of accounts for the period 21.05.2024-19.03.2025 at pages 232-242 of the Petition
- (g) Certificate under Bankers Books of Evidence Act, 1891 dated 19.06.2025 at pages 243-245 of the Petition
- (h) Copy of sanction letter issued by the Financial Creditor dated 23.11.2021 at Pages 246-261 of the Petition
- (i) Copies of term loan agreements 1, 2, and 3 issued by the Financial Creditors on 15.12.2021 at pages 262-287, 288-313, and 314-339 respectively of the Petition.
- (j) Copy of facility agreement-cum-hypothecation dated 15.12.2021 executed between Corporate Debtor and Financial Creditor at pages 340-420 of the Petition
- (k) Copy of agreement for revised facilities executed between personal guarantor and Financial Creditor dated 18.12.2021 at pages 421-429 of the Petition
- (l) Copy of Memorandum of Entry executed between personal guarantor on behalf of Corporate Debtor and Financial Creditor dated 20.12.2021 at pages 430-444 of the Petition



- (m) Copy of renewal-cum-enhancement of credit facilities dated 15.09.2023 at pages 445-453 of the Petition
- (n) Copy of working capital loan agreement dated 16.09.2023 at pages 454-503 of the Petition
- (o) Copy of Memorandum of Entry executed between personal guarantor on behalf of Corporate Debtor and Financial Creditor dated 19.09.2023 at pages 504-517 of the Petition
- (p) The copy of recall-cum-guarantee invocation notice dated 15.02.2025 at pages 518-525 of the Petition
- (q) Form A written communication dated 15.04.2025 executed by the proposed Interim Resolution Professional (hereinafter referred to as the "IRP") along with Authorisation for Assignment (hereinafter referred to as the "AFA") at Pages 526-529 of the Petition
- (r) Copy of Certificate of Incorporation, MoA, and AoA of the Corporate Debtor at pages 530-550 of the Petition



4. The Financial Creditor vide Diary No.1684 dated 18.08.2025, filed a Memo enclosing therewith the proof of service of the Petition on the Corporate Debtor and Insolvency and Bankruptcy Board of India (hereinafter referred to as the "IBBI").

5. During the course of hearing dated 29.08.2025, the Financial Creditor sought and granted time to clarify the exact date of default based on various loan agreements, mentioned in Part-IV of the Petition. Pursuant to the above Order, the Financial Creditor vide Diary No.1760 dated 01.09.2025, filed a Memo enclosing therewith the Statement of Account stating that the last date on which the Corporate Debtor made payment in the Statement of Account Nos. 921030054955997,

22060050621762 and 921060057856643 are 19.08.2025, 21.08.2024 and 19.08.2025 respectively. The Financial Creditor in the above Memo also enclosed the judgements of the Hon'ble Supreme Court in ***Laxmi Pat Surana vs. Union Bank of India and Another, (2021) 8 SCC 481*** and ***Milind Kashiram Jadhav vs. State bank of India and Others, 2024 SCC OnLine NCLAT 534*** and further stated that the date, on which the accounts of Corporate Debtor was classified as NPA is totally and completely acceptable as the 'date of default'.

6. During the course of hearing dated 01.09.2025, the Financial Creditor was directed to file a clarification memo correcting the clerical errors contained in the Memo dated 01.09.2025. Pursuant to the above Order, the Financial Creditor vide Diary No.1955 dated 29.09.2025, filed a Memo clarifying that the date "19.08.2025" in the Memo dated 01.09.2025 is to be read as "19.08.2024".



**COUNTER BY THE CORPORATE DEBTOR:**

7. The Corporate Debtor vide Diary No.2122 dated 23.10.2025, filed the Counter stating that:

- (i) The Petition is not maintainable, as it is filed by Mr. V. Naveen Kumar Juluru, Vice President of the Financial Creditor, authorized by way of a power of attorney dated 28.09.2023, without any Board Resolution authorizing the execution of such power of attorney. It is a settled position of law that a power of attorney executed on behalf of a company must be accompanied by a Board Resolution authorizing such execution. The absence of a Board Resolution renders the power of attorney invalid and the Petition filed pursuant to such defective authorization is not maintainable.

- (ii) As per Rule 4 of IB Rules, 2016, the Petition is required to be signed by the “person authorized to act on behalf of the Financial Creditor”. The Notification S.O. 1901 (E)) dated 27.02.2019 issued in exercise of its powers under Section 7(1) of the IBC, by the Central Government (Ministry of Corporate Affairs) prescribes the specific category persons, who may file the Petition on behalf of a financial creditor, as below:

*“...the Central Government hereby notifies following persons, who may file an application for initiating corporate insolvency resolution process against a corporate debtor before the Adjudicating Authority, on behalf of the financial creditor:*

- (i) a guardian;
- (ii) an executor or administrator of an estate of a financial creditor;
- (iii) a trustee (including a debenture trustee); and
- (iv) a person duly authorized by the Board of Directors of Company.”

- (iii) The requirement of a Board Resolution authorizing the execution of power of attorney has been consistently upheld by various benches of the Hon'ble NCLT and the Hon'ble NCLAT.

- (a) **The Hon'ble NCLAT, New Delhi in *Palogix Infrastructure Private Limited vs. ICICI Bank Limited (2017) SCC Online NCLAT 266* held as follows:**

*“31. As per Section 7 of the 'I&B Code' an application for initiation of 'Corporate Insolvency Resolution Process' requires to be filed by 'Financial Creditor' itself. The form and manner, in which an application under section 7 of the 'I&B Code' is to be filed by a 'Financial Creditor' is provided in 'Form-1' of the Adjudicating Authority Rules. Upon perusal of the Adjudicating Authority Rules and Form-1, it may be duly noted that the 'I&B Code' and the Adjudicating Authority Rules recognize that a 'Financial Creditor' being a juristic person can only act through an "Authorised Representative". Entry 5*



& 6 (Part I) of Form No.1 mandates the 'Financial Creditor' to submit "name and address of the person authorised to submit application on its behalf. The authorization letter is to be enclosed. The signature block of the aforementioned Form 1 also provides for the authorised person's detail is to be inserted and also includes inter alia the position of the authorised person in relation to the 'Financial Creditor'. Thus, it is clear that only an "authorised person" as distinct from "Power of Attorney Holder" can make an application under section 7 and required to state his position in relation to "Financial Creditor".

32. The 'I&B Code' is a complete Code by itself. The provision of the Power of Attorney Act, 1882 cannot override the specific provision of a statute, which requires that a particular act should be done by a person in the manner as prescribed thereunder.

33. Therefore, we hold that a 'Power of Attorney Holder' is not competent to file an application on behalf of a 'Financial Creditor' or 'Operational Creditor' or 'Corporate Applicant'."

Although the Hon'ble NCLAT observed that a general authorization given to an officer of the financial creditor by means of a power of attorney would not disentitle such officer to act as the authorized representative, if the power of attorney is supported by a Board Resolution authorizing such execution. As the power of attorney is without any supporting Board Resolution authorizing the execution, therefore, the Petition is liable to be dismissed.

(b) In **Axis Bank Limited vs. Karvy Forde Search Pvt Ltd (2024) ibclaw.in 265 NCLT**, the Hon'ble NCLT, Hyderabad Bench held as follows:

"16. That apart, the ruling in re, *Rajendra Narottamdas Sheth (supra)*, also establishes that whenever a petition under section 7 IBC is filed by a power of attorney holder, the requirement that such a power of



*attorney shall be accompanied by a duly passed "Board Resolution" is not a mere a "technicality" but mandatory legal requirement, as the noncompliance of which renders the said agent of such power of attorney incompetent to file an application under section 7 of IBC.*

xxxx xxxxx xxxx

*18. We, therefore, in the light of our discussions as above are unhesitant, to hold that the present Company Petition signed and verified by Mr. Raghuram Moguluru, the agent/ power of attorney holder, which power was not backed by the Board Resolution, is not maintainable."*

- (iv) The above judgements establishes that a Board Resolution authorizing execution is a mandatory requirement to accompany a power of attorney and it must authorize the specific person to execute the power of attorney. Without a Board Resolution, the authority of the attorney holder cannot be established and non-production of Board Resolution is a fatal defect rendering the Petition not maintainable.



- (v) In the present case, the Financial Creditor filed the Petition by way of a power of attorney, but has failed to annex the Board Resolution authorizing such power of attorney holder. This is a clear violation of the mandatory requirements and renders the Petition defective and not maintainable. The requirement of a Board Resolution ensures that the decision to initiate insolvency proceedings against a debtor is a conscious decision taken by the Board of Directors of the Financial Creditor and not an arbitrary action by any individual officer. In the absence of such authorization, the entire proceedings initiated pursuant to such defective Petition are void ab initio on this ground alone, as the defect is incurable and goes to the root of the maintainability of the Petition.

(vi) The Hon'ble Supreme Court has repeatedly emphasized this distinction in landmark judgments, clarifying that the primary objective of the Code is insolvency resolution and not mere debt recovery. The Adjudicating Authority while admitting a Section 7 Petition should consider, whether there exists any concrete proposal for revival and whether admission would lead to destruction of the Corporate Debtor as a going concern. While the Code grants significant rights to Financial Creditors, it does not contemplate the use of Section 7 as a recovery tool against corporate debtors, which have the ability to pay their debts.

(vii) The Financial Creditor has rushed to file the Petition without exploring alternative mechanisms for recovery or settlement, which demonstrates that the Financial Creditor is seeking to use the Code as a recovery mechanism rather than as a tool for corporate revival. The initiation of CIRP would result in the Corporate Debtor losing control over its affairs, which would ultimately be detrimental to all stakeholders including the Financial Creditor.

(viii) In view of the above facts and circumstances, this Adjudicating Authority may exercise its discretion judiciously and dismiss the Petition, as it would be contrary to the very object and intent of the Code.

8. During the course of hearing dated 16.12.2025, the Corporate Debtor raised a preliminary objection by placing reliance on the judgment of the Hon'ble NCLAT, New Delhi in ***Palogix Infrastructure Private Limited vs. ICICI Bank Limited (2017 SCC OnLine NCLAT 266)*** and the judgment of the Coordinate Bench of this Tribunal in ***Axis Bank Limited vs. Karvy Forde Search Pvt. Ltd. (2024 ibclaw.in 265 NCLT)***,



contending that the Petition is not maintainable in the absence of proper authorisation and Board Resolution to the officer of the Financial Creditor for filing the IBC Petition. In response, the Financial Creditor submitted that the Order passed by the Hon'ble NCLT, Hyderabad Bench in **Axis Bank Limited vs. Karvy Forde Search Pvt. Ltd. (supra)** has been set aside by the Hon'ble NCLAT vide its Order dated 15.09.2024 passed in Company Appeal (AT) (Ins) No. 234 of 2024. Placing the reliance on the judgment of the Hon'ble Supreme Court in **Rajendra Narottamdas Sheth & Anr. vs. Chandra Prakash Jain & Anr. (2022) 5 SCC 600**, it was further submitted that a petition filed through a power of attorney holder or an authorised officer cannot be rejected at the threshold and reasonable time may be granted to place the requisite Board Resolution on record and an IA has already been filed for taking Board Resolution on record. The Financial Creditor was also permitted to file the aforesaid judgements relied upon by it, which were subsequently filed through a Memo vide Diary No.2537 dated 19.12.2025.



**IA (IBC)/428/2025:**

9. The Financial Creditor filed (e-filed on 05.12.2025 and physically on 15.12.2025 vide Diary No.2496) the Interlocutory Application bearing No. IA(IBC)/428/2025 (hereinafter referred to as the "IA 428/2025" or the "IA") under Section 60(5) of the IBC annexing therewith the copy of the extracts from Minutes of the Meeting of Committee of Whole-Time Directors (hereinafter referred to as the "COWTD") of the Financial Creditor held on 29.08.2023 with the prayer to take on record the same as part of this Petition.

10. During the course of hearing dated 27.01.2026, the Financial Creditor sought and was granted time to file a copy of the Board decision authorizing the COWTD for

issuance of the power of attorney to various officials of the Financial Creditor authorizing them to file Petition/ Application in the court of law.

11. Pursuant to the above Order, the Financial Creditor vide Diary No.317 dated 20.02.2026, filed a Memo dated 17.02.2026 enclosing therewith the Charter of COWTD. It is also stated in the Memo that:

- (i) The COWTD is a duly constituted committee of the Board of Directors operating under a formal Charter approved by the Board on 20.10.2022;
- (ii) The Charter expressly and unambiguously empowers the COWTD to review and approve the issuance of general/ special power of attorney to various officials of the Financial Creditor to do such acts, deeds, matters and things, as may be considered necessary or appropriate for and on behalf of the Financial Creditor;
- (iii) The COWTD derives its authority from Articles 71, 79, 110(1), 116, 117(h) and 117(v) of the AoA of the Financial Creditor, which collectively empower the Board to delegate powers to committees and to appoint attorneys through power of attorney;
- (iv) Article 110(3) expressly provides that all acts done by committees of the Board in conformity with regulations and in fulfilment of the purpose of their appointment shall have the like effect. as if done by the Board;
- (v) The COWTD, in exercise of its powers under the Charter and the AoA, duly authorized the issuance of general power of attorney to various officials of the Financial Creditor on 29.08.2023;



- (vi) The general power of attorney includes the express power to appear in courts of law and to file petitions and applications on behalf of the Financial Creditor;
- (vii) The authorized signatory to the present Petition filed under Section 7 of the Code is duly authorized by virtue of the general power of attorney issued pursuant to the decision of the COWTD.

12. During the course of hearing dated 24.02.2026, the Corporate Debtor raised an objection with reference to Clause 6(f) of the COWTD filed by the Financial Creditor and stated that there should have been specific authorization for filing the Petition before this Adjudicating Authority. In response to the above objection, the Financial Creditor submitted the following:

- (i) Article 71 of the AoA of the Financial Creditor, which deals with delegation of powers to committees, reads thus:

*“The Board may subject to the Provisions of the Act delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.”*

- (ii) Clause 6 of the Charter of COWTD of the Financial Creditor deals with the functions of the Committee, wherein, Clause 6(f) gives the power to review and approve the issuance of general/ special power of attorney to various officials of the Financial Creditor and the subsidiary companies of the Financial Creditor to do such acts, deeds, matters and things, as may be considered necessary or appropriate for and on behalf of the Financial Creditor; and Clause 7, which deals with Charter Amendment and Review



provides that this Charter has been reviewed and approved by the Board at its meeting held on 20.10.2022.

- (iii) The COWTD of the Financial Creditor in its meeting held on 29.08.2023 passed a resolution that general power of attorney was issued in favour of Mr. V. Naveen Kumar Juluru, whose name was appearing at Sr. No.56 at Page 10 of the IA 428/2025.

13. On perusal of the record, we note that the Financial Creditor has filed the above document based on the liberty granted and the Corporate Debtor has neither filed the Counter to the IA 428/2025, nor has raised any objection for taking on record the above documents filed in IA 428/2025. After careful consideration of the documents, we are of the considered view that in the interest of justice, the additional documents placed by the Financial Creditor in the IA 428/2025 are the necessary documents and therefore, needs to be taken on record for the proper adjudication of the matter. In view of the above, the additional documents placed by the Creditor in the IA 428/2025 are taken on record and the **IA (IBC)/428/2025 is hereby allowed and disposed of.**

**ANALYSIS AND FINDINGS:**

14. We have heard the submissions of learned Counsels for the Financial Creditor, Corporate Debtor and perused the records carefully.

15. The first issue before us is ***“Whether the present Petition is filed within the period of limitation”?***

- (i) As per Part IV of Form 1, the date of default is mentioned as 23.11.2024.
- (ii) This Petition was e-filed on 06.08.2025 and physically filed on 18.08.2025 vide Dairy No. 1683.

- (iii) In view of the above, we are of the considered view that the present Petition has been filed well within the limitation period.

16. The next issue that arises before us is ***“Whether the Petition is signed by the person authorized to act on behalf of the Financial Creditor?”***

- (i) Section 7 of the Code deals with the initiation of CIRP by the Financial Creditor. Section 7 (2) provides that the Financial Creditor shall make an application in such form and manner and accompanied with such fee, as may be prescribed. As per Rule 4 of the IB Rules, the financial creditor is required to make an application for initiating CIRP against the Corporate Debtor under Section 7 in Form 1, which is required to be signed by the “person authorized to act on behalf of the financial creditor”.

- (ii) As per Article 71 of the AoA of the Financial Creditor, the Board of Directors may delegate its powers to the committees, and the committees formed shall exercise the powers delegated to them in conformity with the regulations. The extract of the Article 71 of the AoA is reproduced below:

71	<ul style="list-style-type: none"> <li>The Board may subject to the provisions of the Act delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board.</li> </ul>
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- (iii) In terms of the power conferred under Article 71 of the AoA, the resolution was passed by the Board of Directors of the Financial Creditor in its meeting held on 20.10.2022 for amendment to the Charter of COWTD, which is annexed at page 20 of the Memo dated 17.02.2026. The extract of the Minutes of the aforesaid Board Meeting is reproduced below:



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE BOARD MEETING OF AXIS BANK LIMITED HELD ON THURSDAY, OCTOBER 20, 2022 FROM 11.15 A.M. UPTO 6.40 P.M. WHICH CONTINUED ON FRIDAY, OCTOBER 21, 2022 FROM 9.30 A.M. UP TO 4.20 P.M. AT AXIS HOUSE, C-2, WADIA INTERNATIONAL CENTRE, PANDURANG BUDHKAR MARG, WORLI, MUMBAI – 400025

#### AMENDMENT TO THE CHARTERS OF THE BOARD COMMITTEES

"RESOLVED THAT the amendments to the Charter of the Committee of Whole Time Directors of the Bank formulated and adopted by the Bank in terms of the relevant provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Banking Regulation Act, 1949 and the Rules, Regulations and Guidelines issued thereunder, as amended, from time to time, as set out in the Note dated October 19, 2022, be and is hereby approved AND THAT the revised Charter of the Committee of Whole-time Directors of the Bank, shall be effective from October 20, 2022."



- (iv) Further, the Amended Charter approved by the Board of Directors of the Financial Creditor in its meeting held on 20.10.2022 has been annexed at pages 17-19 of the Memo dated 17.02.2026. As per Clause 6(f) of the above Charter, the COWTD has the power to issue general/ special power of attorney to various officials of the Financial Creditor. The relevant extract of the Charter is reproduced below:
- f) Issuance of General/Special Power of Attorney to various officials of the Bank and the Subsidiary Companies of the Bank to do such acts, deeds, matters and things as may be considered necessary or appropriate for and on behalf of the Bank;
- (v) In terms of the powers granted under Clause 6 (f) of the Charter, the COWTD in its meeting held on 29.08.2023 passed the resolution regarding issuance of power of attorney to various officials of the Financial Creditor, including issue of general power of attorney to 117 official of the Financial Creditor, wherein the name of Mr. V. Naveen Kumar Juluru appears at serial number 56 and the Company Secretary of the Financial Creditor was authorised to execute the power of attorney on behalf of the Financial

Creditor. The minutes of the above meeting of COWTD are enclosed at page 8-14 of the IA 428/2025, the relevant extracts of which are reproduced below:

**CERTIFIED TRUE COPY OF THE EXTRACT FROM MINUTES OF THE MEETING OF  
COMMITTEE OF WHOLE-TIME DIRECTORS OF AXIS BANK LIMITED HELD ON AUGUST  
29, 2023**

**ISSUANCE OF POWER OF ATTORNEY TO VARIOUS OFFICIALS OF THE BANK.**

The Senior Vice President II & Head - Branch Banking Operations of the Bank submitted a note dated August 9, 2023 proposing issuance of 130 Power of Attorneys (117 GPOAs & 13 SPOAs) in favor of the officers of the Bank.

The Committee was briefed that the Bank issues General Powers of Attorney (GPOA) to designated officials to enable them to act on behalf of the Bank. A GPOA is an all-encompassing document authorizing the appointee with broad powers (e.g. endorse, negotiate, discharge negotiable instruments, make payments, insure Bank's properties, appear in courts of law, to open Bank accounts for clearing and other purposes, to sign, endorse, transfer documents creating various charges in favour of the Bank, issue LCs/BGs etc.).

Also, the Bank grants a special or limited power of attorney which gives restricted powers to the appointee officials to discharge duties in the conduct of business of the Bank and exercise powers pertaining to their office for the purposes given in the Special Power of Attorney.

It was proposed to grant GPOAs and SPOAs to officials of the Bank.

The Committee reviewed the said proposal, and then approved and passed the following resolution unanimously:

**"RESOLVED THAT** General Power of Attorney be issued in favor of the following officials of the Bank with immediate effect:

Sr No.	Poa Type	Emp. No	Name	Branch	Designation
XXXXXXXXXXXXXX					
56	GPOA	22134	V Naveen Kumar Juluu	WBO:MWBC-WB Service Relationship Manager	AVP
XXXXXXXXXXXXXX					

**RESOLVED FURTHER THAT** the Company Secretary is hereby authorized to act as the constituted Attorney of the Bank and execute the POAs on behalf of the Bank."

Thereafter, the Chairman summarized the discussions that took place on issuance of power of attorney to the officials of the Bank.

**Certified True Copy  
For Axis Bank Limited**

SANDEE P  
PODDAR  
Digitally signed  
by SANDEEP  
PODDAR  
Date: 2025.10.31  
15:15:32 +05:30'

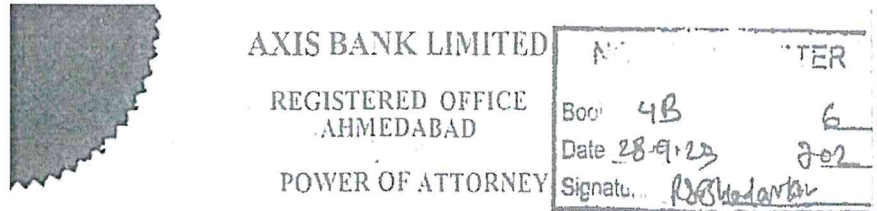
**Sandeep Poddar  
Company Secretary**

Membership No - ACS 13819

**For AXIS BANK,LTD.**  
*Sandeep Poddar*

Authorised Signatory

(vi) By virtue of the above Authorization, the Company Secretary of the Financial Creditor executed Power of Attorney dated 28.09.2023 in favour of Mr. V. Naveen Kumar Juluru, which, more particularly Para 8 and 9, authorizes him to sign the Petition under IBC. The relevant extracts of the above Power of Attorney are reproduced below:



To all to whom these presents shall come, AXIS BANK LTD., a Banking Company incorporated under the Companies Act, 1956, having their Registered Office at "Trishul"-3<sup>rd</sup> Floor, Opp. Samartheswar Temple, Near Law Garden, Ellisbridge, Ahmedabad- 380006 (hereinafter called the 'Bank') send greetings :

Whereas Shri/Smt/Kumari V NAVEEN KUMAR JULURU  
(Emp. No. 22134) is presently ASSISTANT VICE PRESIDENT

of the Bank and the Bank in order to enable him/her to discharge his/her duties better and exercise the powers belonging to his/her office and otherwise is desirous of appointing him/her their Attorney for the purposes hereinafter mentioned and granting to him/her the powers and authorities hereinafter specified.

Now Know ye and these presents witness that the Bank DOETH HEREBY NOMINATE, CONSTITUTE (AND) APPOINT the said Shri/Smt/Kumari V NAVEEN KUMAR JULURU their true and lawful Attorney to do and transact the acts, deeds, matters and things hereinafter mentioned, provided always that each of the acts, deeds, matters and things be done or performed singly or jointly as hereinafter mentioned, that is to say:

SINGLY to do all or any of the following acts, deeds, matters or things, viz:

XXXXXXXXXXXXXX

8A. In respect of any person, firm, society, company, corporation, association, syndicate or body corporate to apply or petition for adjudication as insolvent or bankrupt or for winding up and prove any debt or claim in the bankruptcy or insolvency or winding up and to take any proceedings and appear or cause an appearance to be entered for the Bank in any proceeding for or in or after any such bankruptcy or insolvency or any winding up and to make, sign, verify, affirm, swear, declare and file any petition, affidavit, declaration, application or other claim or affidavit in proof of any debt due or claimed to be due to the Bank and to attend and vote or to give a proxy to or authorise any employee or employees of the Bank or any other person to attend and vote at any meeting of creditors in any composition or in any insolvency or bankruptcy or winding up proceedings and to propose, second or vote for or against any resolution or resolutions at any such meeting and to appear at any public examination or any application for discharge and to vote and/ or to take part in appointment of any inspector, trustee or liquidator or receiver or committee and generally to act for the Bank in all insolvency or bankruptcy or winding up proceedings or authorise any employees of the Bank or any other person to so act in the premises.



- 8B. To sign, verify and execute vakalatnama, applications, forms, written statements, reply, objections, claims and counter-claims of any nature and value, complaints, petitions, appeals, reviews, challenges, consents, affidavits, and all other papers and proceedings of any nature and all description that may be necessary to be signed, verified, deposited for the purposes of initiating, conducting or withdrawal of corporate insolvency resolution proceedings prescribed under the Insolvency and Bankruptcy Code 2016 read with relevant Rules and Regulations as may be amended from time to time.
- 8C. To undertake the following on behalf of the Bank pursuant to the Insolvency and Bankruptcy Code 2016 read with the relevant Rules and Regulations as may be amended from time to time:
- (i) Participate in the meetings of the committee/ sub-committee/core committee of creditors and vote at such meetings.
  - (ii) To perform such other acts as may be required or necessary to complete all the formalities prescribed under the Insolvency and Bankruptcy Code 2016 read with relevant rules and regulations, as may be amended, from time to time.
9. To accept service of any writ, summons or other legal process (whether under or without protest) and to appear (whether under or without protest) and represent the Bank in any Court or Tribunal and before all magistrates or judicial or other officers whatsoever as by the Attorney shall be thought advisable and for the Bank in its name or otherwise to commence and prosecute or defend any actions, suits, petitions or other legal proceedings whether civil and/ or criminal in any court or Tribunal concerning any debt, dues, claim or demand or any right, title, interest, property, claim, matter or thing now or hereafter due or owing or payable or in anywise belonging to or recoverable or receivable by the Bank and/or affecting the Bank in any manner whatsoever by any means or any account whatsoever and to sign appearances, vakalatnamas, mukhtiaranamas or other authorities in favour of and to retain, pay and employ counsels, advocates, solicitors, pleaders or other legal practitioners to act, appear and/ or plead on behalf of the Bank in any such actions, suits, petitions of other legal proceedings and to sign, swear, declare, affirm, verify and file all warrants, petitions, plaints, written statements, counter-claims, set-offs, affidavits, applications and all other pleadings and the same action, suit, petition or other legal proceedings to prosecute or defend or settle or adjust or withdraw or compromise or compound or refer to arbitration or discontinue or allow to become non-suit if he the Attorney shall think fit to do so and to file appeals, cross-appeals, objections, cross-objections, application in reference, review or revision from any determination, decision, sentence, judgement, decree or order, whether final or interlocutory, in any such action, suit, petition or other legal proceeding and to sign, swear, declare, affirm and verify all necessary petitions, memoranda or applications for the same purposes and to allow to become non-suit or withdraw any civil action, suit or other legal proceedings and to compound or withdraw (so far as permitted by the law and Bank's internal guidelines/approvals) any criminal proceedings and also to take such other lawful ways and means for the recovering or getting in any such sum of money or actionable claim or other property (moveable or immovable) or thing whatsoever which shall by the Attorney be conceived to be due, owing, belonging or payable to the Bank by any person whomsoever and howsoever or affecting the Bank in any manner and to satisfy any decree or order passed against the Bank or to enforce and take proceeding in execution (by any mode permissible) of any judgement, decree or order in favour of the Bank in such manner as the Attorney may deem fit and to apply for issue of insolvency or bankruptcy notices and to pay court fees, costs, poundings and Sheriff's fees and receive refund or payment or repayment thereof and to pay into court and to remove out of Court any moneys paid into or receivable out of Court and sign and enter satisfaction of any decree or order in whole or in part and to pay or receive all or any costs of any such action, suit, petition or other legal proceedings and to make any payment under or without protest.

- (vii) In view of the above, we are of the considered view that the Petition has been signed by the person authorized to act on behalf of the Financial Creditor.



17. 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 Rs. One crore as required under Section 4 of the IBC?”***

- (i) As per Part IV of Form 1, the amount claimed to be in default is Rs.34,07,53,683/-. The relevant extracts of the Part-IV of Form 1 is reproduced below:



1.	TOTAL AMOUNT OF DEBT GRANTED DATE(S) OF DISBURSE- MENT	Total Amount of Debt granted is Rs. 34.07.53,683.00/-			
		Cash Credit Account No. 921030054955997  Term loan A/c No.  (1). 921060057856643  (2). 921060057856656  (3). 922060050621762  disbursement on various dates	Cash Credit Loan amount disbursed on 21-12-2021  Term loan amount disbursed on several dates:  (1). First disbursed on 05-02-2022 and last disbursement on 30-05-2022  (2). 23-12-2021  (3). 30-03-2022		
2.	AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURED	Facility	A/c. No.	(Loan O/s excluding unapplied as on October 31,2024)	Unapplied Interest upto April 20,2025

(ATTACH THE WORKINGS FOR COMPUTATION OF AMOUNT AND DAYS OF DEFAULT IN TABULAR FORM)	CC	921030054955997 (CC)	25,05,97,298/-	1,62,96,318.95
	Term Loan-1	921060057856643 (Term Loan-1)	5,91,21,981/-	38,50,658.14
	Term Loan-2	921060057856656 (Term Loan-2)	11,531/-	12,023.00
	WCTL under ECLGS -1	922060050621762 (WCTL under ECLGS)	1,54,23,923/-	9,55,926
	Bank Guarantee (Inland)	00700100000321 (BG)	17,70,000/-	Nil
	Total			2,11,14,925.75
	Total Outstanding including Unapplied Interest			34,07,53,683.00

Total default amount: Rs. 34,07,53,683/-

Days of default: 148

Days of default have been calculated from:

Date of NPA: 23.11.2024

The copy of interest calculation sheet depicting the total default amount is annexed herewith and marked as **Annexure - A/3**

Date on which default occurred : 23.11.2024 (As per NESL)



- (ii) The Financial Creditor at pages 103-104 of the Petition have enclosed the interest calculation sheet, which depicts the above default amount of Rs.34,07,53,683/-. The relevant extract of the interest calculation sheet is reproduced below.

Facility	Ac No	Sanction Limit	Loan O/s (excluding unapplied interest) as on April 20, 2025	Principal O/s as on Apr 20, 2025	Interest upto April 20, 2025	Total O/s as on April 20, 2025	Date of Limit Set-up
CC	921030054955997	24,50,00,000.00	25,05,97,298.00	24,50,00,000.00	1,62,96,318.95	26,12,96,318.95	16-12-2021
Term Loan-1	921060057856643	8,00,00,000.00	5,91,21,981.00	5,77,60,000.00	38,50,658.14	6,16,30,658.14	21-12-2021
Term Loan-2	921060057856656	3,58,22,000.00	11,531.00	0.00	12,023.00	12,023.94	21-12-2021
WCTL under ECLGS	922060050621762	2,09,21,757.00	1,54,23,923.00	1,50,86,757.00	9,55,926.00	1,60,44,683.73	29-03-2022
BG	00700100000321	30,00,000.00	17,70,000.00	17,70,000.00		17,70,000.00	
Total		38,47,44,042.00	32,89,24,733.00	31,94,36,757.00	2,11,14,925.75	34,07,53,683.75	

Enhancement from Rs 21.5 Crs to Rs 24.5 Crs on Sep 20, 2023

- (iii) At Part-V of Form-1, the Financial Creditor, as evidences of default of the financial debt, has enclosed the (a) Record of default created with the NeSL, (b) Copy of the CIBIL report, (c) Copies of entries in the Banker's Book in accordance with the Banker's Book of Evidence Act, 1891.

**Record of default created with the NeSL**

- (iv) The Financial Creditor at page nos.105-150 of the Petition has enclosed the Record of Default issued by the NeSL in respect of Account Nos. 921030054955997, 921060057856656 and 921060057856643, wherein the status of Authentication of Default in Form-D is shown as "Authenticated" and the Date of default is 23.11.2024. The Form-D of the Records of Default in respect of the aforesaid accounts are reproduced below.



**NeSL** NATIONAL E-GOVERNANCE SERVICES LIMITED  
India's First Information Utility

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 AXIS BANK LIMITED in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s AXIS BANK LIMITED
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED
(d) Unique Debt Identifier Number:	AAACU2414K_921030054955997
(e) Registered Address:	Axis House, C-2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai
(f) Total Outstanding Amount:	INR 250597298.00
(g) Default Amount:	INR 250597298.00
(h) Submission ID:	35
(i) Date of Default:	23-11-2024
(j) Status of Authentication of Default:	<b>AUTHENTICATED</b>
(k) Authentication Completed on:	31-03-2025 00:04:40
(l) Date of Last Acknowledgement of Debt (AoD):	Not Available

*\* where dispute is pertaining to non-financial information and financial creditor is schedule II bank, the status of authentication will be recorded as Authenticated*

NeSL is authorized to issue this record of default and has accordingly affixed its digital signature, as per the provisions of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, Guidelines for Technical Standards for Performance of Core Services and Other Services and the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2017.

# NeSL NATIONAL E-GOVERNANCE SERVICES LIMITED

India's First Information Utility

## 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 AXIS BANK LIMITED in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s AXIS BANK LIMITED
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED
(d) Unique Debt Identifier Number:	AAACU2414K_921060057856656
(e) Registered Address:	Axis House,C-2,Wadia International Centre,Pandurang Budhkar Marg,Worli,Mumbai
(f) Total Outstanding Amount:	INR 11531.00
(g) Default Amount:	INR 11531.00
(h) Submission ID:	35
(i) Date of Default:	23-11-2024
(j) Status of Authentication of Default:	<u>AUTHENTICATED</u>
(k) Authentication Completed on:	31-03-2025 00:04:40
(l) Date of Last Acknowledgement of Debt (AoD):	Not Available

\* where dispute is pertaining to non-financial information and financial creditor is schedule II bank, the status of authentication will be recorded as Authenticated

NeSL is authorized to issue this record of default and has accordingly affixed its digital signature, as per the provisions of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, Guidelines for Technical Standards for Performance of Core Services and Other Services and the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2017.

# NeSL NATIONAL E-GOVERNANCE SERVICES LIMITED

India's First Information Utility

## 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 AXIS BANK LIMITED in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s AXIS BANK LIMITED
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED
(d) Unique Debt Identifier Number:	AAACU2414K_921060057856643
(e) Registered Address:	Axis House,C-2,Wadia International Centre,Pandurang Budhkar Marg,Worli,Mumbai
(f) Total Outstanding Amount:	INR 59121981.00
(g) Default Amount:	INR 59121981.00
(h) Submission ID:	32
(i) Date of Default:	23-11-2024
(j) Status of Authentication of Default:	<u>AUTHENTICATED</u>
(k) Authentication Completed on:	31-03-2025 00:04:40
(l) Date of Last Acknowledgement of Debt (AoD):	Not Available

\* where dispute is pertaining to non-financial information and financial creditor is schedule II bank, the status of authentication will be recorded as Authenticated

NeSL is authorized to issue this record of default and has accordingly affixed its digital signature, as per the provisions of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, Guidelines for Technical Standards for Performance of Core Services and Other Services and the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2017.



(v) As per the above Records of Default, the default amount as on the date of default i.e., 23.11.2024 works out to Rs. 309730810/- as shown in table below:

Account Number	Amount (Rs.)
921030054955997	250597298
921060057856656	11531
921060057856643	59121981
<b>Total</b>	<b>309730810</b>

**Copy of the CIBIL report**

(vi) The Financial Creditor at page nos.151-231 of the Petition has enclosed the copy of the CIBIL Report, which shows the outstanding debt amount of Axis Bank as Rs. 32,69,24,732/-. The relevant extracts of the CIBIL Report are reproduced below.



COMMERCIAL CREDIT INFORMATION REPORT

Report Order Number: WI-43053760  
 Report Order Date: 05-APR-2025  
 Report Ordered By: BR0329001\_CMM61017  
 Member: AXIS BANK  
 Application File No: BAC

**Entity Information**  
 Search Criteria: Krishnaganga Spinning Mills Private Limited, 05-Sep-1983, AAACK937P, U18100AP183PTC004121 - 1 Address.

**Borrower Profile**

BORROWER DETAILS		ADDRESS & CONTACT DETAILS		IDENTIFICATION DETAILS	
Name	KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED	Registered Office Address		PAN	AAACK937P
Legal Constitution	Private Limited	D NO 9G11-4C4 FIRST FLOOR, OPPOSITE GANDHI STATUE, GUNTUR, ANDHRA PRADESH, 523006		Registration Number	OTHERSM
Class of Activity	COTTON TEXTILE	Telephone No	944741230	CIN	U18100AP183PTC004121
Business Category	SME	Mobile No	+91-9788866731	TIN	-
Industry Type	Manufacturing	Email ID	ACCOUNTS@KRISHNAGANGA.NET	Service Tax No	-
Sales Figure	<1 Year ->	**Additional Address and Contact Information of the Borrower is filed in Section no. 8 the Location Details			
Head Employees	0	URN	UDYAM-AP-044076942	UYN	-
Date of Incorporation	05-JUN-1983	Last Reported Date	31-AUG-2024		

**Delinquencies Reported on the Borrower**

Yr	Institution	Current	Yes	Last 24 Months	No
0	Outside	Current	No	Last 24 Months	Yes

**Delinquencies Reported on Related Parties/Guarantors of the Borrower in Last 24 Months**

1 KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED(Holding Company) - 2 Working Capital(O/S 250597297) 5 (Aca Funded)(O/S:1770926) 3 Term Loan(O/S 74557425)

XXXXXX

7. Outstanding Balances by Credit Facility Groups and Asset Classification										
# No. of Credit Facilities: 1 Outstanding Balances: 1										
(Depended on No. of Facilities and corresponding Outstanding Balances under each CF Group and Asset Class. (check it))										
CF GROUP	STD				NON-STD					Total
	0 DPO	1-30 DPO / SMA 1	31-90 DPO / SMA 1	91-180 DPO / SMA 2	91-180 DPO	181 DPO	SUB	CBT	CB2	
Your Institution										
Non Funded					#5 ₹17,70,000					#5 ₹17,70,000
Working Capital	#3 ₹0				#1 ₹25,05,07,298	#1 ₹1				#4 ₹25,05,07,299
Term Loan					#3 ₹7,45,57,435					#3 ₹7,45,57,435
Forex										
Total	#3 ₹0				#9 ₹33,66,22,733	#1 ₹1				#7 ₹33,66,22,734

### Entries in the Banker's Book as per Banker's Book of Evidence Act, 1981



- (vii) The Financial Creditor at page nos. 243-245 of the Petition has enclosed the certificate under Section 2A (A) of the Banker's Book of Evidence Act, 1981 in respect of four accounts of the Corporate Debtor i.e., Account Nos. 921030054955997, 922060050621762, 921060057856656 and 921060057856643, the relevant extracts of which is reproduced below:

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

This is to certify that the statement of accounts [Account Nos. 921030054955997, 921060057856643, 921060057856656 & 922060050621762 of M/s. Krishna Ganga Spinning Mills Private Limited for the period from 01.04.2021 to 05.03.2025 of Axis Bank Limited, Lakshminipuram Branch, Guntur, 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 a hard disk and is a printout of such entry / copy of printout of such entry.

For **AXIS BANK LTD.**

Authorized Signatory

C Suresh Pai

Place: Chennai  
Date: 19-06-2025

{Name of the Signatory}  
Assistant Vice President

- (viii) The statement of the said four accounts are enclosed at page nos. 232-242 of the Petition, the relevant extracts of which are reproduced below:



# AXIS BANK ANNEXURE - A/6

KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED

Joint Holder :-

GT ROAD THIMMAPURAM

GUNTUR

GUNTUR

GUNTUR

ANDHRA PRADESH

522233

232

Customer No. 910096218

Scheme: OPEN CASH CREDIT-HYP

Currency: INR

Statement of Account No : 921030054955997 for the period (From : 21-05-2024 To : 19-03-2025)

Tran Date	Chq No	Particulars	Debit	Credit	Balance	Int. Br
		OPENING BALANCE			-341781750.79	
31-08-2024		921030054955997IntCol01082024 to 31082024	1890122.00		-246890122.00	1158
05-09-2024		NEFTSBIN424249918555PRASAD ENTERPRISESTATE BANK OF INDIAATTNtransfer		20800.00	-246870322.00	248
30-09-2024		921030054955997IntCol01092024 to 30092024	1826182.00		-248696504.00	1188
31-10-2024		921030054955997IntCol01102024 to 31102024	1990994.00		-250597208.00	1158
		TRANSACTION TOTAL	28125531.21	19310984.00		
		CLOSING BALANCE			-250597298.00	



Unless the constituent notifies the bank immediately of any discrepancy found by him/her in this statement of Account, it will be taken that he/she has found the account correct.

The closing balance as shown/displayed includes not only the credit balance and / or overdraft limit, but also funds which are under clearing. It excludes the amount marked as lien, if any. Hence the closing balance displayed may not be the effective available balance. For any further clarifications, please contact the Branch.

We would like to reiterate that, as a policy, Axis Bank does not ask you to part with/disclose/revalidate of your iConnect password, login id and debit card number through emails OR phone call. Further, we would like to reiterate that Axis Bank shall not be liable for any losses arising from you sharing/disclosing of your login id, password and debit card number to anyone. Please co-operate by forwarding all such suspicious/spam emails, if received by you, to customer.service@axisbank.com

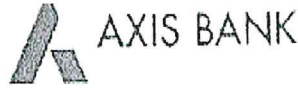
REGISTERED OFFICE - AXIS BANK LTD, TRISHUL, Opp. Samartheswar Temple, Near Law Garden, Ellisbridge, Ahmedabad 380006. This is a system generated output and requires no signature.

Legends :

- ICONN - Transaction through Internet Banking
- VMT-ICON - Visa Money Transfer through Internet Banking
- AUTOSWEEP - Transfer to linked fixed deposit
- REV SWEEP - Interest on Linked fixed Deposit
- SWEEP TRF - Transfer from Linked Fixed Deposit / Account

For AXIS BANK LTD,

*Frank*  
Authorised Signatory



**KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED**

237

Joint Holder :  
 GT ROAD THIMMAPURAM  
 GUNTUR  
 GUNTUR  
 GUNTUR  
 GUNTUR  
 ANDHRA PRADESH  
 522233

Customer No : 910896218  
 Scheme : TERM LOAN EMERGENCY  
 CREDIT LINE  
 Currency : INR

Statement of Account No : 922060050621762 for the period (From : 31-05-2024 To : 19-03-2025)

Trans Date	Chq No	Particulars	Debit	Credit	Balance	Int. Br
		OPENING BALANCE			-16838657.00	
31-05-2024		922060050621762Normal IntColl01052024 to 31	122784.00		-16961441.00	1158
30-06-2024		922060050621762Normal IntColl01062024 to 30	113498.00		-17079339.00	1158
31-07-2024		922060050621762Normal IntColl01072024 to 31	133303.00		-17212642.00	1158
19-08-2024		LASPAY recovery from 921030054955997		365340.52	-16337901.48	1158
21-08-2024		LASPAY recovery from 921030054955997		1249141.48	-15088757.00	1158
31-08-2024		922060050621762Normal IntColl01082024 to 31	118374.00		-15207131.00	1158
30-09-2024		922060050621762Normal IntColl01092024 to 30	106242.00		-15313373.00	1158
31-10-2024		922060050621762Normal IntColl01102024 to 31	110550.00		-15423923.00	1158
		TRANSACTION TOTAL	699751.00	2114485.00		
		CLOSING BALANCE			-15423923.00	



Unless the customer notifies the bank immediately of any discrepancy found by him/her in this statement of Account, it will be taken that he/she has found the account correct.

The closing balance as shown/displayed includes not only the credit balance and / or overdraft limit, but also funds which are under clearing. It excludes the amount marked as lien, if any. Hence the closing balance displayed may not be the effective available balance. For any further clarifications, please contact the Branch.

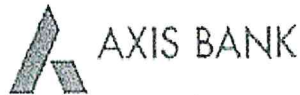
We would like to reiterate that, as a policy, Axis Bank does not ask you to part with/discard/validate of your eConnect pincode/login id and debit card number through emails OR phone call. Further, we would like to reiterate that Axis Bank shall not be liable for any losses arising from you sharing/disclosing of your login id, password and debit card number to anyone. Please co-operate by forwarding all such suspicious/spam emails, if received by you, to customer.service@axisbank.com

REGISTERED OFFICE - AXIS BANK LTD, TRISHUL, Opp. Samadheswar Temple, Near Law Garden, Ellisbridge, Ahmedabad - 380006. This is a system generated output and requires no signature.

**Legends :**

- ICONS - Transaction through Internet Banking
- VMT-ICON - Visa Money Transfer through Internet Banking
- AUTOSWEEP - Transfer to linked fixed deposit
- RSV SWEEP - Interest on Linked fixed Deposit
- SWEEP TRF - Transfer from Linked Fixed Deposit / Account
- VMT - Visa Money Transfer through ATM
- CWDR - Cash Withdrawal through ATM
- PUR - POS purchase
- TIP/SCG - Surcharge on usage of debit card at pump/railway ticket purchase or hotel type
- RATE DIFF - Difference in rates on usage of card internationally
- TRF - General Banking Transactions

FOR AXIS BANK LTD.  
*Frank*  
 Authorised Signatory



239

KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED

Joint Holder :-

GT ROAD THIMMAPURAM

GUNTUR

GUNTUR

GUNTUR

ANDHRA PRADESH

522233

Customer No :910606218

Scheme :TERM LN-SECURED-MTHLY INT

Currency :INR

Statement of Account No :921060057856656 for the period (From : 21-05-2024 To : 19-03-2025)

Tran Date	Chq No	Particulars	Debit	Credit	Balance	Int. Br
		OPENING BALANCE			-2502293.00	
31-05-2024		921060057856656Normal IntColl01052024 to 31	19127.00		-2521420.00	1158
30-06-2024		921060057856656Normal IntColl01062024 to 30	18652.00		-2540072.00	1158
31-07-2024		921060057856656Normal IntColl01072024 to 31	19416.00		-2559488.00	1158
19-08-2024		BRN LN REC PRN230228500 INT5719360 92106005495		2559480.00	.00	1158
31-08-2024		921060057856656Normal IntColl01082024 to 31	11360.00		-11360.00	1158
30-09-2024		921060057856656Normal IntColl01092024 to 30	84.00		-11444.00	1158
31-10-2024		921060057856656Normal IntColl01102024 to 31	87.00		-11531.00	1354
		TRANSACTION TOTAL	68726.00	2559480.00		
		CLOSING BALANCE			-11531.00	



Unless the constituent notifies the bank immediately of any discrepancy found by him/her in this statement of Account, it will be taken that he/she has found the account correct.

The closing balance as shown/displayed includes not only the credit balance and / or overdraft limit, but also funds which are under clearing. It excludes the amount marked as lien, if any. Hence the closing balance displayed may not be the effective available balance. For any further clarifications, please contact the Branch.

We would like to reiterate that, as a policy, Axis Bank does not ask you to part with/disclose/revalidate of your iConnect password/login id and debit card number through emails OR phone call. Further, we would like to reiterate that Axis Bank shall not be liable for any losses arising from you sharing/disclosing of your login id, password and debit card number to anyone. Please co-operate by forwarding all such suspicious/spam emails, if received by you, to customer.service@axisbank.com

REGISTERED OFFICE - AXIS BANK LTD, TRISHUL, Opp. Sannatheswar Temple, Near Law Garden, Ellisbridge, Ahmedabad - 380006. This is a system generated output and requires no signature.

## Legends :

- ICONN - Transaction through Internet Banking
- VMT-ICON - Visa Money Transfer through Internet Banking
- AUTOSWEEP - Transfer to linked fixed deposit
- REV SWEEP - Interest on Linked fixed Deposit
- SWEEP TRF - Transfer from Linked Fixed Deposit / Account
- VMT - Visa Money Transfer through ATM
- CWDR - Cash Withdrawal through ATM
- PUR - POS purchase
- TIP/ SCG - Surcharge on usage of debit card at pump/air/railway ticket purchase or hotel tips
- RATE DIFF - Difference in rates on usage of card internationally
- CLG - Cheque Clearing Transaction
- EDC - Credit transaction through EDC Machine
- SETU - Seamless electronic fund transfer through AXIS Bank

For AXIS BANK LTD,

  
 Authorised Signatory



KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED

241

Joint Holder :-  
GT ROAD THIMMAPURAM  
GUNTUR  
GUNTUR  
GUNTUR  
ANDHRA PRADESH  
522233

Customer No :910690218  
Scheme :TERM LNS-SECURED-MTHLY INT  
Currency :INR

Statement of Account No :921060057856643 for the period (From : 21-05-2024 To : 19-03-2025)

Tran Date	Chq No	Particulars	Debit	Credit	Balance	Int. Br
		OPENING BALANCE			-61113000.00	
27-05-2024		Loan Coll From 921030053955997		.52	-61112999.48	11.58
31-05-2024		921060057856643 Normal Int Coll 01052024 to 31	467138.00		-61580137.48	11.58
30-06-2024		921060057856643 Normal Int Coll 01062024 to 30	455524.00		-62035661.48	11.58
31-07-2024		921060057856643 Normal Int Coll 01072024 to 31	474190.00		-62509851.48	11.58
19-08-2024		BRN LNS REC PRN 933299949 INT 139685200 921030054		4729831.48	-57780000.00	11.58
31-08-2024		921060057856643 Normal Int Coll 01082024 to 31	462654.00		-58242654.00	11.58
30-09-2024		921060057856643 Normal Int Coll 01092024 to 30	430836.00		-58673490.00	11.58
31-10-2024		921060057856643 Normal Int Coll 01102024 to 31	443491.00		-59116981.00	11.58
		TRANSACTION TOTAL	2738833.00	4729832.00		
		CLOSING BALANCE			-59121981.00	



Unless the constituent notifies the bank immediately of any discrepancy found by him/her in this statement of Account, it will be taken that he/she has found the account correct.

The closing balance as shown/displayed includes not only the credit balance and / or overdraft limit, but also funds which are under clearing. It excludes the amount marked as lien, if any. Hence the closing balance displayed may not be the effective available balance. For any further clarifications, please contact the Branch.

We would like to reiterate that, as a policy, Axis Bank does not ask you to part with disclose/validate of your Connect passord login id and debit card number through emails OR phone call. Further, we would like to reiterate that Axis Bank shall not be liable for any losses arising from you sharing/disclosing of your login id, password and debit card number to anyone. Please co-operate by forwarding all such suspicious/spam emails, if received by you, to customer.service@axisbank.com

REGISTERED OFFICE - AXIS BANK LTD, TRISUL, Opp. Samatheswar Temple, Near Law Garden, Ellinabridge, Ahmedabad 380006. This is a system generated output and requires no signature.

Legends :

ICNN - Transaction through Internet Banking  
VMT-CON - Visa Money Transfer through Internet Banking  
AUTOSWEEP - Transfer to linked fixed deposit  
REV SWEEP - Interest on Linked fixed Deposit  
SWEEP TRF - Transfer from Linked Fixed Deposit / Account  
VMT - Visa Money Transfer through ATM  
CWDR - Cash Withdrawal through ATM  
PUR - POS purchase  
TRF SCG - Surcharge on usage of debit card at pump/railway ticket purchase or hotel tips  
RATE.DIFF - Difference in rates on usage of card internationally

For AXIS BANK LTD.

*Frank*  
Authorised Signatory

- (ix) As per the above Statements of Accounts, the total outstanding amount as on 31.10.2024 works out to Rs.32,51,54,733/- as shown in table below:

Account Number	Amount (Rs.)
921030054955997	250597298
922060050621762	15423923
921060057856656	11531
921060057856643	59121981
<b>Total</b>	<b>325154733</b>

- (x) The Financial Creditor has issued the recall notice dated 15.02.2025 of the credit facilities granted to the Corporate Debtor stating that the due to non-payment of outstanding dues, the account of the Corporate Debtor has been classified as NPA on 23.11.2024 and also calling upon the Corporate Debtor to pay within seven from the date of the notice to the Financial Creditor the outstanding amount of Rs.33,25,63,660/- as on 31.01.2025 together with further interest. The relevant extracts of the recall notice are reproduced below:



By Speed Post with AD/ Email

//Without Prejudice//

Ref: AXISB/SAG/SOUTH/2024-25/158

Date: 15.02.2025

.To,

M/s. KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED,  
 PAN: AAACK9373P  
 Having Registered Office:  
 KGSM Buildings, NH-5,  
 G.T. Road,  
 Thimmapuram - 522 233.  
 (Guntur District)  
 Andhra Pradesh

XXXX XXXX

Sub: Recall cum Guarantee Invocation Notice of Credit facilities sanctioned to M/s. KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED

We, Axis Bank Limited, (previously known as UTI Bank Ltd.) a Company incorporated under the Companies Act, 1956 and carrying on its Banking business under the Banking Regulation Act, 1949 and having its Registered Office at Trishul, 3<sup>rd</sup> Floor, Opp. Samarheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad- 380006 and having one of its branch at D. No. 5-87-23, Sai Santosh Towers, Lakshmipuram Main Road, Guntur - 522 007 and Structured Assets Group at Javahar Towers, 1<sup>st</sup> Floor, New No.3, Old no. 2, Club House Road, Anna Salai, Chennai - 600 002, issue this Notice as under,

That No.1 of you carrying on business in the name and style of M/s KRISHNA GANGA SPINNING MILLS PRIVATE LIMITED and had approached the Bank for certain credit facilities and that after due consideration, the Bank sanctioned credit facilities of Rs.35.29 Cr on terms and conditions as mentioned in Bank's sanction letter bearing reference No. AXISB/CBGVJA/ KGSP/179/2021-22 dated 23-11-2021 which was duly accepted by you all and you all had executed loan and security documents in respect of the aforesaid credit facilities. Post the same, the said credit facilities were reviewed/renewed/modified/amended from time to time with the last Sanction Letter being AXIS-0000081142-CBG/SEG/VIJAYAWADA/2023-24 DI. 15-09-2023

That you all executed the necessary documents which inter alia, includes Loan Agreement and other necessary documents,

XXXX XXXX XXXX

That You No. 1 after availing the aforesaid Credit facilities failed and neglected to honor the agreed terms and conditions of above mentioned sanctioned letters. In spite of repeated requests, opportunities and assurances given by the Company for repayment of the aforesaid Credit facilities, the Company failed to adhere to the terms of sanctions and committed defaults in regularizing/ repaying the aforesaid Credit facilities. Due to non-payment of outstanding dues/ interest dues

to the Bank towards the aforesaid credit facilities, the account of the Proprietary firm has been classified as Non-Performing Asset (hereinafter referred as "NPA") in the books of the Bank as on 23.11.2024 in terms of extant guidelines issued by Reserve Bank of India. We regret to note that till date no concrete proposal or solution acceptable to the Bank, for repayment of the Bank's dues has been submitted by the firm.

The current position of the Credit facilities after giving the credit to all the payments made by you is as under:

(Rs)

Facility	A/c No	Loan O/s (excluding unapplied interest) as on October 31, 2024	Unapplied interest upto January 31, 2025	Total O/s as on January 31, 2025
CC	921030054955997	25,05,97,298.00	57,27,871.00	25,63,25,169.00
Term Loan-1	921060057856643	5,91,21,981.00	13,47,976.00	6,04,69,957.00
Term Loan-2	921060057856656	11,531.00	263.00	11,794.00
WCTL under ECLGS -1	922060050621762	1,54,23,923.00	3,32,817.60	1,57,56,740.00
Bank Guarantee (Inland)	—	17,70,000.00	—	17,70,000.00*
	<b>Total</b>			<b>33,25,63,660.00**</b>

\*-Bank Guarantee Outstanding as on 31-01-2025 is also due and will have to be paid in case of Invocation by the Beneficiary

\*\*-This amount does not include the dues payable under the Corporate Credit Card issued by the Bank to the Company and also the Outstanding under the Bank Guarantee Limit, whose outstanding amount(s) when invoked by the beneficiary will also be added to the Total Outstanding dues

In these circumstances, we Axis Bank Limited, do hereby call upon you No. 1 to pay the Bank an outstanding amount of Rs 33,25,63,660.00 ps. (Rupees Thirty Three Crores Twenty Five Lakhs Sixty Three Thousand Six Hundred and Sixty only ) as on 31.01.2025 with further interest from 01<sup>st</sup> February 2025 (plus Bank Guarantee amounts as and when invoked by the Beneficiary of the Bank Guarantee and also dues payable under the Corporate Credit Card issued to the Company) at the contractual rate within 7 days from the date of this notice together with interest, additional interest(s), compound interest, liquidated damages and other charges.

In case of failing to comply with the above requisition contained herein above within 7 days, the Bank shall be constrained to file / initiate such legal proceedings under the provisions of law including the initiation of proceedings under SARFAESI Act, 2002 against all of you as may be advised for enforcing the securities and realizing the dues at your own risk as to the cost and consequences.

A copy of this notice is kept for record.

The earlier Recall Notice bearing No. AXISB/SAG/SOUTH/20242-25/157 dated 12.02.2025 stands withdrawn.

You may reach out to us at [sag.south@axisbank.com](mailto:sag.south@axisbank.com) or at below address for any correspondence.

Relationship Manager – Structured Assets Group,  
Axis Bank Limited,  
Axis House, New No.3, First Floor, Club House Road,  
Anna Salai, Chennai - 600 002.

Yours Faithfully,

 For Axis Bank Ltd.  
Authorized Signatory.



(xi) It is observed that the amount of outstanding financial debt as per the CIBIL report, Record of Default with NeSL, Statement of Accounts maintained as per the Banker's Books of Evidence Act, 1891 and recall notice dated 15.02.2025 are different. However, in case of Section 7 Petition, we need to see that the outstanding amount is meeting the threshold limit of Rs. one crore and in all the above three evidences submitted by the Financial Creditor, the outstanding amount is above the threshold limit of Rs. one crore. In this regard, the reliance is placed on Hon'ble NCLAT Principal Bench judgement dated 25.04.2024 in the matter of **Milind Kashiram Jadhav Vs. State Bank of India & Ors [Company Appeal (AT) (Insolvency) No. 1589 of 2023]**

“54.....There is no requirement to calculate and fix the exact amount of repayment, this has been held by this Tribunal as under:

“14. In so far as the facts included in the Section 7 application in Form 1 application is concerned, the Financial Creditor has to provide information about the debt which is due and payable and

also the date and record of default. **There is no requirement in the adjudication of Section 7 application to calculate and fix the exact amount of debt in default of repayment.** It is only to be seen whether the amount in default is more than the minimum or threshold value that is prescribed in Section 4(1) of the IBC.”

**[Company Appeal (AT) (Ins.) No. 662-663 of 2022: Suzlon Synthetics Ltd. v. Stressed Asset Stabilization Fund (2022) 145 taxmann.com 594 (NCLAT-New Delhi) [Emphasis supplied]”**

- (xii) In view of the aforesaid discussions, we are of the considered view that there is a financial debt extended by the Financial Creditor to the Corporate Debtor and there is a default in repayment thereof, when it became due and payable and the default exceeds the minimum threshold of Rupees one crore.



18. The Corporate Debtor, in its Counter has contended that the Financial Creditor has rushed to file the Petition without exploring alternative mechanisms for recovery or settlement, which demonstrates that the Financial Creditor is seeking to use the Code as a recovery mechanism rather than as a tool for corporate revival. Therefore, the next issue for consideration before us is ***“Whether the Financial Creditor has invoked the provisions of the IBC merely as a recovery mechanism and not for resolution of insolvency?”***

- (i) We note the settled legal position that for admission of a Petition under Section 7 of the Code, the Adjudicating Authority is only required to examine and satisfy itself that a financial debt exists and there is default in relation thereto.
- (ii) In this regard, we also rely on the **judgement dated 24.02.2026 of the Hon’ble Supreme court in the matter of Catalyst Trusteeship Ltd. vs.**

**Ecstasy Realty Pvt. Ltd., 2026 INSC 186 (Civil Appeal No. 7424 of 2025,**

wherein the Supreme Court has observed as below:

*“12. In this regard, we may note the settled legal position that for admission of an application under Section 7 of the Code, the adjudicating authority is only required to examine and satisfy itself that a financial debt exists and there is default in relation thereto. In this context, the observations of this Court in Innoventive Industries Limited vs. ICICI Bank and another (2018) 1 SCC 407 are of relevance and are extracted hereunder:*

*‘30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.’*

*Thus, the concept of a pre-existing dispute, which may be a stumbling block for admission of an application filed under Section 9 of the Code by an operational creditor, has no bearing on an application filed by a financial creditor under Section 7 of the Code.”*

19. 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. Further, Rule 4 of the IB Rules prescribes the procedural requirements, including the format and supporting documents required for filing such a Petition.

20. We have gone through the contents of the Petition filed by the Financial Creditor and found that the same is complete. The Financial Creditor has proposed the name



of **Rajesh Chillale**, having **Reg.No. IBBI/IPA-001/IP-P00699/2017-2018/11226** as IRP in this matter. The written consent of the proposed IRP in Form-2 dated 15.04.2025 is annexed at Page 526 the Petition, wherein, the proposed IRP affirmed that he is eligible to be appointed as a resolution professional in respect of the Corporate Debtor herein and certified that there are no disciplinary proceedings pending against him with the Board or Indian Institute of Insolvency Professionals of ICAI. However, it is noted from the copy of the AFA of the proposed IRP annexed at Page 529 of the Petition, that his AFA is valid till 31.12.2025. Therefore, the credentials of the proposed IRP have 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. Chillale Rajesh
Registration no	IBBI/IPA-001/IP-P00699/2017-2018/11226
Date of Registration	23-Nov-17
Member of IPA	Indian Institute of Insolvency Professionals of ICAI
Member of IPE	IRR Insolvency Professionals Private Limited
Email id	chillalerajesh[at]yahoo[dot]co[dot]in
Address	B-725, Western Plaza, OU Colony, HS Darga, Manikonda, Hyderabad, Telangana, 500008
Have Valid AFA	Yes
AFA Certificate No.	AA1/11226/02/311226/108694
AFA Valid Upto	31-Dec-26
Total CPE Earned	121
Total Assignments	34

21. As a sequel to the discussion above, the present section 7 Petition bearing **CP (IB)/32/7/AMR/2025** filed by the Financial Creditor under section 7 of the IBC for initiating CIRP against the Corporate Debtor **M/s. Krishna Ganga 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 license, 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 sub-section 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 Bench 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.

22. Accordingly, we hereby appoint **Rajesh Chillale**, bearing **Registration No. IBBI/IPA-001/IP-P00699/2017-2018/11226**, **E-mail: chillalerajesh@yahoo.co.in** having **Address at B-725, Western Plaza, OU Colony, HS Darga, Manikonda, Hyderabad-500008, Telangana**, as IRP in the instant matter, with the following directions:

- (i) The term of appointment of the aforesaid IRP 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 in the first meeting of the CoC shall make the requisite disclosure in terms of Regulation 7 of the IBBI (Insolvency Professionals) Regulations, 2016
- (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 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, ESI etc. and also to trade unions, and employee associations to inform them about the commencement of CIRP.

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

23. The Financial Creditor is directed to deposit **Rs.4,00,000/-** (Rupees Four Lakhs Only) with the IRP to meet out the expense to perform the functions assigned to him in accordance with Regulation 6 of 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.



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.

Accordingly, CP (IB)/32/7/AMR/2025 stands admitted.

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

Sd/-  
(KISHORE VEMULAPALLI)  
MEMBER (JUDICIAL)

Naila

प्रमाणित प्रति/CERTIFIED TRUE COPY  
केस संख्या IA (IBC)/428/2025 in  
CASE NUMBER CP (IB)/32/7/AMR/2025  
निर्णय का तारीख  
DATE OF JUDGEMENT ...10.03.2026..  
प्रति तैयार किया गया तारीख  
COPY MADE READY ON ...10.03.2026

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