IN THE NATIONAL COMPANY LAW TRIBUNAL

ALLAHABAD BENCH, PRAYAGRAJ

CP(IB) NO. 45/ALD/2025

(under Section 7 of Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.)

IN THE MATTER OF:

PUNJAB NATIONAL BANK

A Body Corporate, constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act V of 1970, having its Head Office at Plot no.4, Sector 10, Dwarka, New Delhi-110075.

...Applicant/Financial Creditor

Versus

AGMOTEX FABRICS PRIVATE LIMITED
CIN: U17297UP1994PTC016198
having its registered office at 3/239, Vishnupuri Nawab Ganj, Kanpur, Uttar Pradesh, India, 208002

...Corporate Debtor

Order Pronounced on: 26.10.2026

Coram:

Sh. Praveen Gupta	:	Member (Judicial)
Sh. Ashish Verma	:	Member (Technical)

Appearances:

Sh. Shubham Agarwal Adv.	:	*For the Financial Creditor*
Sh. Vedant Agarwal, Adv.	:	*For the Corporate Debtor*

ORDER

1. This Application has been filed on 25.03.2025 and then refiled on 04.04.2025 after removing the defects raised on 28.03.2025 by the registry. This

Application is filed by Punjab National Bank (hereinafter referred to as "***Financial Creditor/Applicant***") under Section 7 of Insolvency and Bankruptcy Code, 2016 (hereinafter referred as **"*IBC/Code*"**) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016 seeking to initiate Corporate Insolvency Resolution Process (hereinafter referred to as **"*CIRP*")** against AGMOTEX FABRICS PRIVATE LIMITED (hereinafter referred to as '***Corporate Debtor/Respondent'***).

2. Part-I of the Application contains details of the Financial Creditor/Applicant, which is a body corporate constituted under the Banking Companies Act, 1970, incorporated on 19.05.1894. The Address of the Registered office of the Financial Creditor is at Plot No.4, Sector 10, Dwarka, New Delhi- 110075.

3. Part-II of the Application contains details of the Corporate Debtor/Respondent. It is a company incorporated under the provisions of the Companies Act, 1956 with date of incorporation as 11.03.1994 bearing CIN: U17297UP1994PTC016198. The Address of the registered office of the Corporate Debtor is situated at 3/239, Vishnupuri Nawab Ganj, Kanpur, Uttar Pradesh-208002.

4. In Part – III of the application, the Financial Creditor/Applicant has proposed Mr. Debashish Nanda having Registration No. IBBI/IPA-003/IP-N00040/2017-18/10316 to act as the Interim Resolution Professional ("*IRP*").

5. In Part – IV of the Application, the Financial Creditor/Applicant stated that the total amount of financial debt in default is Rs. 41,79,27,902.52/-. The Date of Default is mentioned as 31.03.2021.

6. In Part V of the application, the following documents have been referred to substantiate the debt disbursed to the Corporate Debtor/Respondent.

a. Record of Default issued by the information utility is attached and marked as Annexure 79.

b. CIBIL Report is enclosed and marked as Annexure-80.

c. Certified True Copies of statements of all the accounts duly certified as per provisions of the Information Technology Act are being filed and annexed as Annexure- 71,72,73,74,75 and 76.

7. It is submitted that in terms of the Loan Agreement dated 31.08.2005, Credit facilities comprising Cash Credit (Hypothecation) of Rs. 250 lacs, Cash Credit (Book Debts) Limit of Rs. 200 lacs, Packing Credit Limit of Rs. 50 lacs, Bill Purchase Limit of Rs. 50 lacs and Term Loan of Rs. 28.28 Lacs were sanctioned.

8. It was further submitted that upon the request of the Corporate Debtor, the said limits were subsequently modified and enhanced from time to time on the following dates: 20.04.2006, 03.04.2007, 26.10.2007, 02.02.2008, 04.02.2008 24.03.2008, 30.06.2009, 05.01.2010, 01.01.2014, 26.05.2014, 09.02.2016, 15.07.2016, 19.05.2017, 08.11.2017, 09.05.2018,04.02.2019 to Rs. 2300 lacs and existing Term Loans were continued.

9. Subsequently, due to the financial indiscipline and failure to abide by the repayment terms and conditions, the Financial Creditor/Applicant aggrieved by the conduct of the Corporate Debtor/Respondent, classified the loan account of the Corporate Debtor/Respondent as Non-Performing Asset ("NPA") on 31.03.2021. Further, the Financial Creditor/Applicant issued a Notice under section 13(2) of the SARFAESI Act, 2002 first on 05.05.2021 and then on 10.03.2022 to the Corporate Debtor/Respondent, thereby demanding the repayment of the amount of Rs. 30,39,75,765.41 plus further interest and other expenses/charges due from 01.03.2022, in the second notice.

10. The Financial Creditor/Applicant further relies on the statement of accounts which is annexed as Annexure 71, 72, 73, 74, 75 and 76 to show that that the Corporate Debtor/Respondent had stopped paying the Equated Monthly Installments ("EMI") which at present remains payable and outstanding.

11. The Financial Creditor/Applicant also relies on the Balance and Security Confirmation Letter dated 26.09.2022 which is attached as Annexure - 68 to the present application which has been reproduced as follows:



उत्तर प्रदेश UTTAR PRADESH DT

BALANCE AND SECURITY CONFIRMATION LETTER

Date: 26.09.2022

PUNJAB NATIONAL BANK
B/o MESTON ROAD, KANPUR

Dear Sir,

Reg: Term Loan / Cash Credit / Overdraft account of Messers Agmotex Fabrics Pvt Ltd No. 0256008700001144, 025600IB00020440, 025600IB00020468, 025600IB00020495, 5877008700000013 and 025600PD00063734

I/We hereby confirm the correctness of the balance of Rs. 332435609.48 (Rupees Thirty Three Crore Twenty Four Lakh Thirty Five Thousand Six Hundred Nine and Paisa Forty Eight only) owing from me/us as borrower(s) and/or as guarantor(s) on the basis of documents/account inclusive of interest at the rate of ____ percent per annum till_____ (half yearly) and thereafter at the rate of ____ percent per annum with monthly/quarterly/half yearly rest as on_____ (though not charges in the account besides further interest due from me/us at the rate of ____ percent per annum on the said amount with, monthly/quarterly/half yearly rest and acknowledge my/our liability for the same.

As security the Bank is having hypothecation/ pledge of my/our stocks/goods/ machinery vide agreement dated _____ and/or registered mortgage/equitable mortgage created on _____ of my/our property/ies.

0256008700001144 -- Rs 266857020.94
025600IB00020440 -- Rs 275.00
025600IB00020468 -- Rs 11826550.60
025600IB00020495 -- Rs 17534857.47
5877008700000013 -- Rs 17695328.47
025600PD00063734 -- Rs 18521577.00

Signature of Borrower(s)/Guarantor(s)

12. In light of the continuing default, the Financial Creditor/Applicant has filed the present application seeking initiation of the CIRP against the Corporate Debtor/Respondent.

13. In the instant Application, the Applicant Bank has also attached the Record of Default('RoD') in Annexure 79 at page no. 1302 – 1392 issued by National E- Governance Services Limited ('NeSL') in Form D, showing the debt and

default by reporting its status as "Authenticated" and the same is reproduced as below:

FORM D
RECORD OF DEFAULT(RoD)

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

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

(a) Name of the Submitter:	M/s PUNJAB NATIONAL BANK
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s AGMOTEX FABRICS PVT LTD
(d) Unique Debt Identifier Number:	AAACP0165G_PNB5877008700000013
(e) Registered Address:	PLOT NO. 4, SECTOR 10, DWARKA,
(f) Total Outstanding Amount:	22909526.00
(g) Default Amount:	22909526.00
(h) Date of Default:	28-12-2020
(i) Status of Authentication of Default:	AUTHENTICATED
(j) Date of Last Acknowledgement of Debt (AoD):	Not Available

Filing of Default(Submission ID No.)	Submitted on	Status of Authentication(Authenticated /Disputed/Deemed to be authenticated)	Authentication completed on
(25)	05-07-2024 18:13:22	AUTHENTICATED Colour Code :GREEN	22-07-2024 00:04:26

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.

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 PUNJAB NATIONAL BANK in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s PUNJAB NATIONAL BANK
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s AGMOTEX FABRICS PVT LTD
(d) Unique Debt Identifier Number:	AAACP0165G_PNB0256008700001144
(e) Registered Address:	PLOT NO. 4, SECTOR 10, DWARKA,
(f) Total Outstanding Amount:	322810669.00
(g) Default Amount:	322810669.00
(h) Date of Default:	28-12-2020
(i) Status of Authentication of Default:	AUTHENTICATED
(j) Date of Last Acknowledgement of Debt (AoD):	Not Available

Filing of Default(Submission ID No.)	Submitted on	Status of Authentication(Authenticated /Disputed/Deemed to be authenticated)	Authentication completed on
(26)	06-08-2024 18:42:08	AUTHENTICATED Colour Code :GREEN	22-08-2024 00:03:42

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.

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 PUNJAB NATIONAL BANK in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s PUNJAB NATIONAL BANK
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s AGMOTEX FABRICS PVT LTD
(d) Unique Debt Identifier Number:	AAACP0165G_PNB025600PD00063734
(e) Registered Address:	PLOT NO. 4, SECTOR 10, DWARKA,
(f) Total Outstanding Amount:	18295123.00
(g) Default Amount:	18295123.00
(h) Date of Default:	28-12-2020
(i) Status of Authentication of Default:	AUTHENTICATED
(j) Date of Last Acknowledgement of Debt (AoD):	Not Available

Filing of Default(Submission ID No.)	Submitted on	Status of Authentication(Authenticated /Disputed/Deemed to be authenticated)	Authentication completed on
(4)	06-08-2024 18:42:08	AUTHENTICATED Colour Code :GREEN	22-08-2024 00:03:42

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.

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 PUNJAB NATIONAL BANK in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s PUNJAB NATIONAL BANK
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s AGMOTEX FABRICS PVT LTD
(d) Unique Debt Identifier Number:	AAACP0165G_PNB025600IB00020495
(e) Registered Address:	PLOT NO. 4, SECTOR 10, DWARKA,
(f) Total Outstanding Amount:	15258820.00
(g) Default Amount:	12909568.00
(h) Date of Default:	28-12-2020
(i) Status of Authentication of Default:	AUTHENTICATED
(j) Date of Last Acknowledgement of Debt (AoD):	Not Available

Filing of Default(Submission ID No.)	Submitted on	Status of Authentication(Authenticated /Disputed/Deemed to be authenticated)	Authentication completed on
(25)	06-08-2024 18:42:08	AUTHENTICATED Colour Code :GREEN	22-08-2024 00:03:42

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.

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 PUNJAB NATIONAL BANK in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s PUNJAB NATIONAL BANK
(b) Schedule-2 Bank (Y/N):	Y
(c) Name of Corporate Debtor:	M/s AGMOTEX FABRICS PVT LTD
(d) Unique Debt Identifier Number:	AAACP0165G_PNB025600IB00020468
(e) Registered Address:	PLOT NO. 4, SECTOR 10, DWARKA,
(f) Total Outstanding Amount:	14992537.00
(g) Default Amount:	14992537.00
(h) Date of Default:	28-12-2020
(i) Status of Authentication of Default:	AUTHENTICATED
(j) Date of Last Acknowledgement of Debt (AoD):	Not Available

Filing of Default(Submission ID No.)	Submitted on	Status of Authentication(Authenticated /Disputed/Deemed to be authenticated)	Authentication completed on
(24)	06-08-2024 18:42:08	*AUTHENTICATED Colour Code :GREEN	22-08-2024 00:03:42

14. Earlier, the Respondent's right to file reply was struck off by this Tribunal vide order dated 16.03.2026 due to its repeated failure to file. Subsequently, the Respondent has filed an IA No. 256 of 2026, seeking recall of the order dated 16.03.2026 and to allow the Respondent to file its reply. Thus, this tribunal, vide order dated 01.06.2026, allowed the Respondent/ Corporate Debtor to file its reply, subject to payment of costs of Rs. 35,000/-. Subsequently, reply was filed belatedly on 05.07.2026 and taken on record subject to payment of additional cost of Rs. 10,000/-.

REPLY ON BEHALF OF THE CORPORATE DEBTOR/RESPONDENT.

15. The Corporate Debtor/Respondent filed a Reply dated 05.07.2026, in the present application as discussed in the foregoing paras, making the following submissions in response to the averments made in the instant application:

a. At the outset, the Corporate Debtor/Respondent admits that financial assistance of Rs. 5.58 cr was availed by them from the Financial Creditor/Applicant and the said facility was enhanced and renewed from time to time and lastly renewed on 23.05.2019. However, from 2019 onwards the business volume reduced and the Corporate Debtor approached the Applicant Bank for restructuring the loan accounts.

b. The Corporate Debtor/ Respondent submits that the default amount of Rs. 41,79,27,902.52/- as alleged by the Applicant Bank is itself incorrect and not due, making it a wholly disputed debt.

c. The Corporate Debtor/Respondent also contends that it had been making continuous efforts for restructuring of its loan accounts and one of the term loan accounts was also restructured. The Respondent further

contends that the restructuring proposal was again submitted on 24.12.2020, but the Applicant Bank failed to approve the restructuring of the loan accounts.

d. The Corporate Debtor/ Respondent submits that they also approached the Applicant Bank in March 2023 for an OTS scheme. However, the bank initiated recovery proceedings through DRT, Allahabad by filing O.A. No. 1070 of 2023 in pursuance of its notice under the SARFAESI Act, 2002 despite ongoing restructuring talks. It is also contended that the Respondent has duly filed its reply/ written submissions to the said OA and the same is pending final adjudication before the DRT.

e. The Corporate Debtor/ Respondent avers that the Applicant Bank is charging interest on the alleged default despite declaring the account as NPA w.e.f. 31.03.2021, which is in direct violation of the RBI Circular No. RBI/ 2022-23/ 15 DOR.STR.REC.4/21.04.048/2022-23 dated 01.04.2022 and RBI Master Circular DOR No. STR.REC.55/21.04.048/ 2021-22 dated 01.10.2021.

f. The Corporate Debtor/ Respondent further submits that the respondent has paid about Rs. 7,26,96,632/ - (approx. Rs. 7.27 crores) after the date of declaration as NPA, but Applicant/ PNB has reduced only Rs. 4.60 crores in the alleged principal due amount and adjusted Rs. 2.67 crores in the recovery amount instead, which is illegal and against banking guidelines and settled position of law.

g. The Corporate Debtor/Respondent avers that the Applicant is unable to ascertain the exact liability of the Respondent and is claiming different amounts of the total dues allegedly payable by the Respondent. The Respondent/Corporate Debtor also avers that he has a genuine interest in repaying the outstanding amount of the loan. However, the Applicant

Bank is unable to prove even on a prima facie level the exact amount due on the alleged date of NPA.

h. In this regard, it is pointed out that the bank had claimed and alleged default of Rs. 36,31,91,214.24/- in the O.A. No. 1070 of 2023 filed to DRT, Allahabad. However, it has alleged default of Rs. 41,79,27,902.52/- instead in the present petition, which in view of the Respondent is arbitrary and invalid.

i. As regard the outstanding debt shown in the instant application/ petition, it is contended that the bank has wrongfully declared the Respondent's account as NPA on 31.03.2021 as it was regularly servicing the interest as per the loan terms and conditions and the debt amount claimed by the bank is totally "disputed amount", which in view of the Respondent, it is not liable to pay.

j. The Respondent also alleged that the Applicant Bank, with the objective of harassing the Respondent, has initiated multiple proceedings at different forums for recovery of dues as discussed in foregoing paras and thus is indulging in "forum shopping" which is untenable in law.

k. The Corporate Debtor/Respondent lastly contends that the Applicant has not approached this tribunal with clean hands and it has concealed the fact that the Respondent had filed S.A. No. 482 of 2023 in DRT Allahabad challenging the bank's alleged loan repayment default action and notices.

16. Finally, this case has been heard on 07.10.2026 after recording the following submissions of the Ld. Counsels of both the parties: -

"1. Ld. Counsel representing the Financial Creditor states that in this case, the debt and default is clearly proved.

2. He submits that there is a default amount much more than the threshold and the debt and default as per the part IV has been shown at 31st March, 2021, which is the date of declaration of the Respondent / Corporate Debtor as NPA and issuance of a Section 13(2) notice under the SARFAESI Act, he also further refers to the fact that the NeSL Certificate in Form D has also authenticated the debt and default against the Respondent / Corporate Debtor.

3. However, the debt and default as mentioned in Form - D is 28th December, 2020, then goes on to submit that there is an acknowledgement by the Respondent / Corporate Debtor by way of a balance confirmation letter dated 26th September, 2022, and this balance confirmation letter is within a period of three years of the date of default even as recorded in Form D issued by NeSL i.e. 28.12.2020.

4. In view of above facts, the Ld. Counsel for the Applicant / Financial Creditor states that this petition is within limitation, in view of the fact that the present petition has been filed on 24th March, 2025 within three years from the date of acknowledgement i.e. 26th September, 2022.

5. Ld. Counsel representing the Respondent / Corporate Debtor has put in appearance and states that though there is a default against the Respondent / Corporate Debtor, however, he contends that there are multiple proceedings going on including the one before the Ld. DRT."

FINDINGS OF THIS TRIBUNAL:

17. We have heard the submissions of Ld. Counsels of both the parties and perused the documents on record. After considering the arguments advanced by the respective learned counsels, the main issues to be decided are as follows:

I. Whether the application is filed within the period of limitation.

II. Whether there is debt and default within the meaning of the under Section 7 of the Code.

18. With respect to Issue I, upon consideration of the material placed on record, it is observed that the date of default as mentioned in Part- IV of the Application is 31.03.2021 i.e. the date of declaring the loan account of the Corporate Debtor as NPA. However, in the RoD issued by NeSL in "Form D" as submitted by the Applicant Bank as reproduced in this order earlier, the date of default is shown as 28.12.2020 prior to the declaration of 'debt as NPA'. Even if we take this date, i.e. 28.12.2020 as date of default, it has been found that there is an acknowledgement by the Corporate Debtor/ Respondent by way of a Balance and Security Confirmation letter dated 26.09.2022 which has been reproduced in earlier paras. This balance confirmation letter is within a period of three years of the date of default even as recorded in Form D issued by NeSL i.e. 28.12.2020. Thus, reckoning the period of limitation from the date of acknowledgement of debt by the Respondent/ Corporate Debtor through the Balance and Security Confirmation Letter, i.e., 26.09.2022, the present Application having been filed on 25.03.2025, is well within the period of three years prescribed under Article 137 of the Limitation Act, 1963.

19. With respect to Issue II, in order to establish the existence of debt and default, the Financial Creditor/Applicant primarily relies on the Loan Agreement dated 31.08.2005. Pursuant to the said Loan Agreement, Credit facilities

comprising of Cash Credit (Hypothecation) of Rs. 250 lacs, Cash Credit (Book Debts) Limit of Rs. 200 lacs, Packing Credit Limit of Rs. 50 lacs, Bill Purchase Limit of Rs. 50 lacs and Term Loan of Rs. 28.28 Lacs were sanctioned. The said loan facility was renewed and cash credit Limit was extended and enhanced from time to time by virtue of supplementary agreements dated 20.04.2006, 03.04.2007, 26.10.2007, 02.02.2008, 04.02.2008 24.03.2008, 30.06.2009, 05.01.2010, 01.01.2014, 26.05.2014, 09.02.2016, 15.07.2016, 19.05.2017, 08.11.2017, 09.05.2018, 04.02.2019 to Rs. 2300 lacs.

20. The Applicant/ Financial Creditor further relies on the Balance and Security Confirmation letter dated 26.09.2022 issued by the Corporate Debtor/ Respondent which has been reproduced in this order earlier. The Respondent Corporate Debtor has duly acknowledged the outstanding loan amount payable by them to the Applicant bank through the said Balance and Security Confirmation Letter.

21. The Applicant has further brought on record the 'Authenticated' RoD issued by NeSL which has been reproduced in this order earlier.

22. In light of the foregoing discussions, Explanation II to Section 7(5) of the Code provides that where a record of default in respect of a financial debt owed to a financial institution, as recorded with the Information Utility, has been furnished along with the application, such record shall be considered

sufficient for the Adjudicating Authority to ascertain the existence of default. In the present case, the authenticated Record of Default (Form-D), reproduced in the above paras, establishes the existence of both the financial debt and the default.

23. The Financial Creditor/Applicant further substantiates the existence of the debt and default by bringing on record the statement of account for Cash Credit(II) Facility, Term Loan(I), Term Loan (II), Term Loan(III), Covid FITL Accounts upto 31.12.2024 which has been attached as Annexure 72 ,73,74,75 and 76 respectively. The Statement of Accounts relied on by the Applicant records the disbursal of the loan amount sanctioned to the Corporate Debtor/Respondent, and the debt owed to the Applicant continues to remain outstanding by the Corporate Debtor/Respondent.

24. Moreover, the Respondent/ Corporate Debtor has also not disputed the financial debt and default in its repayment except disputing the correctness of debt amount claimed by the Applicant Bank for repayment. However, the amount of debt in any case is exceeding the threshold of Rs. 1 Crore as stipulated in Section 4 of the Code for initiation of CIRP. In the hearing held on 07.10.2026 also, the Ld. Counsel for the Corporate Debtor submitted that there is a default against the Respondent/ Corporate Debtor, however it is contented that there are multiple proceedings going on including the one before the DRT.

25. Therefore, without delving further into the rival submissions advanced by the parties in greater detail and after considering the entire facts and circumstances of the case so far discussed and taking into account the decision of the Apex Court in the case of *Innoventive Industries Ltd. v. ICICI Bank (2018) 1 SCC 407* in which it has been already held that a petition under Code has to be admitted if there is clear debt and default. We are of the considered opinion that in the present case the Loan Agreement, the statement of account evidencing disbursal, the Balance and Security Confirmation Letter coupled with Record of Default in Form D issued by NeSL, establishes the existence of debt and default.

26. With respect to the contention of the Respondent that the restructuring talks are going on and the Respondent is ready to repay the loan, we cannot accept this argument as nothing has been brought on record by the Respondent/ Corporate Debtor to establish that the loan accounts have been restructured subsequent to its classification as NPA on 31.03.2021. Further, mere intention to settle and willingness to repay the debt, cannot be a ground for dismissal of application under Section 7 of the Code, after debt and default are established.

27. With respect to the contention of the Respondent/ Corporate Debtor, regarding pendency of recovery proceedings in Ld. DRT, we are of the view that this argument of the Respondent is untenable in law and devoid of merit as

pendency of recovery proceedings against the Corporate Debtor cannot be a ground for dismissal of the application under Section 7 of IBC, as the proceeding under IBC is not for recovery but for reorganisation and insolvency resolution of the Corporate Debtor in a time-bound manner for maximisation of value of assets of such Corporate Debtor against which debt and default are established.

28. With respect to the contention of the Respondent/ Corporate Debtor regarding wrong computation of debt in default, we are of the view that only ascertainment of debt and default over the threshold limit is required at this stage to admit or dismiss the application under Section 7 of IBC depending on the debt meeting the criteria of threshold as provided under Section 4 of the Code. The contention regarding wrong computation of default cannot be accepted at this stage as the debt and default even admitted by the Corporate Debtor is over and above the threshold limit prescribed under Section 4 of the Code.

29. In view of our above findings, we are satisfied that the Applicant/Financial Creditor has proved the debt and the default, which is more than the threshold limit of Rs.1 crore applicable at present. The registered office of the Corporate Debtor is located in Kanpur and hence this Tribunal has jurisdiction to decide the matter. The application is also filed within limitation period and complete in all respect and a resolution professional is also proposed as per section

7(3)(b). Accordingly, this Tribunal admits this application and orders to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor i.e., M/s Agmotex Fabrics Private Limited.

30. We note that the Financial Creditor has proposed the name of Mr. Debashish Nanda having Registration No. IBBI/IPA-003/IP-N00040/2017-18/10316 to act as IRP. However, by the time hearing is completed in this case, AFA of the Insolvency Professional proposed to be appointed as IRP has expired as found out from the site of IBBI which has been reproduced as follows:

Name of the IP	Mr. Debashis Nanda
Registration no	IBBI/IPA-003/IP-N00040/2017-2018/10316
Date of Registration	06-Jun-17
Member of IPA	Insolvency Professional Agency of Institute of Cost Accountants of India
Member of IPE	
Email id	dnanda[dot]cma[at]gmail[dot]com
Address	Flat No C S -14, C-Floor ,Ansal Plaza, Vaishali ,Ghaziabad ,Uttar Pradesh ,201010
Have Valid AFA	No
AFA Certificate No.	NA
AFA Valid Upto	NA
Total CPE Earned	81
Total Assignments	39

31. Therefore, we have considered the Insolvency Professional Mr. Vishrut Jain for appointment as IRP, having registration No. IBBI/IPA-001/IP-P-02987/2025-2026/14599 appearing in the list of IBBI approved for the region of UP and Uttarakhand. The Law Research Associate of this Tribunal, Mr. Aishwary Narayan, has checked the credentials of Mr. Vishrut Jain, and found

that there are no disciplinary proceedings pending against the proposed Insolvency Professional and also there is nothing adverse against him. Upon verification from the website of IBBI, it is found that Insolvency Professional holds valid authorization till 30.06.2027. After considering these details, we appoint Mr. Vishrut Jain having registration No. IBBI/IPA-001/IP-P-02987/2025-2026/14599, as IRP.

32. Accordingly, this application is admitted u/s 7 of the Code, 2016, under the following terms and conditions.

i. The Application filed by the Financial Creditor under Section 7 of the Code for initiating the Corporate Insolvency Resolution Process against the Corporate Debtor i.e., M/s Agmotex Fabrics Private Limited is hereby admitted.

ii. We hereby declare a moratorium and public announcement in accordance with Sections 13 and 15 of the Code.

iii. This Adjudicating Authority hereby appoints Mr. Vishrut Jain to act as the IRP under Section 13(1)(c) of the Code as decided by us in para 31 above.

iv. The IRP shall cause a public announcement for the initiation of the CIRP against the Corporate Debtor and call for the submission of claims under Section 15. The public announcement referred to in clause (b) of sub-section (1) of Section 15 of the Code shall be made immediately.

v. Moratorium under Section 14 of the Code has commenced from the date of this order prohibiting the following:

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 (54 of 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.

vi. Apart from above prohibitions in respect of the corporate debtor, it is further directed that the supply of essential goods or services to the corporate debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period.

vii. The provisions of Section 14(3) 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.

viii. The order of moratorium shall have effect from the date of this order till 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.

ix. The IRP is directed to take steps as mandated under section 13 and 15 of the Code for making public announcement about the commencement of CIRP against the Corporate Debtor and moratorium against it u/s 14, and also take necessary actions as per sections 17, 18, 20 and 21 of Code, 2016.

x. The IRP shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor and to constitute a Committee of Creditors (hereinafter referred as "COC") and shall file a report certifying the constitution of the COC to 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 constitution of the COC.

xi. As the IRP appointed herein is proposed by this Tribunal, he will ensure that his written consent in Form-2 shall be duly submitted before this Tribunal.

xii. The COC in its first meeting shall appoint a Resolution Professional (hereinafter referred as "RP") as per the provision of section 22(2).

xiii. The Suspended Board of Directors of the corporate debtor is directed to give to IRP/RP complete access to the Books of Accounts of the corporate debtor maintained under section 128 of the Companies Act. 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.

xiv. The Statutory Auditor is directed to share with the RP the audit documentation and the audit trails, which they are mandated to retain pursuant to SA-230 (Audit Documentation) prescribed by the Auditing and Assurance Standards Board ICAI.

xv. The IRP/RP is directed to take custody and control of all the records of information relating to assets of the Corporate Debtor, its Books of Account in physical form or the computer systems storing the electronic records at the earliest in accordance with the provision of Regulation 3A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as "CIRP Regulations, 2016").

xvi. The Financial Creditor shall also provide necessary assistance to IRP/RP in obtaining the necessary information about the Corporate Debtor as envisaged in Regulation 4(3) of the CIRP Regulations, 2016.

xvii. In case of any non-cooperation by the Suspended Board of Directors or the Statutory Auditors, 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 the retrieval of relevant information from the systems of the corporate debtor.

xviii. The IRP/RP may take the assistance of Digital Forensic Experts empanelled with this Bench/IBBI/MCA for this purpose.

xix. 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.

xx. The IRP/RP 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.

xxi. The IRP/RP is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with requests for information/documents available with those authorities'/institutions/others pertaining to the Corporate Debtor which would be relevant in the CIR proceedings.

xxii. The IRP/RP is directed to approach all the concerned Government Departments and authorities as discernible from the books of account of the Corporate Debtor requesting them to file claims if any amount is outstanding against the Corporate Debtor.

xxiii. 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 CIR Proceedings as per law.

xxiv. The IRP/RP shall collate the data obtained from (a) the claim(s) made before it and (b) information gathered from the records including those maintained by the Corporate Debtor.

xxv. The IRP/RP is further directed to send regular progress reports to this Tribunal every month.

33. We direct the Financial Creditor to deposit a sum of Rs. 1,00,000/-with the IRP, to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of CIRP Regulations, 2016. The amount, however, is subject to adjustment by the CoC as accounted for by the IRP on the conclusion of CIRP.

34. A certified copy of the order shall be communicated to both the Financial Creditor/Applicant and the Corporate Debtor/Respondent. The Ld. counsel for the Financial Creditor/Applicant shall deliver a certified copy of this order to the IRP forthwith. The Registry is also directed to send a certified copy of this order to the IRP at his e-mail address forthwith.

35. Accordingly, **CP (IB) No. 45/ALD/2025** stands admitted for initiating CIRP against the Corporate Debtor.

36. List the matter on 30.11.2026 for filing of the progress report/further proceedings.

-Sd-
Ashish Verma
Member (Technical)

-Sd-
Praveen Gupta
Member (Judicial)

Date: 26.10.2026