

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/ VC Mode (Hybrid)]*

**ITEM No.04**

**C.P. (IB) No. 22/BB/2025**

**IN THE MATTER OF:**

Axis Bank

... Applicant

Vs.

Millenium Starch India Pvt Ltd

... Respondent

**Petition under Section 7 of I&B Code, 2016**

**Order delivered on: 28.04.2026**

**CORAM:**

**SHRI SUNIL KUMAR AGGARWAL  
HON'BLE MEMBER (JUDICIAL)**

**SHRI RADHAKRISHNA SREEPADA  
HON'BLE MEMBER (TECHNICAL)**

**COUNSELS PRESENT:**

For the Petitioner

: None appeared

For the Respondent

: K. Dushyantha Kumar (PCS)

**ORDER**

1. Heard the Ld. Counsel for the Parties.
2. **The Corporate Debtor is admitted to CIRP vide separate order.**
3. List the case on **20.07.2026 for IRP report.**

**-Sd/-**

**RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

**-Sd/-**

**SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**

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**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*(Exercising powers of Adjudicating Authority under  
The Insolvency and Bankruptcy Code, 2016)  
(Through Physical Hearing/ VC Mode (Hybrid))*

**CP (IB) No. 22/BB/2025**

*Application U/s. 7 of the Insolvency & Bankruptcy Code, 2016  
read with Rule 4 of the Insolvency & Bankruptcy  
(Application to Adjudicating Authority) Rules, 2016*

**IN THE MATTER OF:**

**AXIS BANK LIMITED**

Having its registered office at  
Trishul, 3rd Floor, Opp. Samartheshwar Temple,  
Law Garden Ellisbridge, Ahmedabad – 380006 ... Applicant/ Financial Creditor

**VERSUS**

**MILLENNIUM STARCH INDIA PRIVATE LIMITED**

Having its registered office at  
Survey No. 1078 / 1079, KSSIDC Industrial Estate,  
Satti Road, Athani, Belgaum, Karnataka – 591304 ... Respondent/ Corporate Debtor

**Order delivered on: 28.04.2026**

**CORAM:** Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)

Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

**ORDER**

1. This Company Petition is filed by the Petitioner/Financial Creditor under Section 7 of the Insolvency and Bankruptcy Code (“Code”), 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 seeking initiation of Corporate Insolvency Resolution Process against the Respondent/Corporate Debtor on account of default in repayment of a financial debt of **Rs.39,19,66,380.76** of which the date of default is **29.02.2024**.
2. Brief facts of the Petition are narrated hereunder:

- i. The Petitioner/Financial Creditor is a banking company registered under the Companies Act, 2013, regulated under The Banking Regulations Act, 2019 having its registered office at Ahmedabad, Gujarat. The Respondent/Corporate Debtor is a company incorporated on 11.04.2008 under the Companies Act, 1956, having its registered office at Belgaum, Karnataka and engaged in the business of manufacturing modified starch and industrial starch products as well as trading.
- ii. The Corporate Debtor had approached the Financial Creditor for financial assistance. Pursuant whereto, the credit facilities were sanctioned to the Corporate Debtor under a Multiple Banking Arrangement dated 19.05.2022 for an aggregate amount of Rs. 40 Crores, comprising Open Cash Credit Facility amounting to Rs. 25 Crores and Term Loan Facility of Rs. 15 Crores.
- iii. In furtherance of the said facilities, the Corporate Debtor had executed various documents in favour of the Financial Creditor on 19.05.2022 including:
  - a. Term Loan Agreement
  - b. Working Capital Facility Agreement.
  - c. Deed of Hypothecation
  - d. Deed of Guarantee and Undertaking
  - e. Beneficial Ownership
  - f. Disbursement Request.
  - g. List of Directors
  - h. Receipt of Documents
  - i. Debit Authorization.
  - j. Connected Lending.
  - k. Letter of Pledge.
  - l. Memorandum to deposit of title deeds between Corporate Debtor, Cosmos Cooperative Bank Limited and the Axis Bank.
- iv. The Corporate Debtor after availing and utilizing the said credit facilities, failed to operate the loan accounts in accordance with the sanctioned terms and conditions and committed default due to non-servicing of interest & repayments on 28.02.2024.

- v. Further, due to persistent defaults in servicing interest and repayment obligations, the loan account of the Corporate Debtor was classified as Non-Performing Asset (NPA) with effect from 31.05.2024.
  - vi. The Financial Creditor then issued a loan recall notice bearing AXIS/SAG/SC/2023-24 dated 09.07.2024 requesting the Corporate Debtor to pay the outstanding amount of INR 37,68,26,549/-. A notice bearing AXISB/SAG/SS/2024-25/67 dated 26.08.2024 was also issued to the Corporate Debtor under Section 13(2) of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act,2002) for payment of the outstanding amount of INR 37,08,60,585/16.
  - vii. The Financial Creditor has placed on record the relevant loan documents, statements of accounts, record of default and other supporting documents to establish the existence of financial debt and default.
  - viii. Despite multiple opportunities, however, the Corporate Debtor has failed to repay the financial debt, and the default continues. Hence, the Petitioner is constrained to file this Petition under Section 7 of the Code for initiation of the CIRP against the Corporate Debtor.
3. The Respondent has filed Objections to the Petition on 21.04.2025 stating that:
- i. The Petitioner has suppressed material facts and has filed the present petition on the basis of incorrect and misleading averments and with an intent of recovery of dues rather than genuine insolvency resolution.
  - ii. The petition is defective due to non-compliance with Rule 4(3) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 and the certificates produced under the Bankers' Books Evidence Act are defective and inadmissible.
  - iii. The application has not been filed by a duly authorized person and lacks a proper Board Resolution authorizing initiation of insolvency proceedings as it is supported solely by a General Power of Attorney dated 17.02.2023 and a Vakalatnama. It lacks a critical pre-requisite - a resolution passed by the Board of Directors authorizing the applicant to file such an application and in the absence of this essential authorization, the application is legally untenable and

should be outrightly rejected by this Authority. Moreover a General Power of Attorney holder is not authorized to sign insolvency petition under Section 7 of IBC, 2016 and only the authorized representatives, duly authorized by a Board Resolution, are permitted to present such a Section 7 Petition.

- iv. The petition filed by the Applicant is deficient and incomplete, as it fails to provide NeSL report for the Term Loan A/c - 922060051256825 mentioned in the petition but has selectively filed NeSL Record of Default report only for cash-credit facility Loan No. 922030028035374. This raises serious concerns about the accuracy, transparency, and completeness of the Petitioner's disclosures and may mislead this Authority in assessing the true financial position of the Corporate Debtor. The Petitioner therefore, may be directed to rectify this discrepancy by filing a complete and accurate NeSL report covering both loans to ensure a fair and just determination of this Petition.
  - v. The Corporate Debtor has made substantial repayments amounting to ₹3.58 Crores and remains a solvent and viable entity having sufficient assets and resources to meet its financial obligations, and any temporary financial strain does not justify the admission of Corporate Debtor under Section 7 of the Code.
  - vi. Section 7(5) (a) uses the term "may," granting discretionary powers to this Authority to admit or reject an application based on merits and reliance is placed on the judgment of Hon'ble Supreme Court in *Vidarbha Industries Power Ltd. v. Axis Bank Ltd, (2022) 8 SCC 352* to contend that this Authority has discretion under Section 7(5) of the Code to reject the petition even if debt and default exist.
  - vii. In a light of the aforementioned submissions, it is evident that the Corporate Debtor is a solvent entity with substantial financial viability and revival prospects. The present petition filed by the Financial Creditor is frivolous and therefore deserves to be dismissed outright.
4. The Petitioner has filed Rejoinder on 08.05.2025 stating as follows:-
- i. So far as the compliance of Rule 4(3) regarding service of the application is concerned, the copy of the petition was duly served on the Corporate Debtor through email dated 08.11.2024 and subsequently the petition was uploaded on

the IBBI portal on 28.04.2025, where the notice number was generated. Even assuming that there is any technical defect, such procedural defects can be rectified during the course of proceedings and do not invalidate the petition. Further, in the case of *Lakshmi Engineering Industries (Bhopal) Pvt. Ltd. v. Canara Bank, CP (IB)/08/MP/2022*, it was held that it was a technical requirement and the same can be rectified during the course of the proceedings and that the petition cannot be treated defective on the said ground. On rectification of the said defect on 28.04.2025, the objection is untenable.

- ii. The petition has been filed pursuant to a valid Power of Attorney and Board Resolution issued by Axis Bank and the Power of Attorney dated 07.02.2023 authorises Mr. V. Suryanarayana Murthy, Vice President of the Axis Bank to institute insolvency proceedings. The Hon'ble Supreme Court in *Rajendra Narottamdas Sheth and Anr. v. Chandra Prakash Jain and Anr., 2022 5 SCC 600* and the Hon'ble NCLAT in *Palogix Infrastructure Private Limited v. ICICI Bank Limited, 2017 SCC OnLine NCLAT 266* have observed that authorisation given by the Bank by way of a power of attorney pursuant to a resolution passed by the Bank's board of directors would not impair an individual's authority to file an application under Section 7 of the Code. Moreover, in compliance of order dated 06.08.2025, the financial creditor has filed the copy of Board Resolution dated 16.01.2023 and a notarized copy of the General Power of Attorney on 03.11.2025 vide Diary No. 6046.
- iii. The Financial Creditor rebuts the argument of the Corporate Debtor questioning the validity of the Bankers' Books Evidence Act certificate stating that it has been properly issued and the loan accounts are maintained in the ordinary course of banking business at the bank's branch in Belgaum, Karnataka. The certificates merely authenticate the statements of account and are legally valid.
- iv. The Financial Creditor has also rebutted the objection regarding NeSL reporting as not maintainable, as default is established. The Corporate Debtor has not disputed the debt which is above the threshold criteria specified under the Code. Further, it has been held in *Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407*, that this authority has merely to see the records of the information

utility or other evidence produced by the financial creditor to satisfy itself that there is a debt and default has occurred.

- v. The Corporate Debtor has failed to demonstrate any genuine intention to repay the outstanding dues despite repeated reminders, recall notices pursuant to default on 28.02.2024 and the account of the Corporate Debtor was classified as Non-Performing Asset (NPA) on 31.05.2024. The objections raised by the Corporate Debtor are of technical nature and do not affect the substantive right of the Financial Creditor to invoke the provisions of the Code and no bona fide dispute as to the debt or default has been raised. Further, the Corporate Debtor has never disputed the debt and has admitted that the facilities were granted by the Financial Creditor and has also admitted the default. The admission of Corporate Debtor into CIRP under Section 7 of the Code thus is urged.
5. **We have heard the submissions of the Learned Counsel for the parties,** perused the pleadings and documents placed on record. It needs to be appreciated at the outset that the scope of inquiry under Section 7 of the Code, 2016 is limited to determining the existence of a financial debt and the occurrence of default. The Hon'ble Supreme Court in *Innovative Industries Ltd. v. ICICI Bank (2018) 1 SCC 407*, has held that once these two conditions are satisfied, the Adjudicating Authority is required to admit the petition.
6. In the present case, the Financial Creditor has placed on record the sanction of credit facilities dated 19.05.2022 whereby financial assistance amounting to ₹40 Crores was sanctioned to the Corporate Debtor under a Multiple Banking Arrangement consisting of an Open Cash Credit Facility of ₹25 Crores and a Term Loan Facility of ₹15 Crores. In furtherance of the said facilities, various loan documents including the Term Loan Agreement, Working Capital Facility Agreement, Deed of Hypothecation, Deed of Guarantee, Letter of Pledge and Memorandum of Deposit of Title Deeds dated 19.05.2022 were executed by the Corporate Debtor in favour of the Financial Creditor.
7. The material placed on record amply indicates that the Corporate Debtor had availed and utilized the loan facilities but did not adhere to the repayment

obligations and committed default in servicing the loan account. The Financial Creditor has pointed out the date of default to be 28.02.2024 whereafter the loan account was classified as Non-Performing Asset (NPA) on 31.05.2024. Recall Notice dated 09.07.2024 and notice dated 26.08.2024 under Section 13(2) of the SARFAESI Act calling upon the Corporate Debtor to discharge the outstanding liability were served but did not yield any result.

8. The technical objection of Corporate Debtor regarding non-compliance of Rule 4(3) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 has been adequately met by the Financial Creditor by placing on record the proof of service to show that the petition was served on the CD through email. Further, the procedural defect of not uploading the Petition on the IBBI portal was subsequently rectified during the course of proceedings. Even if the defect remained, no prejudice is shown to have occurred to the respondent who has been afforded sufficient opportunity to file reply/objections to the petition and address arguments post service of notice. The objection therefore, has melted on satisfaction and does not jeopardise the stance of respondent on any count.
9. The objection of the Corporate Debtor about the GPA in favour of the signatory to petition not having the backing of Board Resolution passed by the Bank, has been responded by the Financial Creditor by filing an authenticated copy thereof vide dy. No. 6046 dated 03.11.2025 further to direction dated 06.08.2025. The proposition of law in respect of the competence of person authorised by way of GPA validly issued on behalf of the Bank has been summarised above in the light of precedents cited on behalf of the Financial Creditor, which has not been countered.
10. The contention that the petition is defective on account of absence of NeSL record for one of the loan accounts is not sustainable as the Respondent has not filed its own authenticated statement of account in respect of two loans. It has been submitted that the Financial Creditor, a leading private Sector Bank, maintained accounts of the Corporate Debtor of which statement has been certified as defined in clause (3) of section 2 of the Bankers' Books Evidence Act, 1891 and thus cannot be doubted. The respondent, in order to substantiate

the alleged discrepancy in the statement of account filed by the petitioner, should have filed the copy of statement based on the books of account maintained by it to reflect which of the repaid amounts have not been adjusted by the petitioner. The omnibus allegation in any case does not assert that the claim of petitioner has fallen below the prescribed monetary threshold and therefore, is of no material consequences in the context of invocation of special summary provision in the present case.

11. The law laid down in *Innoventive Industries Ltd. v. ICICI Bank Ltd.* makes it clear that the Adjudicating Authority can rely upon records of the Information Utility **or other evidence produced by the Financial Creditor** to satisfy itself regarding the occurrence of default. In the present case, the Financial Creditor has produced loan documents, statements of account and other supporting records which sufficiently establish the existence of debt and default.
12. The Corporate Debtor has further contended that it has made substantial repayments and is a solvent entity capable of repaying its dues. However, it is well settled that the test under Section 7 of the Code is not the solvency of the Corporate Debtor but the existence of default. Once default is established, the Adjudicating Authority is required to admit the petition. The Corporate debtor, in any case, has not produced its financial statements of last few years to establish its solvency.
13. The submission on behalf of the Corporate Debtor regarding discretion of Adjudicating Authority under Section 7(5) of the Code relying upon the judgment in *Vidarbha Industries Power Ltd. v. Axis Bank Ltd, (2022) 8 SCC 352*, is superfluous as it has been clarified in *M Suresh Kumar Reddy v. Canara Bank and Others 2023 SCC Online SC 608* that the ratio in Vidarbha Industries cannot be applied as *carte blanche* rule or as an exception to the ratio in *Innoventive Industries Ltd. v. ICICI Bank and Ors (2018) 1 SCC 407*. The ratio therein has been held to confine only to its own facts and therefore does not assist the respondent.
14. The contention of the Respondent that the present petition has been filed as a recovery mechanism is also not tenable. Once the ingredients of Section 7 are

satisfied, the Adjudicating Authority is not required to examine the intent of the Financial Creditor.

15. For the afore-going reasons and material placed on record, we are satisfied that the Financial Creditor has established the existence of financial debt and that the Corporate Debtor has committed default in repayment of the said debt. The debt due and payable is stated to be ₹39,19,66,380.76/- and the default had occurred on 28.02.2024.
16. The petitioner having made out the essential ingredients of Section & IBC and related Rules, this **Company Petition (IB) No. 22/BB/2025 is allowed** and Corporate Debtor **Millennium Starch India Private Limited is admitted to undergo Corporate Insolvency Resolution Process** and moratorium is declared in terms of Section 14 of the Code. As a necessary corollary, following prohibitions are imposed for all concerned to comply with:
  - a. The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
  - b. Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
  - c. Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the 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;
17. It is directed that the supply of essential goods or services to the Corporate Debtor, shall not be terminated or suspended or interrupted during the moratorium period in accordance with subsection (2) of Section 14 of the Code;
18. The provisions of Sub- section (3) of Section 14 of the Code shall however, not apply to such transactions as may be notified by the Central Government in

consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor;

19. The order of moratorium becomes effective forthwith till completion of the CIRP or until this Authority approves the Resolution Plan under sub-section (1) of Section 31 of the Code, or passed an order for liquidation of Corporate Debtor under Section 33 of the Code, 2016 as the case may be;
20. In Part-III of Form No.1, **Mr Rahul Sudhakar Kavathekar**, bearing Registration No. IBBI/IPA-003/IP-P00040/2017-2018/10101 (AFA valid till 30.06.2027) having registered address at J 901, The Trees, Pirojshah Nar, Eastern Express Highway, Vikhroli East, Mumbai City, Maharashtra, 400079, contact no. 9820538530 and email:: **kavathekarco@hotmail.com** has been proposed as an Interim Resolution Professional (IRP). His written consent and credentials have been given in Form No.2. In view of the settled legal proposition, we hereby appoint **Mr Rahul Sudhakar Kavathekar**, as the Interim Resolution Professional of the Corporate Debtor. The IRP is directed to take the steps as mandated under the IBC, particularly under Sections 15, 17, 18, 20 and 21 of IBC, 2016.
21. The Financial Creditor shall deposit a sum of **Rs.2,00,000/-** (Rupees Two Lakhs Only) with the IRP to meet the expenses arising out of issuing public notice and inviting claims. These expenses are subject to approval by the Committee of Creditors. **In addition, the RP shall issue individual notices to the Jurisdictional Income Tax Authority; Principal Commissioner of Income Tax (Judicial), Bengaluru; Regional Provident Fund Commissioner; GST Commissioner; Commercial Tax Authority; recognized Labour Unions, ESI, etc. and file proof of service with first progress report.**
22. The IRP shall after collation of all the claims received against Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a CoCs and shall file a report, certifying constitution of the Committee to this Tribunal 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 for filing the

report of Constitution of the Committee. The IRP is further directed to send **monthly progress** reports to this Authority along with photographs of the office/Plant of the Corporate Debtor taken from inside and outside, warehouse, installations, and equipment etc. On taking control of assets and management of Corporate Debtor, the IRP/RP shall affix a Board (of sufficient size for general public to notice) outside the premises of CD specifying that the CD is undergoing CIRP with number and title of this case; complete name and contact details of IRP/RP to enable them to make enquiry and/or to lodge their claims, if any, within specified timelines. The IRP/RP shall keep the Corporate Debtor as a going concern, if it is functional, and meet its statutory obligations.

23. The Board of Corporate Debtor is suspended forthwith. The promoters/suspended directors, KMP and Officers/employees are directed to hand over the entire control and management of Corporate Debtor to the IRP including all the physical/electronic records, accounts, financial statements, data, details and fully cooperate with him in conducting CIRP.
24. A copy of this order be communicated to both the parties. Learned Counsel for the Petitioner shall deliver a copy to the Interim Resolution Professional forthwith for taking over the assignment. **The Registry is also directed to forward a softcopy hereof to the IRP & RoC at their e-mail addresses.**

-Sd/-

(RADHAKRISHNA SREEPADA)  
MEMBER (TECHNICAL)

-Sd/-

(SUNIL KUMAR AGGARWAL)  
MEMBER (JUDICIAL)