



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

Item No.2
CP (IB)/13/7/AMR/2026

IN THE MATTER OF:
Union Bank of India

.... **Financial Creditor**

Vs

Omkara Vijayalakshmi Strips Private Limited

.... **Corporate Debtor**

Under Section: 7 of IBC, 2016

Order delivered on 23.06.2026

CORAM:

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

PRESENT:

For the Financial Creditor : Mr. P. Rama Krishna, Adv.
For the Corporate Debtor : Mr. V. Sai Malik, Adv.

ORDER

The instant Petition CP (IB)/13/7/AMR/2026 ('**CP 13/2026**' or 'Petition') was e-filed on 22.04.2026 and refiled on 04.05.2026 and hard copy was filed on 06.05.2026 (vide Diary No.801) by Union Bank of India ('**Financial Creditor**' or "**FC**") 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 **Omkara Vijayalakshmi Strips Private Limited** ('**Corporate Debtor**' or "**CD**") against the default amount of Rs.26,72,62,170.17/- (Rupees Twenty Six Crores Seventy



Two Lakhs Sixty Two Thousand One Hundred Seventy and Seventeen Paise only) as on 31.03.2026, together with agreed interest accrued from 01.04.2026 till the date of payment.

2. The Corporate Debtor is a Company incorporated on 08.03.2017 under the provisions of Companies Act, 2013 bearing CIN: U74999AP2017PTC105361, and its registered office is situated at 76-18-45, Plot No. 45, Iron Yard, Bhavanipuram, Krishna, Vijayawada-520012, Andhra Pradesh. Hence, the territorial jurisdiction lies with this Adjudicating Authority.

3. The Petition was initially e-filed on 22.04.2026 and was returned by the Registry on 30.04.2026 for compliance of certain defects. After rectifying the defects, the Financial Creditor re-filed the Petition on 04.05.2026 and filed the physical copy on 06.05.2026. Upon scrutiny, the Petition was numbered on 14.05.2026. Since the Tribunal was under Summer Vacation from 16.05.2026 to 30.05.2026, the matter was listed on 01.06.2026, being the first working day after reopening.

4. During the course of hearing on the said date, it was observed that a copy of the Petition had not been served upon the Corporate Debtor at its correct e-mail address. Accordingly, at the request of the Learned Counsel for the Financial Creditor, one week's time was granted to effect proper service of the Petition upon the Corporate Debtor.

5. During the next hearing on 10.06.2026, the Learned Counsel appearing for the Corporate Debtor accepted the notice on behalf of the Corporate Debtor and sought/ granted the time for filing Vakalatnama and



Counter Affidavit. Subsequently, upon a further request made during the course of hearing on 16.06.2026 & 19.06.2026 on behalf of the Corporate Debtor, an additional time was granted for filing the Counter Affidavit.

6. Pursuant to the above orders, the CD vide Dairy No.1062 dated 22.06.2026 filed counter.

7. During the course of today's hearing, the facts of the case, as elaborated by the Counsel for the FC, are summarized hereunder:

- (i) The Financial Creditor is Union Bank of India, a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having registered office is at 239, Union Bank Bhavan, Vidhan Bhavan Marg, Nariman Point, Mumbai, Pin – 400021, Maharashtra. It is being represented by its Authorized Representative, who is authorized vide the letter dated 09.05.2025. A copy of the Authorization Letter issued by Deputy Zonal Head is annexed at Page No.17 of the Petition.
- (ii) The Corporate Debtor is engaged in the business of manufacturing ERW MS, GP Pipes and Rolling Sheets. It is categorised as a Micro, Small and Medium Enterprise (MSME).
- (iii) The CD passed a Board Resolution dated 15.01.2024 authorising it to avail credit facilities from the Financial Creditor. On 22.02.2024, the Financial Creditor sanctioned credit facilities comprising a Cash Credit limit of Rs. 24.00 Crores and a Term Loan of Rs.0.98 Crores, subject to the terms and conditions stipulated in the sanction letter. In consideration of the sanction, the CD executed the requisite



security documents and created a charge over its assets in favour of the Financial Creditor, which was duly registered with the Registrar of Companies on 22.02.2024. The borrowings and corresponding liabilities were also reflected in the Balance Sheet of the CD for the Financial Year 2023-2024.

- (iv) On 24.06.2025, the Financial Creditor issued a demand notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), demanding payment within sixty days. Neither the Corporate Debtor nor its Guarantors paid the demanded amount. Thereafter, a legal notice was issued through Advocate on 17.10.2025, demanding payment of the entire outstanding dues, which too remained unpaid. On 06.11.2025, the Financial Creditor filed an Original Application (O.A. No. 1190 of 2025) before the Debts Recovery Tribunal (DRT), Visakhapatnam, for recovery of Rs.25,56,11,954/-, which is pending adjudication. The Financial Creditor additionally classified the Corporate Debtor's account as fraud on 27.05.2026 pursuant to a Show Cause Notice dated 10.02.2026. Thereafter, the present Petition came to be filed under Section 7 of the Code.
- (v) The FC has relied upon the Form-D Record of Default issued by the National E-Governance Services Limited (NeSL) at page 320 of the Petition, which records a default amount of Rs.25,54,71,494.29/- in respect of the loan accounts of the Corporate Debtor. The said



Record of Default further reflects the date of default as 23.06.2025 and the status of authentication as "Authenticated".

- (vi) The FC has also placed reliance upon the Certificate issued under Section 2A(a) &(c) of the Bankers' Books Evidence Act, 1891, appearing at page 184 of the Petition, together with the Statements of Account of the CD at pages 186 to 319, in support of the outstanding debt and occurrence of default.
- (vii) The amount of debt is more than Rupees one crore, this Adjudicating Authority has jurisdiction to entertain/ admit the Petition.
- (viii) Ms. Neha Jain Nemani, bearing Regn. No. IBBI/IPA-001/IP-P-02465/2021-2022/13927) has been proposed as the IRP in the matter, who is having valid AFA up to 30.06.2027 and thus is permitted to act as an Insolvency Professional in accordance with the Code and the applicable rules and regulations.
- (ix) As per Part IV of Form-1, the amount in default in respect of the Cash Credit Facility Account No. 122625010000002 is Rs.26,27,36,150.29, with the date of default being 25.03.2025 and in respect of the Term Loan Account No. 122626390000001, the amount in default is Rs.45,26,019.88, with the date of default being 22.04.2025. Accordingly, the aggregate amount claimed to be in default is Rs.26,72,62,170.17.
- (x) Owing to the continued irregularity in the loan accounts, the same were classified as Non-Performing Assets (NPA) on 23.06.2025.



Thus, the dates of default in both the loan accounts precede the date of NPA classification.

8. During the course of hearing, the Corporate Debtor, relying upon the Counter Affidavit filed on record, opposed the admission of the present Petition and, inter alia, contended as follows:

- (i) The present Petition is not a bona fide insolvency proceeding but a recovery-oriented action initiated after the Financial Creditor had already invoked remedies under the SARFAESI Act, instituted proceedings before the DRT, and undertaken fraud-classification proceedings in respect of the same account.
- (ii) The CD is a running MSME manufacturing concern employing a substantial workforce and is not commercially insolvent. It was contended that admission of the Corporate Debtor into CIRP would adversely affect the business operations of the Corporate Debtor and the livelihood of its employees and other stakeholders.
- (iii) The FC had renewed the credit facilities vide sanction letter dated 17.05.2025. Having renewed the facilities, the subsequent classification of the account as NPA on 23.06.2025 was stated to be arbitrary, contrary to banking norms and inconsistent with the conduct of the Financial Creditor. It was further contended that the account remained operational and continued to receive credits even after the renewal.
- (iv) The NPA classification dated 23.06.2025 is under challenge before the Hon'ble High Court of Andhra Pradesh in W.P. No. 23842 of



2025 and that interim protection has been granted in relation to the SARFAESI proceedings. It was submitted that the Financial Creditor had failed to disclose the pendency of the said proceedings as well as other related proceedings before the DRT and the Hon'ble High Court.

- (v) It was further argued that the FC had not produced the complete renewal appraisal file, SMA records, NPA working sheets, drawing power calculations, fraud-classification materials and other relevant documents, and therefore the alleged default and NPA classification require detailed examination.
- (vi) The CD contended that the renewal sanction created a legitimate expectation that the facilities would continue and that the Financial Creditor is estopped from treating the account as viable for renewal purposes while simultaneously seeking initiation of insolvency proceedings on the basis of the same account.
- (vii) The fraud classification dated 27.05.2026 was also challenged as being contrary to the principles of natural justice and it was contended that the allegations relating to fraud involve disputed questions of fact, which cannot be summarily adjudicated in proceedings under Section 7 of the Code.
- (viii) It was further submitted that the Corporate Debtor is willing to regularise the account and repay its dues under a commercially viable repayment and restructuring framework and that the



Financial Creditor, being a secured creditor having adequate securities and guarantees, is not without remedies.

- (ix) During the course of hearing the counsel of the CD relying on the judgments of the Hon'ble Supreme Court in *Vidarbha Industries Power Ltd. v. Axis Bank Ltd.*, submitted that the CD is a solvent company and ready to pay all liabilities after adjudication of NPA dispute, and the admission of the present Petition would be premature and contrary to the object of the Code.
- (x) On the aforesaid grounds, the Corporate Debtor prayed for dismissal of the present Petition or, in the alternative, deferment of admission till adjudication of the disputes relating to NPA classification and other connected proceedings.

9. We have heard the submissions of Counsels for the Financial Creditor and Corporate Debtor and other records carefully.

10. The first issue that arises before this Adjudicating Authority is **"Whether the present Petition is filed within the period of limitation"**.

- (i) The Financial Creditor has stated that the date of default in respect of the Cash Credit Account No. 122625010000002 is 25.03.2025 and the date of default in respect of the Term Loan Account No. 122626390000001 is 22.04.2025. The loan accounts were subsequently classified as Non-Performing Assets (NPA) on 23.06.2025. The present Petition was e-filed on 22.04.2026.



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

11. The next issue that arises before this Adjudicating Authority is **“Whether there is a financial debt and default in repayment thereof, when it became due and payable and 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.26,72,62,170.17. The relevant extracts of the Part IV of Form 1 along with interest calculation table is reproduced below:

PART - IV DETAILS OF DEBT AND DEFAULT		
PARTICULARS OF FINANCIAL DEBT		
1.	TOTAL AMOUNT OF DEBT GRANTED DATE(S) OF DISBURSEMENT	CASH CREDIT Rs 24.00 Crores TERM LOAN Rs 0.98 Crores 22-02-2024
2.	AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED (ATTACH THE WORKINGS FOR COMPUTATION OF AMOUNT AND DAYS OF DEFAULT IN TABULAR FORM)	RS. 26,72,62,170.17 * (date of default for each debt is provided hereunder in TABULAR FORM)



***DETAILS OF DEBT AND DATE OF DEFAULT as on 31.03-2026**

Account No.	Nature of Loan	Amount Sanctioned (Rs)	Ledger Balance (Rs)	Unpaid Interest + Penalty +Expenses (Rs)	Date of Default / Date of NPA	Total days of Default	Total Amount Claimed to be in Default as on the 31- 03-2026 plus agreed interest accrued from 01- 04-2026 till the date of payment. (Rs)
122625010 000002	CASH CREDIT	24,00,00,000.00	24,41,18,210.29	1,86,17,940.00	Date of default 25-03-2025/ Date of NPA: 23-06-2025	371	26,27,36,150.29
122626390 000001	TERM LOAN	98,00,000.00	38,19,843.80	2,83,986.08	Date of Default: 22-04-2025 Date of NPA: 23-06-2025	343	41,03,829.88
		24,98,00,000	24,79,38,054.09	1,93,24,116.08			26,72,62,170.17
Statements of accounts (account wise) enclosed							

- (ii) The Financial Creditor, as evidences of default of the financial debt, has submitted the following documents:

Record of default created with the NeSL:

- (iii) The RoD issued by the NeSL in respect of Cash Credit Account No. 122625010000002, wherein the status of Authentication of Default in Form-D is shown as "Authenticated" and the Date of default is



23.06.2025. The relevant extracts of the RoD 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 UNION BANK OF INDIA in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s UNION BANK OF INDIA
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s OMKARA VIJAYALAKSHMI STRIPS PVT LTD
(d) Unique Debt Identifier Number:	AAACU0564G_122625010000002
(e) Registered Address:	239 VIDHAN BHAWAN MARG, UNION BANK BHAWAN NARIMAN POINT MUMBAI
(f) Total Outstanding Amount:	INR 255471494.29
(g) Default Amount:	INR 255471494.29
(h) Submission ID:	2
(i) Date of Default:	23-06-2025
(j) Status of Authentication of Default:	AUTHENTICATED
(k) Authentication Completed on:	21-01-2026 02:35:22
(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.

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

- (iv) Certificate under Section 2A (a) & (c) of the Bankers' Book Evidence Act, 1981 along with the Statement of Accounts of Account Nos.



122625010000002, and 122626390000001, the relevant extracts of the same are reproduced below:

NAME OF BORROWER: M/S OMKARA VIJAYALAKSHMI STRIPS PVT LTD

**Certificate under Section 2A C of the Banker's Book of Evidence Act,
1891
(as amended)**

- 1) This is further state 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 CASH CREDIT Loan Account No: 122625010000002 and TERM LOAN ACCOUNT NO: 122626390000001 TERM LOAN ACCOUNT and correctly represent the data derived from the system at the Union Bank Of India, Asset Recovery Branch, Vijayawada as on 31-03-2026

Place: Vijayawada,
Date: 15/04/2026

Signature of Authorized Officer

NAME OF BORROWER: M/S OMKARA VIJAYALAKSHMI STRIPS PVT LTD

Certificate under section 2A (a) of the Banker' book of Evidence Act, 1891 (as amended)

This is to certify that statement of accounts for the Account numbers and period of statement as detailed below at the Union Bank of India, Asset Recovery Branch, Visakhapatnam, where the account of the said borrower CASH CREDIT Loan Account No: 122625010000002 and TERM LOAN ACCOUNT NO: 122626390000001 is a true copy of the print out of data stored in Core Banking Solutions.

Place: Vijayawada,
Date: 15/04/2026

कृते युनियन बैंक ऑफ इंडिया For UNION BANK OF INDIA

X

अधिकृत अधिकारी Authorized Officer
Signature of Authorized Officer
ASSET RECOVERY BRANCH, VIJAYAWADA.



UNION BANK OF INDIA
 ARB VIJAYAWADA
 NAGARJUNA UNIVERSITY CAMPUS
 NH 16 GUNTU
 PHONE:

TO:
 M/S OMKARA VIJAYALAKSHMI STRIPS PRIVATE LIMITED / MS KOTA SRAVANI
 OMKARA VIJAYALAKSHMI STRIPS 1ST FLR 76 18 45
 FLAT 45 IRON COMPLEX BHAVANIPURAM
 VIJAYAWADA-520012
 ANDHRA PRADESH,INDIA
 Village : 802969 -Vijayawada (M Corp. + OG) (Part)

DATE: 15-04-2026

CUST ID : 901419195 EMAIL ID:OMKARA@VIAHOO.COM

CKYC No :

STATEMENT OF ACCOUNT FOR THE PERIOD FROM 22-02-2024 to 23-06-2025 CCGEN-A/C NO: 122625010000002 CC-GENERAL (CC-GENERAL)INR

DATE	PARTICULARS	CHQ.NO.	WITHDRAWALS	DEPOSITS	BALANCE
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IFSC code for ARB VIJAYAWADA's UBIN057917
 79170,N.A.,BD718106

PAGE: 159

UNION BANK OF INDIA
 STATEMENT OF ACCOUNT FOR THE PERIOD FROM 22-02-2024 to 23-06-2025 A/C : 122625010000002

DATE	PARTICULARS	CHQ.NO.	WITHDRAWALS	DEPOSITS	BALANCE
31-10-2025	Ac xfr from Sol 12262 to 79170			24,41,18,210.29	10,52,255.00Dr
31-10-2025	Ac xfr from Sol 12262 to 79170		24,41,18,210.29		24,51,70,465.29Dr
23-12-2025	122625010000002:PnlChrg:01-06-2025 to 30-06-2025		74,108.00		24,52,44,573.29Dr
23-12-2025	122625010000002:Int.Coll:01-06-2025 to 30-06-2025		16,35,048.00		24,68,79,621.29Dr
23-12-2025	122625010000002:PnlChrg:01-07-2025 to 31-07-2025		1,64,804.00		24,70,44,425.29Dr
23-12-2025	122625010000002:Int.Coll:01-07-2025 to 31-07-2025		16,59,840.00		24,87,04,265.29Dr
23-12-2025	122625010000002:PnlChrg:01-08-2025 to 31-08-2025		2,23,333.00		24,89,27,598.29Dr
23-12-2025	122625010000002:Int.Coll:01-08-2025 to 31-08-2025		16,72,160.00		25,05,99,758.29Dr
23-12-2025	122625010000002:PnlChrg:01-09-2025 to 30-09-2025		2,20,803.00		25,08,20,561.29Dr
23-12-2025	122625010000002:Int.Coll:01-09-2025 to 30-09-2025		16,30,605.00		25,24,51,166.29Dr
23-12-2025	122625010000002:PnlChrg:01-10-2025 to 31-10-2025		2,32,880.00		25,26,84,046.29Dr
23-12-2025	122625010000002:Int.Coll:01-10-2025 to 31-10-2025		16,97,460.00		25,43,81,506.29Dr
23-12-2025	122625010000002:Int.Coll:01-11-2025 to 30-11-2025		16,55,316.00		25,60,36,822.29Dr
23-12-2025	122625010000002:PnlChrg:01-11-2025 to 30-11-2025		2,30,127.00		25,62,66,949.29Dr
23-12-2025	Unrecovered Int Rev	1,10,96,484.00			25,62,66,949.29Dr
31-12-2025	Penal Int.Coll:01-12-2025 to 31-12-2025		20,372.00		25,62,87,321.29Dr
31-12-2025	Normal Int.Coll:01-12-2025 to 31-12-2025		16,77,683.00		25,79,65,004.29Dr
31-01-2026	Penal Int.Coll:01-01-2026 to 31-01-2026		6,995.00		25,79,71,999.29Dr
31-01-2026	Normal Int.Coll:01-01-2026 to 31-01-2026		15,96,466.00		25,95,68,465.29Dr
28-02-2026	Penal Int.Coll:01-02-2026 to 28-02-2026		9,941.00		25,95,78,406.29Dr
28-02-2026	Normal Int.Coll:01-02-2026 to 28-02-2026		14,41,969.00		26,10,20,375.29Dr
31-03-2026	Penal Int.Coll:01-03-2026 to 31-03-2026		1,19,309.00		26,11,39,684.29Dr
31-03-2026	Normal Int.Coll:01-03-2026 to 31-03-2026		15,96,466.00		26,27,36,150.29Dr

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Manager



UNION BANK OF INDIA

317
 ARE VIJAYAWADA
 NAGARJUNA UNIVERSITY CAMPUS
 NH 16 GUNTUR
 PHONE:

TO:

DATE: 13-04-2026

M/S OMKARA VIJAYALAKSHMI STRIPS PRIVATE LIMITED
 OMKARA VIJAYALAKSHMI STRIPS 1ST FLR 76 18 45
 FLAT 45 IRON COMPLEX BHAVANIPURAM
 VIJAYAWADA-520012
 ANDHRA PRADESH,INDIA
 Village : 802969 -Vijayawada (M Corp. + OG) (Part)

CUST ID : 901419195 EMAIL ID:OMKARA9@YAHOO.COM

CKYC No :

STATEMENT OF ACCOUNT FOR THE PERIOD FROM 22-02-2024 to 10-04-2026 TL009-A/C NO: 122626390000001 OTHER SECURED TERM LOAN (OTH

DATE	PARTICULARS	CHQ. NO.	WITHDRAWALS	DEPOSITS	BALANCE
23-06-2025	VIJAYAWADA,SURYARAO PET RAMARAO STREET , V VIJAYAWADA,SURYARAO PET RAMARAO STREET , V			23,097.58	38,19,843.80Dr
10-10-2025	Ac xfr from Sol 12262 to 79170			38,19,843.00	23,097.58Dr
10-10-2025	Ac xfr from Sol 12262 to 79170		38,19,843.80		38,42,941.38Dr
23-12-2025	122626390000001:PnlChrg:22-06-2025 to 21-07-2025		582.00		38,43,523.38Dr
23-12-2025	122626390000001:N Int.:22-06-2025 to 21-07-2025		24,965.00		38,68,488.38Dr
23-12-2025	122626390000001:PnlChrg:22-07-2025 to 21-08-2025		1,241.00		38,69,729.38Dr
23-12-2025	122626390000001:N Int.:22-07-2025 to 21-08-2025		25,960.00		38,95,689.38Dr
23-12-2025	122626390000001:PnlChrg:22-08-2025 to 21-09-2025		1,882.00		38,97,571.38Dr
23-12-2025	122626390000001:N Int.:22-08-2025 to 21-09-2025		26,136.00		39,23,707.38Dr
23-12-2025	122626390000001:PnlChrg:22-09-2025 to 21-10-2025		2,440.00		39,26,147.38Dr
23-12-2025	122626390000001:N Int.:22-09-2025 to 21-10-2025		25,463.00		39,51,610.38Dr
23-12-2025	122626390000001:PnlChrg:22-10-2025 to 21-11-2025		3,162.00		39,54,772.38Dr
23-12-2025	122626390000001:N Int.:22-10-2025 to 21-11-2025		26,484.00		39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	582.00			39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	1,241.00			39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	1,882.00			39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	2,440.00			39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	3,162.00			39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	24,965.00			39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	25,960.00			39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	26,136.00			39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	25,463.00			39,81,256.38Dr
23-12-2025	Unrecovered Int Rev	26,484.00			39,81,256.38Dr
08-04-2026	NESL FEE/122626390000001 REN MARCH 2026		324.50		39,81,580.88Dr
30-11-2025	Penal Int.Coll:22-11-2025 to 30-11-2025		1,104.00		39,82,684.88Dr
30-11-2025	Normal Int.Coll:22-11-2025 to 30-11-2025		7,741.00		39,90,425.88Dr
31-12-2025	Penal Int.Coll:01-12-2025 to 31-12-2025		3,802.00		39,94,227.88Dr
31-12-2025	Normal Int.Coll:01-12-2025 to 31-12-2025		26,039.00		40,20,266.88Dr
31-01-2026	Penal Int.Coll:01-01-2026 to 31-01-2026		3,802.00		40,24,068.88Dr
31-01-2026	Normal Int.Coll:01-01-2026 to 31-01-2026		24,981.00		40,49,049.88Dr
28-02-2026	Penal Int.Coll:01-02-2026 to 28-02-2026		3,434.00		40,52,483.88Dr
28-02-2026	Normal Int.Coll:01-02-2026 to 28-02-2026		22,563.00		40,75,046.88Dr
31-03-2026	Penal Int.Coll:01-03-2026 to 31-03-2026		3,802.00		40,78,848.88Dr
31-03-2026	Normal Int.Coll:01-03-2026 to 31-03-2026		24,981.00		41,03,829.88Dr

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



Acknowledgment of debt by the CD vide hypothecation agreement dated 27.05.2025:

(v) The CD vide hypothecation agreement dated 27.05.2025 has acknowledged the debt. The relevant extracts of the hypothecation agreement are reproduced below:



Union Bank of India,
 ...Suryanagarpet.(11262).....

2

Dear Sir,

Union Bank of India, (hereinafter called "the Bank" which includes its successors and assigns from time to time) at the request of M/s Omkara Vijayalakshmi Strips Pvt Ltd rep by the director K. Sraavan, K. Sraavan, P Venkatesh Narasimha (hereinafter called "the Borrower" more fully described in Schedule I hereunder, which expression shall include its heirs, administrators, executors, Trustees, members, Survivor(s) and Successors-in-interest as the case may be, unless repugnant to the context thereto) having granted/ agreed to grant accommodation by way of opening and/or continuing in the books of the Bank, banking account or accounts of the Borrower and from time to time at the request of the Borrower giving him such advances as he may require and the Bank may be willing to make to the extent of Rs. 24,11,00,000/- (Rupees Twenty four crore only) on the security hereof.

IN WITNESS WHEREOF THE BORROWER HAS HEREUNTO set his/its hand and seal this day of 27th day May, 2025.

SIGNED AND DELIVERED BY
 the within named Borrower

[Signature]
 K. Sraavan

For OMKARA VIJAYALAKSHMI STRIPS PRIVATE LIMITED

[Signature]
 Director

For OMKARA VIJAYALAKSHMI STRIPS PRIVATE LIMITED

[Signature]
 K. Sraavan

Acknowledgment of debt by the CD in its Balance Sheet as on 31.03.2024:

(vi) The CD in its balance sheet as on 31.03.2024 acknowledged the outstanding amount of the Loan Amount & Cash Credit facility at



Note Nos.5 & 6 respectively. The relevant extracts of the balance sheet is reproduced below;

OMKARA VIJAYALAKSHMI STRIPS PRIVATE LIMITED
 CIN: U74999AP2017PTC105361
 Notes to financial statements for the period ended March 31, 2024
 (All amounts are in Indian Rupees, unless otherwise stated)

5 Long Term Borrowings		
	As at March 31, 2024	As at March 31, 2023
Secured Loans		
Term Loan with KVB	-	1,29,82,460
Term Loan with UBI	90,96,734	-
Car Loan with ICICI	-	2,94,528
Unsecured Loans from Relatives		
Kota Bhanu Prasad	4,48,95,459	1,54,03,733
K Sravani	1,24,30,864	1,60,58,346
K Bhanuprasad HUF	3,70,448	2,02,148
From other Family Members	16,10,395	30,50,000
Unsecured Loans from Others		
Term Loan with Tata Capital	1,94,89,404	1,38,69,341
Total	8,78,93,304	6,18,60,556
6 Short Term-borrowings		
	As at March 31, 2024	As at March 31, 2023
Secured- OD Loan		
Current maturities of Long term borrowings	23,72,24,226	20,16,77,357
Car Loan with ICICI	2,94,528	2,12,753
Total	23,75,18,754	20,18,90,110

- (vii) The Financial Creditor issued a statutory demand notice on 24.06.2025, under Section 13(2) of the SARFAESI calling upon the Corporate Debtor to pay a sum of Rs.24,90,13,407.37 as on 23.06.2025 (Rs.24,79,38,054.49 plus unapplied interest as on 23.06.2025 of Rs.10,75,352.58) plus future interest and charges at the contractual rate as per the executed loan documents, within a period of 60 days from the date of receipt of the notice. The extract of the demand notice issued by the Financial Creditor is reproduced below:



SURYARAOPEETA BRANCH

35-25-35, Opposite to Sunrise Hospital, Suryaraopeta, Vijayawada - 520002.
MAIL ID - ubin0912263@unionbankofindia.bank

Ref:122621/SARFAESI/2025-26/

Date: 24.06.2025

DEMAND NOTICE ISSUED U/S.13(2) OF SARFAESI Act,2002

To	Borrower	Guarantors
	1)M/s.Omkara Vijayalakshmi Strips Pvt. Ltd., Rep. by its Managing Director, Mr.Kota Bhanu Prasad, Regd.Address - D.No.76-18-45, Plot no.45, Iron Yard, Bhavanipuram, Vijayawada, Krishna District - 520012.	1) Mr.Kota Bhanu Prasad, C/o. Kota Sambasiva Prasad, 76-8/1-13, Lalithanagar Road, Bhavanipuram, Opposite Alfa Hotel, Vijayawada (Urban), Kamakotinagar, Krishna District - 520012.
		2) Ms.Kota Sravani, C/o. Kota Bhanu Prasad, 76-8/1-13, Lalithanagar Road, Bhavanipuram, Opposite Alfa Hotel, Vijayawada (Urban), Kamakotinagar, Krishna District - 520012.
		3) Mr.P.Venkata Narasimha, S/o Lakshmi Narayana D.No12-2-26/1, B.R.P.Road, Near Janda Chettu Center, Isalmpeta, Vijayawada urban, Krishna district - 520001.
		4) Mr.Kota Prudhvi Venkata Teja, C/o.Kota Bhanu Prasad, 76-8/1-13, Lalithanagar Road, Bhavanipuram, Opposite Alfa Hotel, Vijayawada (Urban), Kamakotinagar, Krishna District - 520012.
		5) Mr.Kota Rahul Sai Balaji, C/o.Kota Bhanu Prasad, 76-8/1-13, Lalithanagar Road, Bhavanipuram, Opposite Alfa Hotel, Vijayawada (Urban), Kamakotinagar, Krishna District - 520012.
		6) M/s.Lakshmi steel Pipes & Tubes, Surampalli,
		Rep. by its Proprietor, Mrs. Kota Sravani, D.No.8-99, 8-100 & 8-101, Surampalli Village, Near ALEAP Industrial Estate, Gannavaram, Krishna District.
		7) M/s.Sri Vijayalakshmi steel Traders, Rep. by its Proprietor, Mr.Kota Bhanu Prasad, D.No.76-18-45, Iron Complex, Bhavanipuram, Vijayawada - 520012.

Dear Sir



Dear Sir,

Notice under sec.13(2) read with Sec.13(3) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

You the Borrower herein have availed the following credit facilities from our Suryaraopeta Branch and failed to pay the dues/ instalment/ interest/ operate the accounts satisfactorily and hence, in terms of the RBI guidelines as to the Income Recognition and Prudential Accounting Norms, your account/s has/have been classified as Non-Performing Asset as on 23.06.2025. As on 23.06.2025, a sum of Rs.24,90,13,407.37 (Rupees Twenty four crores ninety lakhs thirteen thousand four hundred and seven and thirty seven paise only) is outstanding in your account/s.

The particulars of amount due to the Bank from the borrower/mortgagor in respect of the aforesaid account/s are as under:

Type of Facility	(Amount in Rupees)				
	Outstanding amount as on date of NPA i.e., as on 23-06-2025	Unapplied interest	Penal Interest (Simple)	Cost/ Charges incurred by Bank	Total Dues as on 23.06.2025
CCSUV - 122625010000002	24,41,18,210.89	10,52,255.00	2%	0/-	24,51,70,465.89
TL - 122626390000001	38,19,843.90	23,097.58	2%	0/-	38,42,941.48
TOTAL	24,79,38,054.79	10,75,352.58			24,90,13,407.37

To secure the repayment of the monies due or the monies that may become due to the Bank, Mr. Kota Bhanu Prasad being owner for property No.1,

Therefore you are hereby called upon in terms of section 13(2) of the Securitisation and Reconstruction of Financial Assets and enforcement of Security Interest Act, 2002, to pay a sum of Rs.24,90,13,407.37 (Rupees Twenty four crores ninety lakhs thirteen thousand four hundred and seven and thirty seven paise only) as on 23.06.2025 together with further interest and charges at the contractual rate as per the terms and conditions of loan documents executed by you and discharge your liabilities in full within 60 days from the date of receipt of this notice, failing which, we shall be constrained to enforce the aforesaid securities by exercising any or all of the rights given under the said



section 13 (13) of the Act, on receipt of this notice you are restrained /prevented from disposing of or dealing with the above securities without the consent of the bank.

- (viii) The Corporate Debtor has raised various disputes which squarely revolves around the classification of the NPA, where the Corporate Debtor is relying based on the renewal letter dated 17.05.2025 between the management of the Corporate Debtor and Financial Creditor. The main contention raised by the CD is that after issue of



the renewal letter dated 17.05.2025, the classification of the NPA treating the default on the part of the CD is not correct.

- (ix) The FC submitted that one of the terms and conditions that the renewal letter was that the CD will pay the overdue amount in CC & TL account immediately. Since, the aforesaid condition was not met by the CD, the FC declared the loan accounts as NPA on 23.06.2025 and issued the SARFAESI Notice dated 24.06.2025 recalling loan amounts. The relevant extracts of the above renewal letter is reproduced below:

Amount		Margin	Int./ Comm.	Security
Existing	Proposed			
Fund Based				
CC	24.00	24.00	25% on stock & 10% on Book debts upto 180 days	Hypothecation of paid stocks and Book debts of the Company
Term loan (review)	0.98	0.42	Nil	Hypothecation of Plant & Machinery
TOTAL	24.98	24.42		

Present EBLR: 8.80% w.e.f 11.04.2025.

The terms and conditions governing the credit facilities as mentioned above are detailed in Annexure. M/s Omkara Vijayalakshmi Strips Pvt Ltd. should also comply with all the Government/RBI guidelines applicable from time to time. Please note that Bank reserves the right to amend, alter the terms and conditions or withdraw all or any of the credit limits sanctioned at any time at its discretion without assigning any reasons whatsoever.

Please arrange to comply with the terms and conditions of the above Sanction as detailed in the Annexure and execute the necessary security documents upon completion of which the limits shall become operative. The duplicate of this letter along with annexure may please be returned to us duly signed on all pages by an authorized signatory as also by the guarantor/s in token of having accepted the terms and conditions as detailed in Annexure.

Kindly also be in touch with our Suryaraopeta (12262) branch for completion of documentation & other related formalities as well as any further assistance / co-ordination in this regard.



The limits are sanctioned on the following terms and conditions unless otherwise approved.

- Pay overdue amount in CC & TL immediately.

Validity of period of sanction. If the formalities are not completed by three months in case of fresh working capital limits, six months in case of new Term Loan, the limits sanctioned will be treated as cancelled automatically without any communication on the part of the bank unless validity period is extended in writing by the Bank. Thereafter, party has to apply again for the working capital facility / TL or for extending the period of the WC facility / TL availed by the party. The request will be appraised afresh and sanction/ extension of the facility in such cases will be at the sole discretion of the Bank. Irrespective of date of revalidation or date of first availment the sanction is valid for one year from the date of original sanction.

- (x) We are not inclined to consider the contention raised by the Corporate Debtor as it failed to fulfil the terms and conditions mentioned in the renewal letter. Moreover, such disputed questions cannot be adjudicated in summary proceedings under Section 7 of the Code. Further, the contentions of the Corporate Debtor are not sustainable in view of the 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. It is an admitted fact that the Corporate Debtor owes Rs.46.80 crores to the financial creditor, though the Appellant has been claiming that as per the Statement Of Account (SOA) the Financial Creditor has attached incorrect and fabricated SOA. Without going into the exact amount of the debt, it is an admitted fact that the debt was Rs.46.80 crores as on the date of declaration of NPA i.e. 27.09.2019. This amount is more than the threshold of Rs.1 crore and is enough for initiating proceedings. 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]”

- (xi) In view of the aforesaid discussions, and upon consideration of the material available on record, 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. It is further observed that the amount in default exceeds the minimum threshold limit of Rs. one crore prescribed under the Code. Accordingly, the present Petition filed under Section 7 of the IBC is maintainable.

12. The Corporate Debtor, relying on the Vidarbha Judgment (supra) in its Counter has contended that the Financial Creditor cannot utilize this Adjudicating Authority as a recovery forum. 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 Hon'ble 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.”

(iii) In the present case, the material on record clearly establishes default, and there is nothing to indicate that the present proceedings have been initiated merely as a recovery mechanism. Hence, the contention of the Corporate Debtor is not sustainable.

13. However, before admission, this Adjudicating Authority has to satisfy that the Petition is complete and there are no disciplinary proceedings pending against the proposed Interim Resolution Professional (hereinafter referred to as the “IRP”). 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 Ms. Neha Jain Nemani, having Registration No. IBBI/IPA-001/IP-P-02465/2021-2022/13927 as IRP in this matter. The written consent of the proposed IRP in Form-2 dated 12.03.2026 is annexed at Page 360 the Petition, wherein, the proposed IRP affirmed that she 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 her with the Board or the Insolvency Professional Agency of ICAI. The copy of the AFA in Form B is annexed at Page 363 of the Petition, which shows that her Authorisation is valid till 30.06.2027. The credentials of the proposed IRP was verified on the IBBI website, which shows that the proposed IRP holds the valid Authorisation for Assignment (AFA) up to 30.06.2027. The relevant extract of the IBBI website is given below:

Name of the IP	Neha Jain Nemani
Registration no	IBBI/IPA-001/IP-P-02465/2021-2022/13927
Date of Registration	09-Dec-21
Member of IPA	Indian Institute of Insolvency Professionals of ICAI
Member of IPA Since	22-Jun-21
Member of IPE	KDRA Insolvency Professionals Private Limited
Email id	nehavkjain[at]gmail[dot]com
Address	2404B Parthenon Building, JP Road, 4 Bungalows, Andheri West, Mumbai City, Maharashtra, 400053
Have Valid AFA	Yes
AFA Certificate No.	AA1/13927/02/300627/109008
AFA Valid Upto	30-Jun-27
Total CPE Earned	80
Total Assignments	19



14. As a sequel to the discussion above, the present section 7 Petition bearing CP (IB)/13/7/AMR/2026 filed by the Financial Creditor under section 7 of the IBC for initiating CIRP against the Corporate Debtor, **Omkara Vijayalakshmi Strips Private Limited**, is hereby admitted and accordingly, the moratorium is declared in terms of Section 14 of the Code.

15. We also appoint **Ms.Neha Jain Nemani**, bearing Registration No. IBBI/IPA-001/IP-P-02465/2021-2022/13927, Email: nehavkjain@gmail.com, having Address at: 2404B, Parthenon Building, JP Road, 4 Bungalows, Andheri West, Mumbai, Maharashtra - 400053, as IRP in the instant matter, who shall perform the duties in accordance with the Code, IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as the 'CIRP Regulations') and other applicable laws, as amended from time to time.

16. 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 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.



17. 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.

18. **Accordingly, CP (IB)/13/7/AMR/2026 stands admitted.**

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

Sd/-
(KISHORE VEMULAPALLI)
MEMBER (JUDICIAL)

Suresh/RSN