

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

ITEM No.307
C.P.(IB)/109(AHM)2026

Under Section 9 of IBC
IN THE MATTER OF:

Covalent Laboratories Pvt. Ltd.

.....Petitioner

V/s

Centurion Remedies Pvt. Ltd.

.....Respondent

Order delivered on: 20/04/2026

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. 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) No. 109 of 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: Centurion Remedies Pvt Ltd

Covalent Laboratories Pvt Ltd

CIN No.: U24230TG2002PTC039606

Having its registered office at

#8-3-677/18, 2nd Floor, S.K.D. Nagar,

Yellareddyguda, Hyderabad,

Telangana - 500073

...Operational Creditor

VERSUS

Centurion Remedies Pvt Ltd

Having its registered office at

G-5/6, H-10 & F-19, Industrial Estate

Gorwa, City: Vadodara, Distt: Vadodara,

State: Gujarat, India – 390016

...Corporate Debtor

Order Pronounced On: 20.04.2026

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 : Mr. Dishit Bhattacharjee, Adv.
Mr. Heet B. Jhaveri, Adv.

For the Respondent/CD : Mr. Arjun Padhiyar, Adv.



ORDER
Per Bench

1. This Company Petition has been filed on 18.03.2026 by the Petitioner – Covalent Laboratories Pvt. Ltd. (hereinafter referred to as the ‘Operational Creditor’) against the Respondent- Centurion Remedies Pvt Ltd, (hereinafter referred to as ‘Corporate Debtor’) under Section 9 of the IBC, 2016 read with Rule 6 of the IB (AAA) Rules, 2016 seeking for initiation of CIRP, appointment of IRP and declaration of moratorium for default in payment of operational debt of Rs.3,25,83,584/- along with interest arising from supply of goods.
2. On perusal of Part-I of Form-5, it is evident that the Operational Creditor i.e. Covalent Laboratories Pvt Ltd, having CIN: U24230TG2002PTC039606 is a private limited company incorporated according to the provisions of Companies Act, 2013 represented by its s DGM (Fin & Accts) D. Rajasekhara Reddy. The Board Resolution is annexed as **Annexure 2** with the Petition.
3. On perusal of Part-II of Form-5, it is evident that the Corporate Debtor is Centurion Remedies Pvt Ltd, bearing



CIN: U24231GJ2003PTC042254 incorporated on 21.04.2003 having its registered office at G-5/6, H-10 & F-19, Industrial Estate Gorwa, City: Vadodara, Dist: Vadodara, State: Gujarat, India - 390016. The Copy of the Master Data of the Corporate Debtor as available on the Website of Ministry of Corporate Affairs is annexed as **Annexure 3** of the Petition.

4. On Perusal of Part-III of Form-5, shows that the Operational Creditor has not proposed any name for the appointment of IRP and sought the appointment of IRP by this Tribunal as per the empanelment list of IBBI made available at the time of the admission of this Petition.
5. On perusal of Part-IV of the Form-5, shows that total operational debt as claimed by the Operational Creditor arising from the supply of goods to Corporate Debtor is Rs.3,25,83,584/- consisting of Rs. 2,74,07,150/- being principal and amount of Rs. 51,76,434/- as interest @ 12% per annum calculated up to 31.12.2025. The date of default is stated to be 17.05.2024.



6. On perusal of Part-IV and Part-V of Form-5, the Operational Creditor has placed the facts in the following manner: -

6.1 It is submitted that the Operational Creditor is engaged in the business of manufacturing and supplying bulk drugs and, in the ordinary course of its business, supplied various pharmaceutical products including cefuroxime axetil and cefixime trihydrate to the Corporate Debtor from time to time.

6.2 During the period from 17.02.2024 to 20.06.2024, the Operational Creditor raised several tax invoices for the goods supplied to the Corporate Debtor, including invoices dated 17.02.2024, 21.02.2024, 14.03.2024, 05.04.2024, 20.05.2024, 21.05.2024 and 20.06.2024.

6.3 Further consignments were supplied on 17.05.2024 and corresponding invoices were raised, and the total supplies continued till 18.09.2024 in accordance with the purchase orders placed by the Corporate Debtor.

6.4 The Corporate Debtor duly received the said consignments without raising any dispute as to the quality, quantity, or delivery of the goods at any point of time during the subsistence of the transactions.

6.5 However, despite satisfactory supply and acceptance of goods, the Corporate Debtor failed to make payment of the amounts due under the aforesaid invoices, and the Operational Creditor was constrained to issue



repeated reminders requesting clearance of outstanding dues.

- 6.6 The Corporate Debtor defaulted in making payment against the aforesaid invoices and continues to remain in default. The date of default is 17.05.2024, being the date when the payment first became due and payable and remained unpaid by the Corporate Debtor.
- 6.7 In compliance with Section 8 of the Code, the Operational Creditor issued a Demand Notice dated 24.03.2025 to the Corporate Debtor demanding payment of the outstanding operational debt.
- 6.8 The Corporate Debtor replied to the said Demand Notice raising false, vague, and frivolous disputes with an intent to evade its legitimate liability, which disputes were duly denied by the Operational Creditor by issuing a Rejoinder dated 15.04.2025.
- 6.9 However, despite raising untenable disputes, the Corporate Debtor made a part payment of Rs. 10,00,000/- on 14.11.2025 via RTGS, thereby acknowledging its liability, however, it failed to clear the remaining outstanding dues.
- 6.10 the Corporate Debtor has thus committed a continuous default in repayment of the operational debt and the amount claimed is a legally enforceable debt within the meaning of the Insolvency and Bankruptcy Code, 2016.



6.11 The Operational Creditor has also filed **Form-D** being record of debt and default issued by National E-Governance Services Limited ("**NeSL**") in which date of default is recorded as 17.05.2024 with status "**Deemed to be Authenticated**". A copy of the same is annexed with the Petition as Annexure-12.

6.12 As per the books of accounts maintained by the Operational Creditor, a total sum of Rs. 3,25,83,584/- is due and payable which consist of Rs. 2,74,07,150/- being principle and amount of Rs. 51,76,434/- as interest @ 12% per annum calculated up to 31.12.2025.

6.13 In view of the continued non-payment and default on the part of the Corporate Debtor, the Operational Creditor has filed the present Application on 18.03.2026 before this Tribunal for initiation of Corporate Insolvency Resolution Process against the Corporate Debtor.

7. The Operational Creditor has relied upon the following documents which are as under: -

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|------------|--|
| Annexure 1 | Master Data, Certificate of Incorporation, MOA & AOA of Operational Creditor |
| Annexure 2 | Board Resolution of Operational Creditor |
| Annexure 3 | Master Data, MOA & AOA of Corporate Debtor |
| Annexure 4 | Copies of Purchase Orders |
| Annexure 5 | Copies of Tax Invoices |
| Annexure 6 | Email Correspondence between parties |



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| Annexure 7 | Demand Notice dated 24.03.2025 with proof of service |
| Annexure 8 | Reply of Corporate Debtor |
| Annexure 9 | Rejoinder dated 15.04.2025 |
| Annexure 10 | Statement of Account |
| Annexure 11 | GSTR-1 & GSTR-3B |
| Annexure 12 | NeSL Record of Default |
| Annexure 13 | Balance Sheet of Corporate Debtor (FY 2022-23) |
| Annexure 14 | Balance Sheet of Corporate Debtor (FY 2024-25) |

8. In compliance with order dated 27.03.2026, the Operational Creditor filed revised Form-5 on 30.03.2026 vide Inward No. D-2788.

9. That on issuance of the notice in the Company Petition, the Corporate Debtor appeared through its Counsel and filed an Affidavit-of-Reply on 13.04.2026 vide Inward No. D-3186 denying various averments made in the Company Petition. The contentions of the Corporate Debtor are mentioned hereunder: -:

9.1 The Corporate Debtor has contended that the present Application is liable to be rejected on account of suppression of material facts and existence of pre-existing disputes between the parties, which were allegedly not disclosed by the Operational Creditor in its Application.



- 9.2 The Corporate Debtor has averred that prior to issuance of the Demand Notice dated 24.03.2025, disputes had already arisen between the parties in respect of delay in supply, short supply, and alleged deficiencies in the goods supplied by the Operational Creditor.
- 9.3 The Corporate Debtor had issued various purchase orders to the Operational Creditor, and as per the terms thereof, the goods were required to be supplied within stipulated timelines; however, the Operational Creditor allegedly failed to adhere to the agreed delivery schedule and committed breaches of contractual obligations.
- 9.4 The Corporate Debtor has specifically relied upon a tabular statement (as seen on page 3-4 of the Reply) setting out purchase orders, scheduled delivery dates, and alleged actual delivery dates, to contend that there were delays and discrepancies in supply attributable to the Operational Creditor.
- 9.5 The Corporate Debtor has further alleged that in certain instances there was short supply of goods, and in some cases, the material was not supplied at all, thereby causing financial loss and contractual breach on the part of the Operational Creditor.
- 9.6 The Corporate Debtor has relied upon various email communications dated 29.05.2024, 03.06.2025 and 09.06.2025 (as reflected in Annexure-II of the Reply),



to contend that issues relating to non-supply and delay were raised much prior to issuance of the Demand Notice.

- 9.7 In the said communications, the Corporate Debtor had allegedly informed the Operational Creditor that payments could not be processed due to incomplete supply of goods and failure to meet contractual obligations, thereby disputing the liability to pay the claimed amount.
- 9.8 The Corporate Debtor has further contended that as per the tender conditions governing supply to government entities (as reflected in Annexure-IV and the purchase order documents on pages 37-42), payments were subject to fulfillment of minimum supply thresholds (such as 95% completion), and therefore, partial supplies disentitled the Operational Creditor from claiming payment in full.
- 9.9 The Corporate Debtor has also relied upon judicial precedents, including the judgment of the Hon'ble NCLAT in ***East India Udyog Limited vs. SPML Infra Limited, Company Appeal (AT) (INS) No. 256 of 2023*** and ***ANM Pharma Private Limited vs. Centurion Laboratories Private Limited in CP (IB)/85 (AHM) 2023***, to contend that disputes regarding quality, delay, and quantum of supply constitute "pre-existing disputes" under the Insolvency and Bankruptcy Code, 2016.



- 9.10 The Corporate Debtor has further contended that the Operational Creditor has failed to place on record a complete ledger statement and that there has been no reconciliation of accounts between the parties, thereby disputing the amount claimed.
- 9.11 The Corporate Debtor has also pleaded that due to alleged defaults of the Operational Creditor, it suffered business losses, including adverse consequences in its dealings with government agencies, and penalties were imposed upon it.
- 9.12 The Corporate Debtor has further stated that it is a going concern company with ongoing business operations and financial engagements, including supply of medicines to government departments, and therefore, initiation of CIRP would be unjustified.
- 9.13 On the aforesaid grounds, the Corporate Debtor has prayed for dismissal of the present Application on account of existence of bona fide disputes, suppression of material facts, and absence of a clear and undisputed operational debt.
10. That, in compliance with order dated 07.04.2026, the Operational Creditor filed an Affidavit-in-Rejoinder on 15.04.2026 vide Inward No. D-3244 denying contentions raised by the Corporate Debtor in his reply. The contents of the Rejoinder are reproduced as follows: -



- 10.1 The present Rejoinder has been filed by the Operational Creditor in response to the Reply/Counter filed by the Corporate Debtor, denying all allegations except those specifically admitted and reiterating the contents of the Application.
- 10.2 The total operational debt due and payable by the Corporate Debtor amounts to Rs.3,25,83,584/-, comprising principal outstanding of ₹2,74,07,150/- and interest of ₹51,76,434/-, which is stated to be above the statutory threshold and duly supported by invoices and statement of accounts. (as reflected on page 1-2 of the Rejoinder)
- 10.3 The Corporate Debtor had placed multiple purchase orders upon the Applicant for supply of bulk drugs, pursuant to which the Applicant supplied goods and raised invoices from time to time, granting a credit period of 90 days for payment.
- 10.4 Upon expiry of the credit period, the amounts became due and payable; however, the Corporate Debtor failed to make payment, thereby committing default. It is further submitted that acknowledgments of liability and part-payments extend the period of limitation.
- 10.5 No dispute regarding quality, quantity, specification, or timelines of supply was ever raised by the Corporate Debtor either at the time of supply or during the credit period, and in fact, the Corporate



Debtor continued placing further purchase orders, thereby evidencing acceptance of the goods supplied.

- 10.6 Despite repeated follow-ups and reminders, the Corporate Debtor failed to clear outstanding dues and instead acknowledged the liability by stating that payments would be made upon receipt of funds from Government authorities.
- 10.7 The Demand Notice dated 24.03.2025 issued under Section 8 of the Code was replied to by the Corporate Debtor for the first time raising vague and afterthought disputes, which were reiterated in the subsequent Rejoinder Notice dated 15.04.2025.
- 10.8 Even thereafter, the conduct of the Corporate Debtor demonstrates clear acknowledgment of liability, including part payment of Rs. 10,00,000/- on 14.11.2025 after issuance of the Rejoinder Notice, thereby confirming subsisting default.
- 10.9 The Applicant has also placed on record supporting documents including invoices, statement of accounts, bank statements, GST returns and NeSL record, which cumulatively establish the operational debt, date of default and existence of liability.
- 10.10 The Corporate Debtor's reliance on alleged emails dated 29.05.2024, 03.06.2025 and 09.06.2025 is misconceived, as no proof of dispatch or authenticity has been provided, and such communications were



never raised prior to issuance of the Demand Notice, thereby constituting a “moonshine defence.”

10.11 The Corporate Debtor has taken contradictory stands, on one hand alleging non-payment due to incomplete supply, and on the other attributing delay in payment to pending receipts from Government authorities, thereby undermining the credibility of its defence.

10.12 The reliance placed by the Corporate Debtor on tender conditions and unrelated contracts is wholly misplaced, as the present transactions pertain to independent purchase orders and there exists no nexus between such documents and the operational debt claimed.

10.13 The plea of the Corporate Debtor being a going concern or having future business prospects is not a valid defence to a Section 9 petition once debt and default are established.

10.14 There is no suppression of facts by the Applicant, and the Demand Notice, Reply Notice and Rejoinder Notice were duly filed along with the Application, thereby negating the allegations of concealment.

10.15 The Corporate Debtor continued to place further orders even after alleged disputes, which clearly indicates that there was no genuine dispute regarding the quality or supply of goods.

10.16 The alleged delay or deficiency in supply is unsupported by any contemporaneous record and



appears to be an afterthought raised only after receipt of the Demand Notice.

10.17 The Corporate Debtor's reliance on judicial precedents is misplaced and distinguishable on facts, as the present case involves clear acknowledgment of debt and absence of any real dispute.

10.18 The emails placed on record, including communications dated 28.12.2024 and 30.12.2024 from the Chief Financial Officer of the Corporate Debtor (pages 7-8), clearly acknowledge outstanding dues and propose payment, thereby demolishing the defence of pre-existing dispute.

10.19 The Operational Creditor has relied upon the judgment in ***Naresh Choudhary vs. Sterling Enamelled Wires Pvt. Ltd., (2023) ibclaw.in 532 NCLAT*** to contend that acknowledgment of debt and absence of dispute satisfies the conditions under Section 9 of the Code.

10.20 The Rejoinder is also supported by additional documents which are necessary for proper adjudication and are permissible in law, particularly where they clarify the issue of acknowledgment of debt and rebut alleged disputes.

10.21 The Corporate Debtor has failed to produce any contemporaneous material evidencing a genuine dispute prior to issuance of the Demand Notice, and

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therefore the defence raised is illusory and not sustainable under Section 9 of the Code.

10.22 The emails on record clearly demonstrate that the Corporate Debtor admitted liability and only sought time for payment due to cash flow issues, thereby confirming that the default is admitted and the dispute is merely a contrived defence.

10.23 The Operational Creditor has additionally relied upon following case laws:

a. Krystal stone Exports Ltd., Vs. Stressed Assets Stabilization, (2024) ibclaw.in 215NCLAT

b. Macquarie Bank Ltd., Vs. Shilpi Cable Technologies Ltd., (2017) ibclaw.in 14 SC.

11. That, in compliance with order dated 15.04.2026, the Operational Creditor filed its written statement on 17.04.2026 vide Inward No. D-3292. The Corporate Debtor also filed its written statement on 17.04.2026 vide Inward No. D-3331.

12. We have heard Ld. Counsel for the Operational Creditor, Ld. Counsel for the Corporate Debtor, considered the oral submissions of both parties and perused the pleadings, documents placed on record and the written submissions filed by both sides. The present Petition has been filed



under Section 9 of the Insolvency and Bankruptcy Code, 2016 seeking initiation of Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor on account of default in payment of operational debt.

13. Before advertng to the rival contentions, it is apposite to examine whether the essential ingredients for admission of a Petition under Section 9 of the Code stand satisfied, namely: (i) existence of an operational debt, (ii) occurrence of default, and (iii) absence of a pre-existing dispute prior to issuance of Demand Notice under Section 8.
14. In the present case, the Operational Creditor has placed on record that it is engaged in the business of manufacturing and supplying bulk drugs and had supplied pharmaceutical products including cefuroxime axetil and cefixime trihydrate to the Corporate Debtor pursuant to purchase orders issued from time to time. The record reflects that multiple tax invoices were raised during the period from 17.02.2024 to 20.06.2024 and further supplies continued thereafter.
15. This Tribunal notes that the said invoices have not been specifically denied by the Corporate Debtor. There is no



material placed on record to show that the goods supplied were rejected at the time of delivery or that any protest was raised contemporaneously regarding quality, quantity or specifications. On the contrary, it is evident that the Corporate Debtor accepted the supplies and continued its commercial relationship with the Operational Creditor by placing further purchase orders even after the alleged period of dispute.

16. The Operational Creditor has further substantiated the existence of debt by placing on record statement of accounts, bank statements, GST returns and record of default with National E-Governance Services Limited (NeSL), wherein the date of default has been recorded as 17.05.2024 and the status of authentication is reflected as "Deemed to be Authenticated". The said documents collectively establish that an amount exceeding the statutory threshold is due and payable by the Corporate Debtor.
17. The issuance of Demand Notice dated 24.03.2025 under Section 8 of the Code is also not in dispute. The Corporate Debtor has replied to the said notice; however, the nature



and substance of the dispute raised therein require closer scrutiny.

18. The principal defence raised by the Corporate Debtor is that there existed a pre-existing dispute between the parties on account of alleged delay in supply, short supply and deficiencies in goods. In support thereof, the Corporate Debtor has relied upon certain email communications, primarily dated 29.05.2024 and subsequently dated 03.06.2025 and 09.06.2025.
19. Demand Notice under section 8 of the Code was issued on 24.03.2025. The Corporate Debtor has relied on the emails of 29.05.2024, 03.06.2025, and 09.06.2025. The email of 29.05.2024 issued by the CD to OC is prior to the issue of demand notice. We note that the email does not raise any issue which can be considered as a dispute. It only concerns with the delay in supply of material. There has been supplies later one and payments are also made after this date. Further, it is not the case of the CD that the delayed supply noted in the email is not made at all and this was the reason of stopping the payments. We note that such a delay in supplies is not an abnormal or a serious



matter and such situations do arise in most of the trading/supply relationships. To put the matter in correct perspective for better understanding, we extract the stated email below:

From: cfo@centurionremedies.com [mailto:cfo@centurionremedies.com]
Sent: Wednesday, May 29, 2024 1:44 PM
To: sales@covalentlab.com, vijaykiran@covalentlab.com,
Subject: Pending Supply Against PO BPOR230055 – Cefuroxime Axetil USP

Dear sir,

kindly note that your supply of material (2,500 kgs of Cefuroxime Axetil USP) against Purchase Order No. BPOR230055, dated feb- 2024, has not been received till date.

We request you to kindly arrange to supply the remaining material at the earliest. Please note that further payment will be processed only after receipt of the pending quantity.

Kindly treat this matter as urgent and confirm the dispatch schedule at the earliest.

Thank you for your cooperation.

Chief Financial Officer
Centurion Remedies Private Limited
G-5,6 Gorwa, BIDC, Vadodara-390 016.
www.centurionremedies.com

20. This Tribunal has minutely examined the said documents.

It is observed that except for a solitary email dated 29.05.2024, there is no consistent or contemporaneous correspondence evidencing a genuine dispute raised during the course of transactions. Even the said email is not supported by any material showing follow-up action, such

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as rejection of goods, issuance of debit notes, invocation of contractual clauses, or initiation of any legal proceedings. The said email does not establish any dispute.

21. It is further significant to note that the subsequent emails relied upon by the Corporate Debtor are of the year 2025, i.e., much after the alleged date of default and proximate to the issuance of Demand Notice. Such belated communications cannot be construed as evidence of a dispute existing prior to the Demand Notice.
22. The conduct of the Corporate Debtor, as borne out from the record, is also inconsistent with the plea of dispute. Despite alleging deficiencies in supply, the Corporate Debtor continued to place further purchase orders upon the Operational Creditor. This conduct clearly indicates that the Corporate Debtor had accepted the goods and was satisfied with the performance of the Operational Creditor.
23. More importantly, the Corporate Debtor has admittedly made a part payment of Rs. 10,00,000/- on 14.11.2025, i.e., after issuance of Demand Notice and even after raising the alleged disputes. Such payment unequivocally amounts



to acknowledgment of liability and is inconsistent with the stand that the debt itself is disputed.

24. Further, the Operational Creditor has placed on record email communications from the Corporate Debtor acknowledging the outstanding dues and seeking time for payment on account of financial constraints, particularly delays in receipt of funds from government authorities. These communications clearly demonstrate that the Corporate Debtor's inability to pay was on account of liquidity issues and not on account of any dispute regarding the underlying transaction.

25. Insofar as the contention of the Corporate Debtor regarding delay in supply and tender conditions is concerned, this Tribunal finds that the same is unsupported by any cogent evidence. No document has been placed on record to establish that the invoices in question were governed by such conditional payment clauses or that payment was contingent upon achievement of any specific supply threshold. The reliance on general tender conditions, without establishing nexus to the present transactions, is misplaced.



26. The plea regarding non-reconciliation of accounts is also found to be untenable. The Operational Creditor has placed sufficient documentary evidence including invoices, ledger statements and NeSL record establishing the outstanding dues. The Corporate Debtor has failed to produce any contrary statement of accounts or reconciliation to substantiate its contention.
27. At this stage, it is pertinent to refer to the judgment of the Hon'ble Supreme Court in ***Mobilox Innovations Private Limited v. Kirusa Software Private Limited, Civil Appeal No. 9405 of 2017*** wherein it has been held that the Adjudicating Authority, while considering an application under Section 9 of the Insolvency and Bankruptcy Code, 2016, is required to examine whether an operational debt exists; whether material has been placed on record to demonstrate that such debt had become due and payable and remains unpaid; and whether any dispute was in existence between the parties, or any suit or arbitration proceeding in relation to such dispute was pending as on the date of receipt of the demand notice. It has further been emphasized that the Authority must



discern the real substance of the defence by separating genuine disputes from mere assertions, and ought to reject any defence that is spurious, illusory, or a mere bluster. In doing so, the Authority is not required to assess the likelihood of success of such defence, nor to conduct a detailed examination of the merits of the dispute; rather, it is sufficient to ascertain whether a bona fide dispute truly exists in fact, and is not hypothetical or contrived, failing which the application would be liable to be admitted.

28. Additionally in the case of ***Saraswati Wire and Cable Industries v. Mohammad Moinuddin Khan and Ors., (2025) ibclaw.in 535 SC***, the Supreme Court held that the defence of pre-existing dispute raised by the corporate debtor was mere moonshine and lacked credible basis, as evidenced by the corporate debtor's own ledger accounts, continued payments after demand notice, and lack of substantiation for alleged disputes. The relevant extract of the said order is as follows:

"19. Applying this legal standard to the case on hand we have no hesitation in holding that the defence of pre-existing disputes sought to be put forth by the CD was mere moonshine and had no credible basis or foundation. There was no dispute worth the name existing as on the date of issuance of the demand notice by the firm warranting the withholding of the operational debt due and payable by the CD. The



attempt to project such pre-existing disputes was mere bluster and did not have the effect of non-suiting the firm.”

29. Applying the aforesaid test, this Tribunal is of the considered view that the defence raised by the Corporate Debtor does not pass the threshold of a genuine dispute. The reliance on a single email dated 29.05.2024, in the absence of any supporting contemporaneous record, coupled with subsequent acknowledgment of liability and part payment, renders the defence illusory and unsustainable.
30. This view is further fortified by the judgment of the Hon'ble NCLAT in ***Naresh Choudhary (Suspended Director of NIK SAN Engineering Company Ltd.) v. Sterling Enamelled Wires Pvt. Ltd. & Anr., (2023) ibclaw.in 532 NCLAT*** wherein it has been held that once the Corporate Debtor acknowledges the outstanding operational debt and assures payment, the plea of pre-existing dispute cannot be sustained. In the present case, the acknowledgment of liability through conduct and communications clearly demolishes the defence sought to be raised.
31. The contention of the Corporate Debtor that it is a going concern and that initiation of CIRP would adversely impact



its business operations is also not tenable in law. The scheme of the Code mandates that once debt and default are established and no genuine dispute exists, the Adjudicating Authority is bound to admit the Petition.

32. In light of the aforesaid detailed analysis, this Tribunal arrives at the following conclusions:

- i. The Operational Creditor has successfully established the existence of an operational debt supported by invoices and documentary evidence;
- ii. The occurrence of default stands proved through records including NeSL and financial documents;
- iii. The defence raised by the Corporate Debtor is not supported by credible or contemporaneous evidence and is merely based on a solitary email dated 29.05.2024;
- iv. The subsequent conduct of the Corporate Debtor, including acknowledgment of liability and part payment, negates the existence of any real dispute;
- v. The alleged dispute is therefore a “moonshine defence” within the meaning of the law laid down in ***Mobilox (supra)*** and ***Saraswati Wire and Cable Industries (supra)***.

33. Consequently, this Tribunal is of the considered view that the present Company Petition satisfies all the requirements



under Section 8 and 9 of the Insolvency and Bankruptcy Code, 2016. The outstanding even Principal Operational Debt is of more than rupees one crore which meets the threshold limit as per section 4 of the Code and is well within the limitation for filing the present Petition. Accordingly, the Company Petition filed under section 9 of the Insolvency and Bankruptcy Code for initiation of corporate insolvency resolution process against the Corporate Debtor deserves to be admitted.

34. Accordingly, in light of the above facts and circumstances, it is, **hereby ordered** as under: -

(i) The Petition bearing C.P.(IB)/109(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, **Centurion Remedies Pvt Ltd**.

(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) Since, the Operational Creditor has not proposed the name of any IRP. Therefore, from the IBBI Panel List,



Mr. Mohit Chawla, having Reg. No. IBBI/IPA-001/IP-P00524/2017-2018/10949, **(E-mail:**

camohitchawla@gmail.com) whose AFA is valid up-to 31.12.2026 is appointed 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. He shall submit his written consent in Form-2 and Registration Certificate within three days.

- (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 Adjudicating Authority 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 periodic 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.

35. Accordingly, **C.P.(IB)/109(AHM)2026** is **admitted**. 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)