

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-1, AHMEDABAD

ITEM No.307
C.P.(IB)/97(AHM)2026

Under Section 9 of IBC
IN THE MATTER OF:

Cultivatrade Enterprise Pvt. Ltd
Represented By its Director
Mr. Jigneshkumar Mansinghbhai Pasaya

.....Petitioner

V/s

Harshil Agrotech Limited

.....Respondent

Order delivered on: 17/04/2026

CORAM:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. However, during the pronouncement of order, this Tribunal notes that the Learned Counsel appearing for the Petitioner has fairly submitted that they have no objection in the event an Interim Resolution Professional is appointed by this Tribunal from the panel list maintained by the IBBI.

The order is pronounced in the open court, vide separate sheet.

—SD—

SANJEEV SHARMA
MEMBER (TECHNICAL)

—SD—

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, COURT-I, AHMEDABAD**

C.P.(IB)/97(AHM)2026

(Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

In the Matter of:

Cultivatrade Enterprise Private Limited

(CIN: U46900GJ2024PTC153945)

Having its Registered Office:

H-503, Smarana Co. Op. Housing Society.
Survey No. 502/A/1/28, Bakeri City,
Vejalpur, Jivraj Park,
Ahmedabad, Gujarat- 380051.

...Applicant/Operational Creditor

VERSUS

Harshil Agrotech Limited

(CIN: L01611GJ1972PLC147529)

Having its Registered Office:

sf 225, I Square near Shukan Mall,
Science City Road, Sola,
Ahmedabad, Gujarat- 380060

...Respondent/Corporate Debtor

Order Pronounced On: 17.04.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Applicant/OC : Ms. Prutha D Bhavsar, Adv.

For the Respondent/CD : Mr. Pradyuman Yadav, Adv.



ORDER
Per Bench

1. The present Petition has been filed on 09.03.2026 through the DMS Portal by the Applicant, **Cultivatrade Enterprise Private Limited**, hereinafter referred to as the “Operational Creditor”, under Section 9 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking initiation of Corporate Insolvency Resolution Process against the Respondent, Harshil Agrotech Limited, hereinafter referred to as the “Corporate Debtor”, for default in payment of operational debt amounting to 7,53,84,258.08/- (Rupees Seven Crore Fifty Three Lakhs Eighty Four Thousand Two Hundred and Fifty Eight and Eight Paise Only) For the goods supplied to the Respondent from 15.11.2025 to 15.12.2025. The date of default is stated to be 15.12.2025.
2. On perusal of Part-I of Form-5, it is evident that the Operational Creditor i.e. Cultivatrade Enterprise Private Limited, having CIN: U46900GJ2024PTC153945 is a private limited company incorporated according to the provisions of Companies Act, 2013 represented by its Director Mr. Jigneshkumar Mansingbhai Pasaya. The Board Resolution is annexed as **Annexure B** with the Petition.

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3. On perusal of Part-II of Form-5, it is evident that the Corporate Debtor is Harshil Agrotech Limited, bearing CIN: L01611GJ1972PLC147529 incorporated on 18.11.1972 having its registered office at SF 225, I Square near Shukan Mall, Science City Road, Sola, Ahmendabad. Gujarat-380060. A copy of the First Modification Agreement dated 16.09.2024 is annexed as Annexure-A.
4. On perusal of Part-III of Form-5, the Operational Creditor has proposed the name of Mr. Rajesh Jasti, bearing Registration No. (IBBI/IPA-001/IP-P- 02317/2020-2021/13469), to act as the Interim Resolution Professional under Section 13(1)(c) of the Code. His AFA is valid till 30.06.2026 as per AFA Certificate attached with the Petition. The Consent-cum-Written Communication in Form-2 dated 28.02.2026 has been annexed as Annexure-C.
5. On perusal of Part-IV and Part-V of Form-5, the Operational Creditor has placed the facts in the following manner:
 - i. It is submitted that the Applicant, being an Operational Creditor, has filed the present Application in Form 5 under Sections 8 and 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "the Code"), read with Rule 6 of the Insolvency and Bankruptcy Code (Application to Adjudicating Authority) Rules, 2016, seeking initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.



- ii. It is submitted that the Applicant is engaged in the business of trading in agricultural products and other ancillary goods. It is further submitted that the Applicant and the Respondent entered into a Supply Agreement dated 18.10.2025, whereby the Applicant agreed to supply various agricultural produce, including Cucumber, Capsicum, Cabbage, Lemon and other commodities, to the Respondent. A copy of the said Supply Agreement dated 18.10.2025 is annexed hereto and marked as Annexure-D.
- iii. It is submitted that in the ordinary course of business, the Applicant effected supply of various agricultural produce and goods to the Respondent from time to time, the particulars whereof are duly reflected in the invoices annexed to the present Application.
- iv. It is submitted that the Applicant continuously supplied goods to the Respondent during the period from 15.11.2025 to 15.12.2025, and separate invoices were raised in respect of each consignment so supplied. It is further submitted that copies of the invoices issued by the Applicant for the aforesaid period, along with the corresponding lorry receipts, are annexed hereto and collectively marked as Annexure-E.
- v. It is submitted that the Applicant and the Respondent have been in a continuous business relationship since the commencement of the said supplies. It is further submitted that towards settlement of the outstanding



dues, the Corporate Debtor issued post-dated cheques in favour of the Applicant. The Applicant, being the Operational Creditor, extended sufficient time to the Corporate Debtor for clearance of the said dues. Copies of the post-dated cheques issued by the Corporate Debtor are annexed hereto and collectively marked as Annexure-F.

vi. It is submitted that the Corporate Debtor is liable to pay a total sum of INR 7,53,84,258.08/- (Rupees Seven Crore Fifty Three Lakhs Eighty Four Thousand Two Hundred Fifty Eight and Eight Paise Only) towards the outstanding operational debt, as reflected in the ledger statement and interest computed in accordance with Clause 5.4 of the Supply Agreement dated 18.10.2025. It is further submitted that the said amount was duly communicated to the Respondent by way of demand notice in Form-3 and Form-4 dated 12.01.2026.

vii. It is submitted that the transactions between the parties and the supplies effected thereunder are governed by the provisions of the Indian Contract Act, 1872, the Sale of Goods Act, 1930, and other applicable laws for the time being in force. It is further submitted that all supporting documents in respect of the said transactions have been duly annexed to the present Application.

viii. It is submitted that it is evident from the record that the Respondent has been persistently delaying payment of the dues lawfully and legitimately owed to the Applicant,



thereby demonstrating its inability to discharge the outstanding operational debt and fulfil its contractual obligations.

- ix. It is submitted that a Demand Notice in Form-3 and Form-4 dated 12.01.2026 was duly issued and served upon the Respondent at its registered address under the provisions of the Insolvency and Bankruptcy Code, 2016, calling upon the Respondent to make payment of the outstanding operational debt.
 - x. It is further submitted that notwithstanding receipt of the said Demand Notice, M/s. Harshil Agrotech Limited has failed and neglected to make payment of the outstanding dues. Copies of the Demand Notice in Form-3 and Form-4 along with proof of service are annexed hereto and collectively marked as Annexure-G.
6. The Operational Creditor has filed the record of debt and default in **Form-C** (attached as Annexure I with the Petition) with National E-Governance Services Limited (NeSL) which corroborates the default, wherein the date of default is recorded as 15.12.2025.
 7. In compliance with order dated 18.03.2026, the Petitioner filed an Affidavit on 30.03.2026 vide Inward No. D-2812 to place on record the latest audited financials of the applicant. The applicant has attached the audited financial statements of the applicant for the year ended on



31.12.2025 as Annexure A with the affidavit. Along with the same, the following has been stated by the Petitioner :

- i. It is submitted that the Applicant entered into a supply agreement with the Corporate Debtor for the supply of fresh vegetables (hereinafter referred to as “the Goods”).
- ii. It is further submitted that pursuant to the said agreement, the Applicant procured the Goods from a third party, namely M/s SC Agrotech, and supplied the same to the Corporate Debtor at a marginally higher price, as is customary in the trade, in order to earn a reasonable profit margin on the transactions. A copy of the purchase order placed by the Applicant on M/s SC Agrotech is annexed to the present Affidavit and marked as Annexure-B.
- iii. It is submitted that, considering the perishable nature of the Goods, the Applicant commenced supplies to the Corporate Debtor for the period from 15.11.2025 to 15.12.2025 strictly in accordance with the terms of the supply agreement.
- iv. It is further submitted that in the case of perishable commodities, it is neither commercially viable nor practically feasible to withhold supplies pending clearance of each individual invoice, as any such delay would result in direct and irreversible loss of the Goods. Accordingly, the Applicant continued to make supplies to the Corporate Debtor on a running account basis, with a

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bona fide expectation that payments would be duly cleared in accordance with the agreed credit terms.

- v. It is submitted that the Applicant's decision to enter into commercial dealings with the Corporate Debtor was founded on the fact that the Corporate Debtor is a publicly listed company.
- vi. It is further submitted that being a listed entity, the Corporate Debtor carries with it a degree of financial credibility and regulatory accountability, and it was on this basis that the Applicant extended credit and continued supplies without insisting upon advance payment or payment against each delivery.
- vii. It is submitted that despite repeated follow-ups, payments due against the outstanding invoices were not forthcoming from the Corporate Debtor.
- viii. It is further submitted that upon it becoming evident that the Corporate Debtor was failing to honour its payment obligations, the Applicant took a conscious commercial decision to discontinue further supplies.
- ix. It is submitted that notwithstanding the cessation of supplies, the Corporate Debtor continued to issue purchase orders, which the Applicant declined to act upon in view of the mounting outstanding dues.
- x. It is submitted that the aforesaid outstanding amounts constitute an "operational debt" within the meaning of Section 5(21) of the Insolvency and Bankruptcy Code,



2016, which has remained unpaid and undisputed, thereby entitling the Applicant to maintain the present Petition under Section 9 of the Code.

8. Pursuant to the order dated 18.03.2026, the Petitioner duly issued the Notice to the Respondent and filed a Report of Affidavit of Service on 30.03.2026 vide Inward No. D-2811.
9. The Respondent in compliance with order dated 18.03.2026 filed an Affidavit-of-Reply on 06.04.2026 vide Inward No. D-2988 stating the following:
 - i. It is submitted that the present Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 has been purportedly filed by the Applicant seeking initiation of Corporate Insolvency Resolution Process against the Respondent.
 - ii. It is further submitted that, at the very outset, the present Application is not maintainable either in law or on facts, inasmuch as the alleged operational debt is a disputed debt. It is submitted that there exists a genuine and bona fide dispute between the parties, which had arisen prior to the issuance of the demand notice by the Applicant, thereby rendering the present Petition liable to be dismissed.
 - iii. It is submitted that certain business transactions were carried out between the parties in relation to the supply of agricultural produce pursuant to a Supply Agreement dated 18.10.2025. It is further submitted that the goods



supplied thereunder were perishable in nature, including cucumber, capsicum, cabbage, lemon and similar agricultural commodities, wherein quality, condition and timely delivery were of paramount importance and formed the very basis of their commercial acceptance.

- iv. It is submitted that during the period between November 2025 and December 2025, when the Applicant supplied agricultural produce to the Respondent, several consignments did not conform to the agreed quality parameters. It is further submitted that the Respondent observed deterioration in quality at the time of delivery, inconsistencies in grading, and reduced commercial usability, which materially affected the marketability and sale value of the goods.
- v. It is submitted that these deficiencies were immediately communicated to the Applicant at the time of delivery, considering the perishable nature of the produce and the necessity of prompt and immediate resolution.
- vi. It is submitted that in view of the aforesaid issues raised, the value of the goods supplied became subject to adjustment and reconciliation between the parties. It is further submitted that, consequently, the accounts between the parties have not been finally settled, and the amount claimed by the Applicant cannot be treated as an admitted or crystallised liability.



- vii. It is submitted that the Applicant has purportedly claimed an amount of Rs. 7,53,84,258.08/- as debt in default. It is further submitted that the said amount is disputed and is subject to reconciliation after accounting for the losses incurred by the Respondent on account of alleged substandard supply of agricultural produce.
- viii. It is submitted that the ledger relied upon by the Applicant has been prepared unilaterally and was neither shared with nor acknowledged by the Respondent. It is further submitted that the Respondent has prepared its own ledger reflecting the true and correct position of accounts, and a copy of the same is annexed as Annexure R-1 with the Reply.
- ix. It is submitted that the post-dated cheques issued to the Applicant were in the course of ongoing commercial dealings between the parties and do not constitute an acknowledgment of any admitted or crystallised liability. It is further submitted that the issuance of such cheques was part of a broader business understanding and was subject to reconciliation of accounts between the parties.
- x. It is submitted that the reliance placed by the Applicant on the Respondent's communication requesting that the cheque not be presented, as an alleged admission of liability, is wholly misconceived. It is clarified that such communication was issued in the ordinary course of internal financial management and cash flow planning,



particularly in light of the pending quality disputes between the parties.

- xi. It is further submitted that the intent behind such communication was to ensure orderly financial management, proper cash flow planning and phased discharge of liabilities, subject to reconciliation of accounts. It is submitted that the Respondent never intended to admit or acknowledge any crystallised liability, but only sought to regulate payments post reconciliation, which in itself evidences the existence of a pre-existing dispute between the parties.
- xii. It is submitted that the Respondent Company is presently facing cash flow constraints owing to prevailing market conditions and is required to manage commitments towards multiple creditors in a balanced manner. It is further submitted that the Respondent Company has already paid an amount exceeding INR 15 Crores in a staggered manner to various creditors and continues to have an outstanding debt of over INR 37.59 Crores.
- xiii. It is submitted that in the existing challenging market conditions, which have adversely impacted cash flows, it is not feasible for the Respondent to prioritise or cater to the demands of any one particular creditor in isolation. It is further submitted that the Respondent is obligated to manage its liabilities in a balanced and equitable manner



so as to ensure continuity of its operations and fair treatment of all stakeholders.

- xiv. It is submitted that in support of the aforesaid, the Respondent has annexed copies of its bank statements as Annexure R-2, a list of creditors as Annexure R-3, and copies of its Annual Reports for the financial years 2020–2021, 2021–2022, 2022–2023, 2023–2024 and 2024–2025 as Annexures R-4 to R-8 respectively with the Reply.
- xv. It is submitted that the Respondent has been making bona fide efforts to manage its financial commitments despite the financial constraints arising out of prevailing market conditions. It is further submitted that the Respondent is desirous of discharging its obligations towards all its creditors, including the Applicant, in a fair, equitable and structured manner, and not on a selective basis.
- xvi. It is submitted that such an approach is intended to avoid any preferential treatment to a particular creditor and to maintain parity amongst all creditors.
- xvii. It is submitted that the Applicant issued a demand notice dated 12.01.2026 under Section 8 of the Insolvency and Bankruptcy Code, 2016. It is respectfully submitted that the dispute with regard to the quality of goods supplied and the corresponding liability had arisen



prior to the issuance of the said demand notice and was well within the knowledge of the Applicant.

- xviii. It is further submitted that as the process of reconciliation of accounts was underway, the Respondent could not furnish a detailed reply within the stipulated period. However, it is submitted that even in the absence of a formal reply, the existence of a pre-existing dispute is the primary consideration, which is clearly evident in the present case.
- xix. It is submitted that in view of the existence of the aforesaid dispute, the essential requirement of an undisputed operational debt, as contemplated under the Insolvency and Bankruptcy Code, 2016, is not satisfied in the present case.
- xx. It is further submitted that the issues raised by the Respondent are real, substantial and bona fide in nature, and require proper adjudication by a competent forum, which cannot be undertaken by this Hon'ble Tribunal in proceedings under the I&B Code.
- xxi. It is submitted that the provisions of the Insolvency and Bankruptcy Code, 2016 are not intended to be used as a mechanism for recovery of disputed dues or for enforcement of contractual claims where disputes exist.
- xxii. It is further submitted that the present case involves issues which require detailed examination and reconciliation of accounts between the parties, and



therefore falls outside the scope of summary proceedings under the I&B Code.

xxiii. It is submitted that the present Application has been filed notwithstanding the existence of the aforesaid dispute and is therefore liable to be rejected.

xxiv. In view of the foregoing, it is most respectfully prayed that this Hon'ble Tribunal may be pleased to dismiss the present Application filed under Section 9 of the Insolvency and Bankruptcy Code, 2016, and pass such other order(s) as this Hon'ble Tribunal may deem fit and proper in the facts and circumstances of the case.

10. That, in compliance with order dated 18.03.2026, the Petitioner/ Operational Creditor filed an Affidavit-in-Rejoinder on 13.04.2026 vide Inward No. D-3202 stating the following:

i. It is submitted that the Applicant, at the outset, has contended that the so-called dispute raised by the Respondent is vague, bald and an afterthought, raised solely with a view to evade liability and stall the present insolvency proceedings, and therefore deserves to be rejected in limine.

ii. It is submitted that the Applicant has specifically denied the contention of the Respondent that the present Petition is not maintainable on account of existence of a "disputed debt", and has reiterated that all the conditions prescribed under Section 9 of the Insolvency



and Bankruptcy Code, 2016 stand duly satisfied in the present case.

- iii. It is submitted that the Applicant has further denied the allegations regarding substandard quality of goods and has contended that no contemporaneous document such as inspection report, rejection memo, complaint, or any other evidence has been produced by the Respondent to substantiate such claims, thereby rendering the alleged dispute illusory and unsupported by any material on record.
- iv. It is submitted that the Applicant has pointed out that the Respondent's own ledger (Annexure R-1 to the Reply) reflects substantially the same outstanding amount as claimed by the Applicant, which demonstrates that there was no dispute as to the quantity or value of goods supplied, and that the alleged dispute is a mere afterthought created for the purpose of the present proceedings.
- v. It is submitted that the Applicant has further contended that no rejection of goods was ever communicated, no debit notes were issued, and no reconciliation was ever undertaken prior to the issuance of the Demand Notice, thereby negating the Respondent's plea that accounts were unsettled.
- vi. It is submitted that the Applicant has also asserted that the issuance of post-dated cheques by the Respondent



constitutes a clear and unequivocal acknowledgment of debt, and the same cannot be subsequently re-characterised as being subject to reconciliation or conditional in nature.

- vii. It is submitted that the Applicant has further contended that the Respondent's communication requesting that cheques not be presented is, in fact, indicative of its inability to pay its debts as they fall due and does not give rise to any dispute within the meaning of the Code.
- viii. It is submitted that the Applicant has also relied upon the Respondent's own admission that substantial amounts are owed to multiple creditors and that it is facing financial stress, to contend that the Respondent is commercially insolvent and squarely falls within the ambit of the Code.
- ix. It is submitted that the Applicant has further reiterated that no dispute was raised prior to the issuance of the Demand Notice dated 12.01.2026, which is a mandatory requirement under Section 8(2) of the Code, and therefore, the defence raised by the Respondent is not tenable in law.
- x. It is submitted that the Applicant has, in conclusion, prayed that this Hon'ble Tribunal be pleased to admit the present Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016, as all the statutory



requirements stand satisfied and the defence raised by the Respondent is illusory, sham and devoid of merit.

11. That, the Petitioner has also filed its written submissions along with Convenience note on 15.04.2026 through e-mode.
12. We have heard the arguments of Ld. Counsel for the Applicant/Operational Creditor as well as Ld. Counsel for the Respondent/Corporate Debtor. This Tribunal has considered the pleadings, documentary record, affidavits, reply, rejoinder and the submissions advanced by learned counsel appearing for both sides.
13. At the outset, it is incumbent upon this Adjudicating Authority to examine whether the present Application satisfies the statutory requirements as contemplated under Section 9 of the Insolvency and Bankruptcy Code, 2016. The settled position of law requires the Adjudicating Authority to ascertain: (i) existence of an operational debt; (ii) occurrence of default; (iii) issuance and proper service of demand notice under Section 8 of the Code; and (iv) whether there exists any plausible pre-existing dispute which is not a patently feeble legal argument or unsupported by evidence prior to the issuance of such demand notice.
14. On perusal of the record, it is observed that the Operational Creditor has placed on record the Supply Agreement dated 18.10.2025 executed between the parties, invoices raised for



supplies effected during the period from 15.11.2025 to 15.12.2025, lorry receipts evidencing delivery of goods, ledger statements reflecting the outstanding amount, and the Demand Notice dated 12.01.2026 issued in Form-3 and Form-4 under Section 8 of the Code. The Operational Creditor has further annexed copies of post-dated cheques issued by the Corporate Debtor towards discharge of its liability. Additionally, the record of default filed with National E-Governance Services Limited (NeSL) in Form-C corroborates the occurrence of default, with the date of default being 15.12.2025.

15. From the aforesaid material, this Tribunal is satisfied that the claim of the Applicant arises out of supply of goods and squarely falls within the definition of “operational debt” as provided under Section 5(21) of the Code. The invoices and corresponding delivery documents establish that goods were duly supplied and accepted by the Corporate Debtor. The ledger account and NeSL record further demonstrate that the amount claimed remains unpaid, thereby establishing the occurrence of default within the meaning of Section 3(12) of the Code.
16. The principal defence raised by the Corporate Debtor is that the alleged operational debt is disputed, and therefore the present Petition is not maintainable. The dispute is stated to arise on account of (i) alleged substandard quality of goods;



(ii) requirement of reconciliation of accounts; and (iii) absence of crystallised liability.

17. This Tribunal now proceeds to examine each of the contentions raised by the Corporate Debtor in a detailed and sequential manner.
18. **With respect to the contention regarding substandard quality of goods**, it is observed that the Corporate Debtor has made general and omnibus allegations that certain consignments suffered from deterioration in quality, inconsistencies in grading, and reduced commercial usability. However, no contemporaneous documentary evidence has been placed on record to substantiate these allegations. There is a complete absence of inspection reports, laboratory reports, rejection memos, debit notes, or any form of documentary communication evidencing that the goods were defective or rejected at the time of delivery.
19. The Corporate Debtor has contended that such deficiencies were “immediately communicated” to the Operational Creditor. However, this Tribunal finds that no material has been placed on record to demonstrate any such communication. In commercial dealings, particularly involving perishable goods, any defect in quality is ordinarily documented and promptly communicated, especially when such defects are later relied upon to deny substantial financial liability. The absence of any such



contemporaneous record renders the defence unsubstantiated and lacking in credibility.

20. It is further observed that the Corporate Debtor continued to accept supplies without raising any documented objection and did not issue any debit notes or rejection notices. The conduct of the Corporate Debtor is inconsistent with the existence of any genuine dispute and indicates that the plea has been raised as an afterthought to evade liability. The defence fails to meet the test of a 'plausible contention requiring further investigation' as laid down by the Hon'ble Supreme Court in Mobilox.
21. **With respect to the contention regarding reconciliation of accounts**, this Tribunal finds that the Corporate Debtor has failed to place on record any material to show that any reconciliation process was initiated or was pending prior to the issuance of the Demand Notice dated 12.01.2026. There is no correspondence, no statement of disputed entries, nor any document indicating that the accounts were under active reconciliation.
22. On the contrary, the record reflects that the Corporate Debtor had issued post-dated cheques towards discharge of the outstanding dues. The issuance of such cheques clearly indicates that the liability was quantified and acknowledged. A vague plea of reconciliation, in absence of supporting material, cannot be treated as a valid dispute under the Code.



23. With respect to the contention that the liability is not crystallised, this Tribunal finds that the invoices raised by the Operational Creditor clearly quantify the amount due, and the same is further supported by the ledger statements and NeSL record. The Corporate Debtor has not disputed the supply of goods or the invoices raised; rather, it has sought to challenge the liability on vague and unsubstantiated grounds. Such a defence does not render the debt uncrystallised.
24. With respect to the ledger an account, the Corporate Debtor has contended that the ledger relied upon by the Operational Creditor is unilateral and has produced its own ledger. However, it is noted from the Rejoinder that even the ledger produced by the Corporate Debtor reflects substantially similar outstanding amounts. This aspect significantly undermines the defence raised and indicates that there is no real dispute as to the liability.
25. With respect to the issuance of post-dated cheques, this Tribunal is of the considered view that the same constitutes a clear acknowledgment of debt. The contention of the Corporate Debtor that such cheques were issued in the course of business and subject to reconciliation is not supported by any contemporaneous document. In absence of any such condition being recorded, the said plea cannot be accepted.



26. Further, the communication issued by the Corporate Debtor requesting the Operational Creditor not to present the cheques does not negate the liability. On the contrary, it demonstrates that the Corporate Debtor was aware of its liability but was unable to honour its commitments. Such conduct reinforces the existence of default.
27. With respect to the plea of pre-existing dispute, it is a settled principle that the dispute must exist prior to the issuance of the Demand Notice. In the present case, the Demand Notice was issued on 12.01.2026. The Corporate Debtor has failed to place on record any document evidencing existence of dispute prior to the said date as contemplated under Section 8(2)(a) of the IB Code. The defence raised appears to have been raised for the first time after receipt of the demand notice and lacks any contemporaneous evidentiary foundation, thereby failing the statutory requirement under Section 8(2)(a) of the Code.
28. In this regard, this Tribunal places reliance on the judgment in ***Deepak Modi v. Shalfeyo Industries Pvt. Ltd., (2023) ibclaw.in 215 NCLAT***, wherein it has been held that a dispute raised after receipt of the Demand Notice, without any supporting material, is a “moonshine defence” and cannot be a ground to reject a Petition under Section 9 of the Code. The relevant extract of the said order is as follows:

“13. It is true that under the provisions of Code if Adjudicating Authority is satisfied with pre-existing dispute at the time of entertaining an application filed under Section



9 of the Code there is no reason to initiate the same or admit the application. However, law is settled on the point that there must be pure pre-existing dispute. Meaning thereby that genuine pre-existing dispute must exist in rejecting an application Section 9 of the code. In the present case it is reflected from inspection report of SGB Infra Ltd dated 16.12.2019 which is at page 147 that the Corporate Debtor was asked by the SGB Infra Ltd to remove the flooring. This fact is itself enough to draw an inference that the Corporate Debtor had accepted the delivery of granite slabs made by the Operational Creditor without raising any dispute or objection. Otherwise the Corporation Debtor would have rejected the entire materials at the time of unloading of the same. However, it is clear that the granite slabs supplied by the Operational Creditor were utilised by the Corporate Debtor and had placed the same in the premises of Airport Authority of Jaipur. There may be plausible reasons for SGB Infra Ltd to ask the Corporate Debtor to remove the flooring but fact remains that the Corporate Debtor had accepted the granite slabs supplied by the Operational Creditor without raising any dispute or objection. On this score itself we are of the opinion that such plea of the Corporate Debtor regarding dispute can be termed as moon shine defence. On this plea there is no reason to accept as if there was pre-existing dispute in between the Operational Creditor and Corporate Debtor. Besides this the Operational Creditor before the Adjudicating Authority has already taken a plea that he has filed an application under section 340 of Cr PC in respect of placing and using a document by committing forgery and interpolation and as such we do not find any ground to interfere with the impugned order nor we find any defect in the said impugned order. Accordingly the appeal having no merit is fit to be rejected and it is dismissed without cost.”

29. Further reliance is placed on **HDFC Ltd. Vs. M/s RHC Holding Pvt. Ltd.**, wherein it has been held that objections raised without substantial evidence and merely to evade initiation of CIRP cannot be treated as genuine disputes. It has been further observed that in absence of proof of discharge or settlement, such defences are liable to be rejected.



30. Additionally in ***Mobilox Innovations Pvt. Ltd. Vs. Kirusa Software (P) Limited- 2017 1 SCC OnLine SC 353***, the Hon'ble Supreme Court held that the 'existence of the dispute' and/or the suit or arbitration proceeding must be pre-existing – i.e. it must exist before the receipt of the demand notice or invoice, as the case may be and observed:

“33. The scheme under Sections 8 and 9 of the Code, appears to be that an operational creditor, as defined, may, on the occurrence of a default (i.e., on nonpayment of a debt, any part whereof has become due and payable and has not been repaid), deliver a demand notice of such unpaid operational debt or deliver the copy of an invoice demanding payment of such amount to the corporate debtor in the form set out in Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 read with Form 3 or 4, as the case may be (Section 8(1)). Within a period of 10 days of the receipt of such demand notice or copy of invoice, the corporate debtor must bring to the notice of the operational creditor the existence of a dispute and/or the record of the pendency of a suit or arbitration proceeding filed before the receipt of such notice or invoice in relation to such dispute (Section 8(2)(a)). What is important is that the existence of the dispute and/or the suit or arbitration proceeding must be pre-existing – i.e. it must exist before the receipt of the demand notice or invoice, as the case may be.”

31. **With respect to the plea of financial constraints and multiplicity of creditors**, this Tribunal is of the considered view that such contentions are not a relevant defence for the purposes of admission under Section 9 of the Code, which is a summary proceeding confined to existence of debt and default.. The Code is not concerned with the reasons for default but only with the existence of debt and occurrence of



default. Financial stress or inability to pay cannot defeat a legally enforceable claim.

32. It is also observed that the conduct of the Corporate Debtor, including issuance of post-dated cheques, continued acceptance of goods, and absence of any contemporaneous dispute, clearly demonstrates that the liability was acknowledged and that the default is real.
33. In view of the foregoing detailed analysis, this Tribunal is satisfied that the defence raised does not meet the test of a 'plausible contention requiring further investigation' and is not supported by any credible material. The same is therefore a patently feeble legal argument and an assertion of fact unsupported by evidence, and constitutes a mere afterthought and moonshine defence raised with the intent to evade liability and stall the insolvency process.
34. Accordingly, this Adjudicating Authority holds that:
- i. The Operational Creditor has established the existence of operational debt;
 - ii. The occurrence of default stands duly proved;
 - iii. The Demand Notice under Section 8 was duly issued and served;
 - iv. No genuine pre-existing dispute exists between the parties.
35. Consequently, this Tribunal is of the considered view that the present Petition satisfies all the requirements under Section 8 and 9 of the Insolvency and Bankruptcy Code,




2016. It is further noted that the amount of default in the present case exceeds the minimum threshold of Rs.1.00 Crore as prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016 (as amended). The date of default being 15.12.2025 and the present Application having been filed on 09.03.2026, the Application is within the period of limitation prescribed under Article 137 of the Limitation Act, 1963. Therefore, the present Application is maintainable and is liable to be admitted.

36. Furthermore, during the pronouncement of order, this Tribunal notes that the Learned Counsel appearing for the Petitioner has fairly submitted that they have no objection in the event an Interim Resolution Professional is appointed by this Tribunal from the panel list maintained by the IBBI.
37. Hence, in the light of the above-mentioned reasons, the Application is complete in all respects as required under Section 9(2) of the Code read with Rule 6 of the Adjudicating Authority Rules. Accordingly, in light of the above facts and circumstances, it is, hereby ordered as under: -

(i) The Company Petition bearing C.P.(IB)/97(AHM)2026 is **admitted** under Section 9(5) of the Insolvency and Bankruptcy Code, 2016 and the Corporate Insolvency Resolution Process (**CIRP**) is initiated against the Corporate Debtor, **Harshil Agrotech Limited**.

(ii) As a consequence, thereof, moratorium under Section 14 of Insolvency and Bankruptcy Code, 2016 is



declared for prohibiting all of the following in terms of Section 14(1) of the Code.

- 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 Securitisation 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.*
 - e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements 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.*
- (iii) The order of moratorium under section 14 of the Code shall come to effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 of the IBC 2016, as the case may be.



- (iv) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the Corporate Debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period.
- (v) As stated in Point No. 36 of this order, we appoint **Mr. Neeraj Kumar Bajaj** having Registration No. IBBI/IPA-001/IP-P-02672/2022-2023/14110, having address: A-502, Vastugram Residency, Vesu, Near Prime Shoppers, Surat, Gujarat, 395007 (**e-mail: nkbajajca@gmail.com**), under section 13(1)(c) of the Code to act as Interim Resolution Professional (**IRP**). He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.
- (vi) The IRP so appointed shall make a public announcement of the initiation of Corporate Insolvency Resolution Process and call for submissions of claims under section 15, as required by Section 13(1)(b) of the Code.
- (vii) 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 legal obligation as per section 19 of the Code to extend every assistance and



cooperation to the IRP. Where any personnel of the Corporate Debtor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

- (viii) The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Debtor' and manage the operations of the Corporate Debtor as a going concern as a part of obligation imposed by section 20 of the Code.
- (x) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (xi) We direct the Operational Creditor to pay IRP a sum of **Rs.3,00,000/- (Rupees Three Lakh Only)** in advance within a period of 7 days from the date of this order to meet the cost of CIRP arising out of issuing public



notice and inviting claims etc. till the CoC decides about his fees/expenses.

(xii) The Registry is directed to communicate this order to the Operational Creditor, Corporate Debtor, and to the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India after completion of necessary formalities, within seven working days and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specific mention regarding admission of this Petition and shall forward the compliance report to the Registrar, NCLT.

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

38. Accordingly, this Petition being **C.P.(IB)/97(AHM)2026** is admitted.

39. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

— SD —

SANJEEV SHARMA
MEMBER (TECHNICAL)

Jeel/LRA

— SD —

SHAMMI KHAN
MEMBER (JUDICIAL)