NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.201
CP(IB)/72(MP)2025

Order under Section 7 IBC

IN THE MATTER OF:

Axis Bank Ltd ....**Applicant**
V/s
Kshipra Motors Pvt Ltd ....**Respondent**

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)
Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 29/07/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/- Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

Tomar

THE NATIONAL COMPANY LAW TRIBUNAL

INDORE

CP (IB) No. 72 of 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]

AXIS BANK LIMITED

CIN: L65110GJ1993PLC020769

“Trishul”, 3rd Floor, Opposite Samartheshwar Temple,

Near Law Garden, Ellis Bridge,

Ahmedabad – 380006, Gujarat, India

Branch Office at:

Ground Floor, Plot No.186–187, Ankpat Marg,

Nikas Square, Kanthal,

Ujjain – 456001, Madhya Pradesh **… Applicant**

Versus

KSHIPRA MOTORS PRIVATE LIMITED

[CIN: U05010MP2003PTC016184]

74, Chimanganj Mandi, Agar Road,

Ujjain – 456001, Madhya Pradesh **… Respondent**

C O R A M:

Shri Brajendra Mani Tripathi, Hon'ble Member (J)

Shri Man Mohan Gupta, Hon'ble Member (T)

Order Pronounced on :29/07/2026

Appearance:

For the Applicant : Mr. Chiranjeev Saboo, Adv

For the Respondent : Ex-Parte (20.04.2026)

JUDGEMENT

1. This Company Petition has been filed by Axis Bank Limited ("Financial Creditor"), seeking to initiate Corporate Insolvency Resolution Process (CIRP) against Kshipra Motors Private Limited ("Corporate Debtor") under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for having committed a default in payment of its outstanding debts amounting to **Rs.2,65,70,956/-** (Rupees Two Crores Sixty-Five Lacs Seventy Thousand Nine Hundred and Fifty-Six only) as **on 08.05.2025,** comprising Principal Amount of Rs.1,08,73,956.81 and Interest Amount of Rs.1,56,97,000.65.

2. Perusal of Part-I of the Form-1 indicates that the Financial Creditor is a Bank/Financial Institution, being Axis Bank Limited, CIN L65110GJ1993PLC020769. The Registered Office of the Financial Creditor is situated at "Trishul", 3rd Floor, Opposite Samartheshwar Temple, Near Law Garden, Ellis Bridge, Ahmedabad – 380006, Gujarat, and its Branch Office is situated at Ground Floor, Plot No.186–187, Ankpat Marg, Nikas Square, Kanthal, Ujjain – 456001, Madhya Pradesh. This

petition has been filed through Mr. Satish Roy, Manager (Law), who has been authorised to submit the application on behalf of the Financial Creditor vide Power of Attorney/Authorisation Letter dated 25.10.24 annexed as Annexure P/2.

3. Perusal of Part-II of the Form-1 indicates that the Corporate Debtor is Kshipra Motors Private Limited, having CIN No. U05010MP2003PTC016184. The Registered Office of the Corporate Debtor is situated at 74, Chimanganj Mandi, Agar Road, Ujjain – 456001, Madhya Pradesh. The Nominal Share Capital of the Corporate Debtor is Rs.2,75,00,000/- and its Paid-Up Share Capital is Rs.2,05,00,000/-.

4. Perusal of Part-III of the Form-1 indicates that the Applicant has nominated Mr. Navin Khandelwal, Insolvency Professional, having Registration No. IBBI/IPA-001/IP-P00703/2017-2018/11301 to act as Interim Resolution Professional (“IRP”). The proposed IRP has given written communication in Form-2 dated 19.06.2025 as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (Annexure P/4), disclosing his existing assignments and certifying that no disciplinary proceedings are pending against him with the Board/the Indian Institute of Insolvency Professionals of ICAI. The Authorisation for Assignment (AFA) No. AA1/11301/02/271123/104912 of the proposed IRP is valid up to 31.12.2026.

5. Perusal of Part-IV and Part-V of the Form-1 revealed that the Financial Creditor has placed the facts through this petition in the following manner:-

   i. The Financial Creditor sanctioned a Channel Finance Facility of Rs.300.00 Lakhs to the Corporate Debtor for purchases from Mahindra & Mahindra Limited (Tractor Division), vide Sanction Letter dated 21.09.2013 (Annexure P/5).

ii. Pursuant to the said sanction, the Corporate Debtor and its guarantors executed the following documents to secure the credit facility, all dated 30.09.2013:

(a) Undertaking-cum-Indemnity (Annexure P/7);

(b) Demand Promissory Note (Annexure P/8);

(c) Irrevocable Power of Attorney (Annexure P/9);

(d) Distribution Agent Financing Agreement (Annexure P/10);

(e) Deed of Guarantee executed by Mr. Habib Hussain Kanwaswala , Mr. Safdar Hussain Kanwaswala and Mr. Ajiaz Hussain Kanwaswala, jointly and severally guaranteeing repayment of the said financial assistance (Annexure P/11).

6. The details of disbursement of loan amount of Rs. 3,01,38,662 is mentioned at Annexure P/6 (Disbursement Chart) and Annexure P/12 (Statement of Account)

7. The corporate Debtor's statement of account (Annexure P/12) shows that he has failed to pay the loan amount after 16.06.2016 and as on 16.06.2016 the principal amount of loan is Rs. 1,08,73,956.81. In view of the persistent default, the account of the Corporate Debtor has become irregular and was classified as a Non-Performing Asset on 23 March 2016 in books of the Bank in terms of the guidelines issued by the Reserve Bank of India from time to time(Annexure P/14).

8. The applicant has issued a Recall notice dated 08/06/2016 to the Respondent. However the Respondent failed to adhere to the demands made by the applicant.

9. Consequently, the Financial Creditor filed Original Application No. 775/2016 under Section 19 of the Recovery of Debts and Bankruptcy Act, 1993 before the Debt Recovery Tribunal, Jabalpur on 22.08.2016 due to continued default, the matter presently remains pending (Annexure P/15).

10. The Corporate Debtor, through its Audited Financial Statements for every Financial Year commencing from FY 2016-17 up to FY 2023-24, has continuously, unequivocally and without interruption acknowledged its outstanding borrowings. While the Audited Financial Statements from FY 2016-17 till FY 2022-23 disclose such liability under the common accounting head "Working Capital Borrowings from Banks, without identifying individual lenders, the Audited Financial Statements for FY 2023-24 specifically identify the outstanding liability towards the Applicant Bank. The said financial statements, when read as a whole and in continuity, establish an uninterrupted acknowledgement of the Applicant's debt.

11. The audited financial statements for each year (reproduced below) show that each year's closing liability is carried forward as the next year's opening liability, demonstrating a continuous,uninterrupted borrowing account throughout the period.

Balance sheet (year wise)	Current Year Balance	Previous year Balance	Carry Forward Borrowing Reflected	Clubbed Entry of Loans from Banks/FIs or specific names

2016-17	4,87,52,133	7,52,60,314		Clubbed "Working Capital borrowings from Bank under" Note 4 – Short Term Borrowings
2017-18	3,93,41,331	4,87,52,133	Yes	Clubbed "Working capital borrowings from Bank(s)" under Note 4 – Short Term Borrowings
2018-19	3,61,65,490	3,93,41,331	Yes	Clubbed "Working capital borrowings from Bank(s)" under Note 4 – Short Term Borrowings
2019-20	3,36,56,443	3,61,65,490	Yes	Clubbed "Working capital borrowings from Bank(s)" under Note 4 – Short Term Borrowings
2020-21	3,11,77,732	3,36,56,443	Yes	Clubbed "Working capital borrowings

				from Bank(s)" under Note 4 – Short Term Borrowings
2021-22	Balance Sheet not available in public records including MCA website.			
2022-23	2,98,73,600 (2,98,736 – Figures in hundreds – see table top)	3,15,14,500 (3,15,145 – Figures in hundreds – see table top)	Yes	Clubbed "Working capital borrowings from Bank(s)" under Note 4 – Short Term Borrowings
2023-24	3,01,08,700 (3,01,087 - Figures in hundreds – see table top) Of which the balance of Axis Bank – 1,08,74,000 (1,08,740 - Figures in hundreds – see table top)	2,98,73,600 (2,98,736 – Figures in hundreds – see table top) Of which the balance of Axis Bank – 1,08,74,000 (1,08,740 - Figures in hundreds – see table top)	Yes	Categorical Recognition of Applicant Bank's loan under Note 4 – Short Term Borrowings

12. The Applicant submits that the Audited Financial Statements must be read cumulatively and in commercial context from FY 2016–17 onward each year's closing liability was adopted as the next year's opening liability, showing a single, continuous acknowledgement of outstanding borrowings. FY 2023–24 disclosure naming the Applicant Bank does not

create a new liability or creditor but merely identifies the existing borrowing already carried in prior years' "Working Capital Borrowings from Banks", moreover the principal outstanding after the account was classified as NPA in 2016 closely matches the amount disclosed against the Applicant Bank in FY 2023–24, confirming it is the same continuing debt rather than a fresh facility.

13. The Applicant submits that the Corporate Debtor's Audited Financial Statements were prepared in the Schedule III format under the Companies Act, 2013, which does not require listing the name of each secured or unsecured creditor in the liability columns therefore, the omission of the Financial Creditor's name in balance sheets before FY 2023–24 results from this statutory presentation requirement and does not, by itself, indicate a lack of acknowledgment of the liability.

14. The applicant relys uponon the Judgement of NCLAT, Principal Bench decision in ***Vidyasagar Prasad v. UCO Bank & Anr. (2021)*** ibclaw.in 472, which considered and rejected the identical contention, the Tribunal's reasoning at paras. 11.7–11.8 squarely applies and supports the opposite view.

> "11.7 *The Company's balance sheet is prepared in the statutory format as per Schedule 3rd of the Companies Act 2013, which does not provide for giving the specific name of every secured or unsecured creditor.*
>
> 11.8 *It is further observed that the Corporate Debtor has not denied that there are no outstanding dues to the UCO Bank. A perusal of the extract of register of charges submitted with ROC, at Sr. No. 3, shows that a charge of rupees one hundred and seventy-*

five crores created by the Corporate Debtor has not been satisfied and remains outstanding."

15. The aforesaid principle has now received the imprimatur of the Hon'ble Supreme Court in ***IL & FS Financial Services Limited v. Adhunik Meghalaya Steels Private Limited, 2025 INSC 911,*** wherein the Hon'ble Supreme Court reaffirmed that while determining whether a balance sheet constitutes an acknowledgment under Section 18 of the Limitation Act, the document must be construed having regard to its surrounding governing circumstances, commercial context and the settled principles acknowledgment, and not with pedantic rigidity. (see para 39 of the said judgement)

16. The Corporate Debtor has not disputed its borrowings from the Applicant Bank instead, the audited financial statements, the ongoing carry-forward of liabilities, and the Bank's explicit disclosure in FY 2023–24 collectively show continuous acknowledgment of the debt, bringing the case squarely within the principles laid down by the Hon'ble Supreme Court and the NCLAT.

17. The petition does not, on its face, record any reply or objection filed by the Corporate Debtor, nor any framing of issues. This order has accordingly been drafted strictly from the averments in the Company Petition and its annexures, without assuming the contents of any reply that may be filed or any submissions that may be made at the hearing. The case was proceeded ex-partly against respondent by order dated 20.04.26.

<u>Analysis and Observation:</u>

18. We have heard the counsel appearing for the Applicant and have perused the records.

19. The Applicant has stated that the account statements of Corporate Debtor reflects all such adjustment entries and is duly accompanied by the relevant certificate under the Bankers Book of Evidence Act as per due process.

20. The statement of account (Annexure P/12), continuous acknowledgement of the debt in the audited financial statements from FY 2016–17 to FY 2023–24 (Annexure P/16), and the explicit recognition of the same figure in the FY 2022-23 audited accounts together establish the principal outstanding debt as Rs. 1,08,73,956.81.

21. The Corporate Debtor's account was classified as a Non-Performing Asset on 23/03/2016 per RBI guidelines demonstrating it had stopped meeting repayment obligations, this default is supported by the statement of account, working computation, and the Section 2(A) certificate under the Banker's Books Evidence Act, 1891, which together constitute valid admissible evidence of default.

22. Referring to the case of **M/s Innovative Industries Limited V/s ICICI Bank** and Others, Hon'ble Supreme Court of India has held that: -

> *"where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the "debt", which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority."*

The Applicant has placed on record the documents necessary to substantiate the occurrence of default. Since both conditions are conclusively established here, the petition to initiate CIRP against M/s Kshipra Motors Pvt. Ltd. should be admitted.

23. The audited financial statements show a continuous chain of acknowledgements of the debt from FY 2016–17 to FY 2023–24, each made before the preceding limitation period expired, thereby successively extending the limitation under Section 18 of the Limitation Act, 1963, and rendering the present petition within time. Upon the reading of section 18 of limitation act

> "18. Effect of acknowledgment in writing.—(1) Where, before the expiration of the prescribed period for a suit or application in respect of any property or right, an acknowledgment of liability in respect of such property or right has been made in writing signed by the party against whom such property or right is claimed, or by any person through whom he derives his title or liability, a fresh period of limitation shall be computed from the time when the acknowledgment was so signed.
>
> (2)….
>
> (3)…. "

The acknowledgements appear as formal admissions in the audited financial statements, signed by the Corporate Debtor's directors and certified by statutory auditors, and therefore carry substantial evidentiary weight as clear admissions of liability by the Corporate Debtor. The Corporate Debtor has, at no point, disputed the outstanding liability, and its consistent acknowledgement across multiple Financial Years is evidence of both the existence of the debt and the continuity of the subsisting financial liability.

24. The petition is supported by clear documentary evidence showing a financial debt, an admitted default by the Corporate Debtor, and consistent acknowledgements of the outstanding liability across multiple financial years, thereby meeting the statutory requirements for admission under Section 7 of the Code. The consent of the insolvency professional has been obtained to act as IRP who is eligible to be appointed as an IRP as no disciplinary proceedings are pending against him. Hence, we pass the following directions:

ORDER

25. Corporate Debtor Kshipra Motors Private Limited is admitted in the Corporate Insolvency Resolution Process under Section 7 of the Insolvency and Bankruptcy Code, 2016. Accordingly it is ordered as followed:

i. We appoint Mr. Navin Khandelwal, Registration No. IBBI/IPA-001/IP-P00703/2017-2018/11301 under Section 13(1)(c) of the IB Code as IRP.

Name of IRP : Mr. Navin Khandelwal

IBBI Reg No. : IBBI/IPA-001/IP-P00703/2017-2018/11301

Address : 206, Navneet Plaza, 5/2, Old Palasia, Indore – 452018, Madhya Pradesh

E-mail : navink25@yahoo.com

ii. That the Moratorium under Section 14 of the Code shall come into effect from the date of this order till the completion of the Corporate Insolvency Resolution Process 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.

iii. The Adjudicating Authority hereby prohibits the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including the execution of any judgment, decree or order in any Court of law and further prohibits any Tribunal, Arbitration Panel or other Authority(s) from transferring, encumbering, alienating or disposing of, by the Corporate Debtor, any of its assets or any legal right or beneficial interest therein; 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 SARFAESI Act, 2002; and the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

iv. The IRP so appointed shall make the Public Announcement of the Corporate Insolvency Resolution Process (CIRP) immediately, as specified under Section 13 of the Code, calling for submission of claims under Section 15 of the Code.

v. The IRP shall, after collation of all claims received against the Corporate Debtor and determination of the financial position of the Corporate Debtor, constitute a Committee of Creditors ("CoC") and shall file a report certifying constitution of the CoC before this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene the first meeting of the CoC within seven days of filing the report of the CoC.

vi. The IRP shall perform all his functions as contemplated, inter alia, by Sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its Promoters, or any other person associated with the management of the Corporate Debtor are under a legal obligation, as per Section 19 of the Code, to extend every assistance and co-operation to the Interim Resolution Professional. Where any such personnel do not assist or co-operate with the IRP, the IRP is at liberty to make an appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

vii. The IRP shall be under a duty to protect and preserve the value of the property of the Corporate Debtor and manage its operations as a going concern, as part of the obligation imposed by Section 20 of the Insolvency and Bankruptcy Code, 2016.

viii. We direct the Applicant to deposit a sum of Rs.1,00,000/- with the Interim Resolution Professional, to meet the expenses to perform the functions assigned to him in accordance with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The needful shall be done within one week from the date of receipt of this order by the Financial Creditor.

ix. The Registry is directed to communicate this order to the Petitioner-Financial Creditor, the Corporate Debtor, and the Interim Resolution Professional and the concerned Registrar of Companies, after completion of necessary formalities, within three working days and upload the same on the website immediately after pronouncement of the order.

x. The commencement of the Corporate Insolvency Resolution Process (CIRP) shall be effective from the date of this order.

xi. Copy of the order shall be communicated to the Applicant, Corporate Debtor as well as to the IRP appointed herein, by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records and also to the RoC for updating the Master Data. RoC shall send a compliance report to the Registrar, NCLT.

26.**Accordingly, CP(IB) No. 72 of 2025 is hereby Admitted.**

Sd/-	Sd/-
MAN MOHAN GUPTA	**BRAJENDRA MANI TRIPATHI**
(MEMBER TECHNICAL)	**(MEMBER JUDICIAL)**

Anushka Rawat-L.R.A