



**NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH COURT VI**

Item No. P-3

C.P. (IB)/669(MB)2025

CORAM:

**SHRI SAMEER KAKAR**  
**HON'BLE MEMBER (TECHNICAL)**

**SHRI NILESH SHARMA**  
**HON'BLE MEMBER (JUDICIAL)**

ORDER SHEET OF HEARING (HYBRID) DATED **06.05.2026**

NAME OF THE PARTIES: **Lintec India Private Limited**

**Vs**

**Naxnova Technologies Private Limited**

**Under Section 9 of the IBC.**

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**ORDER**

The case is fixed for pronouncement of the order. The order is pronounced in the open court, *vide* separate order. Detailed order is being uploaded on the NCLT portal today.

**Sd/-**  
**NILESH SHARMA**  
**MEMBER (JUDICIAL)**

//VM//

**Sd/-**  
**SAMEER KAKAR**  
**MEMBER (TECHNICAL)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-VI**

**CP (IB) No.669/MB/2025**

*[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:

**LINTEC INDIA PRIVATE LIMITED**

**(Through its Authorized Representative Mr. Ankit Gupta)**

[CIN: U51909DL2012FTC244855]

5th Floor, Unit No- 507 & 508

Ashoka Estate Building-24,

Barakhamba Road, Central Delhi,

Delhi – 110001, New Delhi.

**...Operational Creditor/Applicant**

V/s

**NAXNOVA TECHNOLOGIES PRIVATE LIMITED**

[CIN: U74110MH2011PTC222752]

76/79, Astarc House, Takpada Makwana Lane,

Marol, Andheri (E)

Mumbai – 400059, Maharashtra.

**...Corporate Debtor**

**Pronounced: 06.05.2026**

**CORAM:**

**HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)**

**HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)**

**Appearances: Hybrid**

Operational Creditor: Adv. D. D. Madon, Adv. Mr. Ziyad Madon, Adv. Mr. Sukrit Kapoor, Adv. Mr. Zeeshan Farooqui, Adv. Ms. Disha Mehta, Adv. Mr. Navnit Kumar, Adv. Ms. Garima Singh i/b King Stubb & Kasiva

Corporate Debtor: Adv. Mr. Rohit Gupta a/w Adv. Ms. Prachi Dhanani, Adv. Mr. Arman Mulla i/b RTD & Partners



## ORDER

**[PER: BENCH]**

### 1. **BACKGROUND**

- 1.1 This is an Application bearing C.P.(IB) No.669/MB/2025 filed on 02.07.2025 by Lintec India Private Limited, the Applicant (Operational Creditor) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as “the AAA Rules”) through Mr. Ankit Gupta - Director of the Applicant *vide* Board Resolution dated 10.06.2025 for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) in respect of Naxnova Technologies Private Limited, the Corporate Debtor (CD).
- 1.2 The Applicant is engaged in the manufacture and supply of adhesive products.
- 1.3 The Applicant has not proposed the name of an IRP.
- 1.4 The Applicant has relied on the following documents:
- i. Copy of Master Data of the Corporate Debtor and Applicant as available on the website of Ministry of Corporate Affairs, Government of India.
  - ii. Copies of all the pending Tax Invoices, raised from 03 .02.2025 to 16.04.2025, along with corresponding Purchase Orders and the respective e-way bills evidencing the supply and delivery of goods.
  - iii. Copies of the relevant email communications following up for the payment of the pending invoices.
  - iv. Copies of email communications dated 15.05.2025 and 16.05.2025 along with emails by Operational Creditor following up for the payment schedule.
  - v. Copy of a table reflecting the breakup of the outstanding Operational Debt under each Tax Invoice, along with the corresponding due dates and amounts.



- vi. Copy of the Demand Notice dated 20.06.2025 under Section 8 of the IBC, 2016 along with proof of service.
- vii. Copy of Notice of Dispute dated 30.06.2025.
- viii. Copy of Rejoinder Notice dated 01.07.2025 issued by the counsel of the Operational Creditor.
- ix. Copy of the Letter/Certificate dated 01.07.2025 issued by the Bank of the Operational Creditor demonstrating that no payment has been received by the Operational Creditor from the Corporate Debtor from 20.06.2025 to 01.07.2025
- x. Copies of the Corporate Debtor's audited financial statements for the financial years 2023-2024, 2022-2023, and 2021-2022.
- xi. Copy of the Board Resolution dated 18.06.2025 in favor of the authorized representative of the Operational Creditor.

## **2. AVERMENTS OF THE APPLICANT**

2.1 As per Part-IV of the Application the total amount claimed to be in default by the Applicant is Rs. 9,74,86,143/- (Nine Crores Seventy-Four Lakhs Eighty-Six Thousand One Hundred Forty-Three Rupees) along with interest at the rate of 18% p.a.

2.2 It is submitted that the Applicant and the CD have been carrying on business since a considerable period of time. The CD approached the Applicant in and around February 2025 with a specific intent to procure automobile-grade adhesive products for use at their project sites located at Pelhar, Sanand and Haridwar, wherein these products were to be utilized in printing operations.

2.3 The CD issued multiple Purchase Orders (hereinafter referred to as 'POs') between February 2025 and April 2025 for the supply of specific goods as per its requirements.



The POs stipulated the payment terms, which required that payment against the corresponding invoices be made within 60 days from the date of invoice. Pursuant to issuance of the said POs, the Applicant commenced the supply of goods without any delay and raised corresponding Tax Invoices for each supply in accordance with POs. Having delivered the goods in a timely and efficient manner and the deliveries made by the Applicant in respect of the said POs the corresponding Tax invoices have never been disputed by the CD in any manner.

2.4 The Applicant made continuous follow-ups with the CD for payment of the outstanding dues. Further, the CD vide an email dated 31.03.2025 proposed a payment schedule for the amounts due and payable up to March 2025. However, despite having proposed the schedule, the CD failed to adhere to the timelines set out therein and defaulted in making the payments and the CD did not respond to the continuous follow-ups made by the Applicant for seeking payment.

2.5 The CD made partial payments against certain invoices and the same was informed by the CD vide email dated 22.04.2025. However, payments against other invoices remained pending. The Applicant resumed follow-ups for the due dates had already lapsed and the CD had defaulted making timely payments.

2.6 The Applicant, in good faith and understanding between the parties, proceeded with the supply of goods against the POs issued by the CD up to April, 2025. The Applicant consistently supplied the goods without any delay and none of the said supplies were disputed by the CD. The CD once again failed to adhere to the agreed payment terms i.e., the obligation to make payment within 60 days of supply as stipulated in the POs and corresponding Tax Invoices.

2.7 It is submitted that the CD without clearing the previous raised invoices, kept issuing additional POs in May 2025 and in response the Applicant raised a demand for



payment of the pending amounts. The CD, blatantly, vide email dated 15.05.2025, stated that the payment would be made over a period of six months and simultaneously requested the immediate dispatch of goods under newly issued PO.

2.8 The Applicant stated that further supplies would only be initiated upon receipt of a written payment schedule for outstanding invoices, duly printed on the CD's letterhead and signed by the CD's Managing Director and advance payment against proforma invoices corresponding to any future POs. The CD failed to agree to these conditions and continued to neglect the payment of the outstanding operational debt arising from the earlier invoices.

2.9 Due to these acts of non-payment of the outstanding dues by the CD, the Applicant issued a Demand Notice dated 20.06.2025 under Section 8 of the Code, through his Counsel, to the CD calling upon them to pay outstanding operational debt amounting to Rs. 9,74,86,143/-.

2.10 The CD issued a purported Notice of Dispute dated 30.06.2025 to the above stated demand notice, through his Counsel. The said notice of dispute was received by the Applicant vide an email dated 30.06.2025. The Applicant submits that the contents on the notice of dispute is sham and mala fide attempt of the CD to evade its legitimate and undisputed liability.

2.11 Accordingly, the Applicant issued a rejoinder notice dated 01.07.2025 in reply to the notice of dispute issued by the CD, denying and negating any existence of disputes as on date of issuance of Demand Notice dated 20.06.2025.

2.12 As per the agreed payment terms, the CD was obligated to make payments within 60 days from the date of supply of goods. Since the supplies were made on different dates, the due dates for each corresponding invoice vary accordingly. The first due -



date for the first invoice raised on 03.02.2025 is 04.04.2025 and the last due date for the last pending invoice raised on 16.04.2025 is 15.06.2025.

2.13 The Applicant has placed on record the NeSL record of default - Form-D *vide* an Additional Affidavit dated 28.10.2025 and submitted that the record of default has been issued in the erstwhile name of the CD, which was previously known as M/s Classic Stripes Private Limited and was subsequently renamed as Naxnova Technologies Private Limited. As the change in name was not updated on the NeSL portal, the record of default continues to reflect the old name of the CD. The Applicant has placed on record a copy of the Certificate of Incorporation dated 03.04.2024 issued by the MCA, evidencing the change in name.

2.14 The record of default shows the status of Authentication as **“Disputed”**.

### 3. CONTENTIONS OF CORPORATE DEBTOR

3.1 The CD filed the Affidavit-in-Reply on 28.08.2025 affirmed by Mr. Jitendra Thakare - authorized representative of the CD authorized *vide* Board Resolution dated 06.06.2025.

3.2 In reply, the CD submits that the preliminary objection raised is that the Applicant was aware of the pre-existing dispute raised by the CD and that this pre-existing dispute existed even prior to the issuance of Demand Notice. On 19.06.2025, one day prior to the issuance of the demand notice under Section 8 of the Code by the Applicant, the CD had unequivocally communicated the existence of pre-existing disputes between the parties. The chronology of events set out below clearly establishes that disputes existed between the parties on:

- a. 16.05.2025 i. e., when disputes began;
- b. 19.06.2025 when Corporate Debtor communicated existence of disputes;



- c. 20.06.2025 when Demand Notice was issued despite knowledge of disputes;
- d. 30.06.2025 when formal Notice of Dispute was issued, which also highlighted that the disputes between the parties involved serious questions of facts which would require detailed evidence to be led;
- e. 01.07.2025 when Rejoinder Notice was issued acknowledging disputes;
- f. 02.07.2025 when Section 9 Petition was filed.

3.3 It is submitted that the CD formally notified the Applicant on 05.04.2025, to ensure stock availability of critical materials in line with the shared forecast and requested the Applicant to ensure material availability for the current and upcoming months to avoid any disruption in supply. Despite this advance notice and the CD's efforts to maintain operational continuity, on 21.04.2025, the Applicant addressed a communication to the CD alleging overdue payments totalling Rs. 5,48,28,308/-. The CD responded the next day and communicated the release of payment of Rs. 3,10,73,278/- to the Applicant as partial payment.

3.4 The CD contests that the demand raised by the Applicant is premature in the light that each Purchase Order stipulates payment terms requiring payment against corresponding invoices within 60 days from the date of invoice, by subsequent conduct of the parties over their three decade-long commercial relationship, this payment term was effectively waived and rendered inapplicable. In the ordinary course of their commercial dealings, CD has repeatedly made payments beyond the 60-day period, and Applicant has invariably accepted such payments without protest. During FY 2023-24 and 2024-25, invoices were paid by the CD beyond 60 days. The Applicant has deliberately suppressed the crucial email communication dated



19.06.2025, wherein the CD clearly communicated the existence of pre-existing disputes.

- 3.5 The CD began facing several quality related issues with supplies from the Applicant. The quality failures by the Applicant have been systematic and persistent, including internal rejection of LC 3080 LB film due to poor ink anchorage on 12.07.2022, rejection of 600 printed sheets caused by shiny particles on 23.10.2023, Quality Failure Report issued on 27.04.2024 due to persistent ink peel-off in HLS Bright Brush Chrome film, blistering issues on ABS components reported on 11.04.2025, critical customer complaint concerning 25-micron film recorded on 10.03.2025, and on 02.04.2025, the Applicant supplied material with incorrect logo liner in breach of specifications and refused to replace it citing unavailability of stock.
- 3.6 The Applicant on 24.07.2025 raised a dispute with NeSL portal for a total outstanding amount of Rs. 9,74,86,143/- along with the said Demand Notice. The same has been disputed on the NeSL Portal on 30.07.2025.
- 3.7 The captioned Petition is nothing but an attempt to threaten the CD with the possibility of a CIRP process being initiated in order to extract monies which the Applicant would not be entitled to. In any event, the CD submits that it is a perfectly solvent company with robust financial performance. The turnover for FY 2024-25 is Rs. 534.4 crores and net profits for FY 2024-25 are Rs. 101.2 crores.

**ADDITIONAL AFFIDAVIT BY CD**

- 3.8 The CD filed Additional Affidavit dated 12.12.2025 to bring on record the second Demand Notice dated 24.07.2025 issued by the Applicant. The CD submitted as follows:



- 3.9 The issuance of multiple, successive Section 8 demand notices for the same alleged operational debt is antithetical to the scheme of the Code. Once a subsequent Section 8 notice is issued for the same claim, the earlier notice does not survive. The Applicant did not disclose this crucial document in the captioned Section 9 proceedings. This amounts to material suppression and abuse of process of law.
- 3.10 On 30.07.2025, the CD raised a dispute on the NeSL Information Utility portal in respect of the alleged debt. This dispute raised on 30.07.2025 is clearly seen at Exhibit G of the Affidavit in Reply to the captioned petition.
- 3.11 The Second Demand Notice is a statutory notice issued under Rule 5 of the AAA Rules. The mandatory particulars in Form 3 were completed and granted 10 days to either pay or communicate a dispute. The Applicant having chosen to issue a fresh statutory notice cannot now contend that the earlier notice remains operative.
- 3.12 The existence of bona fide pre-existing disputes communicated on 19.06.2025 (issued before First Demand Notice), reiterated in the reply dated 30.06.2025 and culminated in Commercial Suit No. 91 of 2025 filed on 11.07.2025 meets and exceeds the threshold laid down for rejection of the Applicant's Application where there exists a plausible contention requiring investigation not patently feeble legal argument and on this ground the Section 9 Application is liable to be dismissed.

#### **4. REJOINDER**

- 4.1 The Applicant submits that the present Application is confined to the tax invoices pursuant to respective POs issued by the CD between February and April 2025. The said invoices are undisputed in terms of quantity, quality, delivery and price.
- 4.2 It is submitted that the GST in respect of the invoices forming the subject matter of the present Application has been discharged by the Applicant and corresponding input tax credit has been availed and reflected in the account of the CD.



4.3 The CD has falsely contended that there existed a pre-existing dispute by relying on the email dated 19.06.2025. The said email clearly recorded that no dispute whatsoever existed in relation to the said invoices or the goods supplied thereunder, and cautioned the CD that in event of non-payment before 30.06.2025, the Applicant would be constrained to initiate legal proceedings.

4.4 It is submitted that the CD alleged the pre-existing dispute on the basis of the Commercial Suit bearing Commercial Suit (L) No. 21200 of 2025 filed before Hon'ble Delhi High Court. In the said proceedings, the CD has purported to set off an amount of Rs. 9,74,51,167/- which is nearly identical to the amount claimed as operational debt in the Application. This plea of set off amounts to an unequivocal admission of the existence of operational debt as being due and payable to the Applicant. Additionally, the alleged right of set off was based on a clause contained in the POs issued by the CD. The said POs makes it clear that any right of recovery or set-off is expressly confined only to damages, penalties or other dues arising from the goods supplied by the Applicant and not from continued supply of goods despite default against payments by the CD and on baseless allegation of breach of confidentiality on part of the Applicant. Therefore, the cause of action in the Commercial Suit is entirely distinct, unrelated and no bearing upon the present Application.

4.5 The relevant clause of the PO pertaining to set-off is reproduced hereunder:

*"Right of Buyer to set off: The buyer shall be entitled to recover from the seller any such due to them on account of damages, penalty or otherwise whether in respect of supplies under this order or under any if their prior or subsequent orders. "*

4.6 In regard to the contention of the CD that payment were never made within 60 days and the due dates were never to be complied with by the parties, the Applicant



submits that the payment terms were expressly stipulated by the CD itself in the PO which provided for a 60 day credit period. The Applicant repeatedly followed-up for payments within 60 days period which is evident from the email correspondence of April and May 2025 as well as earlier emails of 2023 and 2024. The Applicant filed an IA bringing on record the Ledger forming internal record of the CD which confirms both the admitted liability and the subsistence of the Applicant. The column nos. 4 and 10 of the said Ledger denote the due dates for payment against the respective invoices forming subject matter of the Application as being exactly 60 days from the date of invoices.

- 4.7 Further, there was no unilateral change in the agreed payment terms or due dates and no modification was ever consented by the Applicant neither CD shared any payment schedule with the Applicant. On this line, the CD's contention of an agreed six-month payment timeline is misconceived.
- 4.8 The contention regarding the notification by the CD vide an email dated 05.04.2025 to the Applicant for ensuring stock availability, the Applicant submits that there was never any binding obligation upon the Applicant to maintain monthly stock availability as all supplies were strictly governed by individual PO issued by the CD. Due to CD's persistent defaults in making timely payments, the Applicant in order to safeguard its financial interests, withheld further supplies and requested advance payment as a precondition for future supplies, even though the Applicant had sufficient material available to continue supplies.
- 4.9 The Notice of Dispute dated 30.06.2025 issued by the CD is baseless and devoid of merit as all the supplies were made by the Applicant in accordance with the agreed terms and stipulated timelines. It is pertinent to note that at Para No. 16 of the said Notice of Dispute, the CD has claimed an arbitrary sum of Rs. 35 Crores as alleged



damages arising from defective materials, breach of supply obligations and stoppage of supply. However, contrary to this, at Para No. 47 of the Commercial Suit filed by the CD, it has pleaded the cause of action as refusal to supply goods and alleged collusion with competitors, valuing the suit at the very same figure of Rs. 35 Crores. These contradictory claims by the CD establish that CD has created an artificial dispute with mala fide intent to derail the present proceedings.

- 4.10 With respect to the email dated 11.02.2025, the CD has deliberately suppressed the complete chain of correspondence. The concern raised by the CD regarding humidity resistance, which was duly addressed by the Applicant and the CD, despite discussing in the meeting and requesting for feedback on the same. There remains no dispute with regard to the quality of goods supplied as the CD has never suggested that it shall return or discard the goods as being unusable.
- 4.11 The email dated 02.04.2025 concerning alleged quality failure report on account of logo liner, it is submitted that discussions on the logo liner had been ongoing since September 2023 as the same was introduced to prevent duplication of goods in the Indian market. As per the meeting held on 11.04.2025, it was mutually agreed that no logo would be implemented on the liner for clear versions and goods were supplied in accordance with this understanding.
- 4.12 The CD has disputed the submission made on the NeSL portal solely on account of the Commercial Suit filed before the Hon'ble Delhi High Court. However, at no point has the CD disputed the goods supplied or the invoices raised against which the operational debt is due and payable. It is well settled that disputes raised subsequent to the issuance of a demand notice or filing of a petition cannot qualify as a pre-existing dispute.



- 4.13 Further, the CD in its Reply, has admitted that it is facing payment and cashflow issues. The CD would not have requested revision of payment timelines or withhold payments lawfully due to the Applicant, if it were solvent company.

**COUNTER AFFIDAVIT BY THE APPLICANT**

- 4.14 The Applicant has responded to the Additional Affidavit filed by the CD by filing a Counter Affidavit dated 15.12.2025. The Applicant submitted the following:
- 4.15 It is submitted that the purported Notice dated 24.07.2025, issued by NeSL, cannot be construed as a statutory Demand Notice issued by the Applicant under Section 8 of Code. The said notice neither bears the signature nor contains the name, designation, or particulars of any authorized representative of the Applicant. Further, the notice is not accompanied by any proof of authorization, including but not limited to an identity document or a board resolution authorizing the issuance of the Demand Notice. In the absence of such mandatory authorization and identification, the purported Notice dated 21.07.2025 lacks statutory sanctity and cannot be treated as a valid Demand Notice under Section 8 of the Code.
- 4.16 It is pertinent to refer to the Explanation to Section 8 of the Code, which provides that *“for the purposes of this section, a demand notice means a notice served by an operational creditor to the corporate debtor demanding payment of the operational debt in respect of which the default has occurred”*. Therefore, it is evident that the statutory demand notice must be issued by the Operational Creditor directly to the Corporate Debtor and not by any Information Utility such as NeSL.
- 4.17 The Applicant submits that it has issued only one Demand Notice dated 20.06.2025 to the CD and the communication issued by NeSL makes a reference to the Demand Notice dated 20.06.2025.



- 4.18 There has been no suppression whatsoever by the Applicant. By an Order dated 18.07.2025, this Tribunal, had directed the Applicant to file the NeSL Record of Default and accordingly, the Applicant submitted the requisite information to NeSL on 24.07.2025. On 02.08.2025, the Applicant filed the aforesaid Interim Application bringing the Form C on record and undertaking to file the Record of Default - Form D once issued. The NeSL issued the Record of Default - Form D to the Applicant on 06.10.2025, and the same was filed before this Tribunal by way of an Additional Affidavit dated 28.10.2025. Pertinently, the email dated 24.07.2025 annexed to the CD's Additional Affidavit dated 12.12.2025 was issued directly by the NeSL to the CD, and the Applicant was not marked on the same - thus, there is no question of the Applicant having suppressed this email.
- 4.19 That during the course of oral arguments on 10.12.2025, as well as in the Additional Affidavit dated 12.12.2025, the CD has repeatedly contended that while obtaining Form C from NeSL, the Applicant had two options, namely, Form C with Demand Notice and Form C without Demand Notice, and that "Form C with Demand Notice" was to be utilized only if the Applicant was issuing a fresh demand notice at that time. It was further falsely alleged that the Applicant deliberately selected the option of Form C with Demand Notice so as to issue an alleged second Demand Notice dated 24.07.2025. This contention is false and misleading as the CD has intentionally suppressed the relevant statutory framework particularly AAA Rules, which prescribe the procedure for issuance and proof of service of a Demand Notice. The said Rules expressly require the Applicant to file a copy of the Demand Notice already served upon the CD with an Information Utility such as NeSL. The selection of the option "Form C with Demand Notice" on the NeSL portal is thus merely a procedural compliance for uploading and referencing the pre-issued Demand Notice



on 20.06.2025 and does not amount to issuance of a fresh or second statutory Demand Notice under Section 8 of the Code.

4.20 The Applicant's Advocates approached the NeSL customer support helpdesk, which operates through a chatbox on the NeSL website. Upon specifically informing NeSL that the statutory Demand Notice under Section 8 of the IBC had already been served upon the Corporate Debtor, the NeSL support helpdesk categorically prescribed that, in such circumstances, the correct option to be selected on the NeSL portal is "Form C with Demand Notice", and that the option of "Form C without Demand Notice" was only to be selected when no demand notice had yet been served on the Corporate Debtor. Thus, the option of "Form C with Demand Notice" had been selected in compliance with the applicable Rules and the directions in the Order dated 18.07.2025 passed by this Tribunal, for the purpose of uploading and referencing the already-issued Demand Notice dated 20.06.2025 and in order to obtain Form C and Form D (Record of Default) from NeSL.

4.21 Further it is submitted that the CD has itself admitted, at Paragraph No. 6 of its Additional Affidavit in Reply, that it raised a dispute on the NeSL portal only on 30.07.2025, i.e., after receiving the intimation from NeSL dated 24.07.2025. This clearly demonstrates that the CD was fully aware of the said document and, notwithstanding this knowledge, has deliberately chosen to raise the dispute at this belated stage, after almost 4 months.

## **5. WRITTEN SUBMISSIONS OF APPLICANT**

5.1 The Applicant has relied on the following judgments:

- i. Hon'ble NCLAT in *Rajeev Srivastva v. Ahluwalia Contracts (India) Ltd.*, 2023 SCC OnLine NCLAT 765



- ii. Hon'ble NCLAT in Rakesh Bhailalbai Patel v. Vasundhara Seamless Stainless Tubes (P) Ltd., 2025 SCC OnLine NCLAT 1669
- iii. Hon'ble Bombay High Court in Deepak Machineries Pvt. Ltd. v. Ispat Industries Ltd. [(2005) 2 Bom CR 94]
- iv. Hon'ble NCLAT in Jyoti Strips Pvt. Ltd. v. JSC Ispat Pvt. Ltd. [2021 SCC OnLine NCLAT 82]
- v. SICOM Ltd. v. Prashant S. Tanna [2004 (2) CTC 641]
- vi. Hon'ble NCLAT in Shri Balaji Paper Pack Pvt. Ltd. v. Laxmi Crockery (Pune) Pvt. Ltd. [2022 SCC Online NCLAT 4986]

## **6. WRITTEN SUBMISSIONS OF CORPORATE DEBTOR**

6.1 The CD has relied on the following judgments:

- i. Hon'ble Supreme Court in Mobilox Innovations (P) Ltd. v. Kirusa Software Pvt Ltd. (2018) 1 SCC 353
- ii. Bhawani Prasad Mishra v. Aramco Infralinks Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 557 of 2025

## **7. ANALYSIS AND FINDINGS**

7.1 We have heard the Ld. Counsels for the Applicant and the CD and have perused the records as placed before us. Our findings in the matter are as under: -

7.2 In the present application we are posed with an interesting question which is :-

“Can, not making the payment of the invoices raised as per the agreed terms of payment as per the purchase orders based on the fact that in the past the Applicant has accepted belated payments, refusal to supply for the reason of non-payment of due amount and its insistence on advance payment by the Applicant constitute a dispute between the parties?”



7.3 In order to adjudicate upon the aforesaid issue, this Tribunal relies on the following definitions as per the Indian Contract Act, 1872 which are reproduced hereunder:

***“Section 2(e), 2(f) and 2(h) in The Indian Contract Act, 1872***

*(e)Every promise and every set of promises, forming the consideration for each other, is an agreement;*

*(f)Promises which form the consideration or part of the consideration for each other, are called reciprocal promises;*

*(h)An agreement enforceable by law is a contract;”*

7.4 As per the above definitions it is clear that a contract is a set of reciprocal promises and that in the present case the parties are bound by the POs where if a party supplies goods, the other party has the reciprocal promise to make payment for the goods received.

7.5 It is observed that the Applicant and the CD were in to the business of industrial adhesive products for CD’s project sites at Pelhar, Sanad and Haridwar in India.

7.6 It is not disputed that the POs were issued by the CD and corresponding tax invoices were raised by the Applicant for the goods supplied.

7.7 It is not in dispute that the PO issued by the respondent carried a payment term which was 60 days from the date of the invoice. Several PO’s were issued by the CD.

7.8 It is not in dispute that the CD failed to make payments within the stipulated period and when demands were raised by the applicant qua the payment, the CD had shared a payment schedule for the outstanding dues payable up to March 2025. However, despite having proposed the timeline, the CD failed to adhere to the same and defaulted in making payments in accordance with the stated schedule.

7.9 The CD continued to default in making the payments to the Applicant.



7.10 Therefore, the Applicant sent a demand notice dated 20.06.2025 under Section 8 of the Code to the CD demanding payment of the unpaid operational debt. The CD replied to the said Demand Notice *vide* Notice of Dispute dated 30.06.2025, thereby disputing the said notice. Further, the Applicant issued a Rejoinder Notice dated 01.07.2025 to the said Notice of Dispute.

7.11 It has to be noted that the CD has filed a Commercial Suit No. 91 of 2025 on 11.07.2025 against the Applicant, wherein it has pleaded the following:

“.....

*(ii) As can be seen, the total value of goods sold by the Defendant to the Plaintiff was significantly high averaging around Rs.50 Crores per year. Therefore, there were always significant outstanding on any particular date. Payments were- not made within the 60 days' timeline that was provided for in the various purchase orders/invoices. On the contrary, at any point in time, there was a significant running balance owed by the Plaintiff to the Defendant, which would be in the range of Rs. 10 Crores. Despite this, it was agreed between the parties that the Defendant would not stop supply of goods on account of previous outstanding. The ledger of the Defendant as maintained in the Plaintiff's accounts which reflects the total outstanding on various dates in FY 2024-25 (despite which outstanding the Defendant would always continue to supply goods to the Plaintiff) is annexed hereto and marked as Exhibit 'C'.*

.....

*9. In the aforesaid facts and circumstances, in the month of April 2025, the Plaintiff raised a demand on the Defendant for supply of various goods. In this regard, the Plaintiff addressed an email dated 5th April 2025 to the Defendant calling upon the Defendant to ensure availability of critical materials in line with its shared forecast and requested the Defendant to ensure material availability for the current and upcoming months, to avoid any disruption in supply. A copy of the email dated 5th April 2025 is annexed hereto and marked as Exhibit 'D'.*

*10. On the contrary, instead of agreeing to supply the goods as per the forecast, the Defendant addressed an email dated 21st April 2025 claiming that certain monies were outstanding from the Plaintiff and demanding that they must be cleared. The total outstanding as claimed by the Defendant in the said email was*



*a sum of Rs.5,48,28,308/- (Rupees Five Crores Forty Eight Lacs Twenty Eight Thousand Three Hundred Eight Only). It is pertinent to note that, even in the past, the Defendant had continued supplies to the Plaintiff even when the outstanding balance was much higher than what was claimed to be due in the said email. A copy of the Defendant's email dated 21st April 2025 is annexed hereto and marked as Exhibit 'E'*

*11. To placate the Defendant, even though the same was not 'Plaintiff immediately released a sum of Rs. 3,10,73,278/- to the Defendant with the expectation that the Defendant would continue supply of goods to the Plaintiff.*

*12. To the complete shock and surprise of the Plaintiff, instead of resuming supply, the Defendant addressed an email dated 23<sup>rd</sup> April 2025 to the Plaintiff, demanding a further sum of Rs. 2,38,00,000/- (Rupees Two Crores Thirty Eight Lacs Only) before any supplies could be made.*

*13. Thereafter, various communications were exchanged between the parties wherein the Defendant refused to supply goods to the Plaintiff but kept making unnecessary demands on the Plaintiff. From the Defendant's conduct, as set out below, it was likely that even after receipt of advance payment, the Defendant would have not made supplies to the Plaintiff".*

7.12 A perusal of the above pleadings it reveals that the CD has acknowledged the existence of outstanding dues while attempting to justify non-payment on the ground of alleged non-supply of goods which in our view, does not constitute a bona fide dispute.

7.13 The Applicant has placed before us necessary proof that the CD has availed the input GST tax credit with respect to all the invoices raised by the Applicant. The CD cannot claim that the invoices were disputed by him, however the same are accounted for and input credit on the same was claimed by it. This goes on to demonstrate the conduct of the CD.

7.14 Further, the CD *vide* an email dated 19.06.2025, intimated the issue that the goods are defective. The said email is reproduced as under:

*"Dear Mr. Junpei Odaka,*



*I confirm receipt of your email. I deny the contents of your email and nothing contained in your email shall be deemed to be admitted.*

*I am in the process of collating relevant information and records, assessing the matter internally and preparing a detailed response. You are well aware that there are pre-existing disputes between the parties, and in any case, your demand is premature.*

*We will issue a detailed response to your email shortly and expressly reserve all our rights in this regard.*

*Regards,*

*Salil Musale*

*Managing Director”*

7.15 The said communication is unsupported by any cogent material or documentary evidence and therefore, it cannot be said to be valid notice of dispute. Moreover, in the commercial suit filed by the CD, it has alleged non-supply of further goods as one of the reasons for claiming damages, however, on the other hand the CD has cited several quality related issues for demonstrating that there was a dispute. Had there been quality issues than CD would not have insisted the Applicant to maintain adequate stock ready and ensure continuous supply to it. As such, there is clear contradiction in the stand taken by the CD.

7.16 The contention raised by the CD that the amount claimed is premature as the payment term of 60 days was waived off between the parties, it is very clear that the CD has made statements that it had a long-standing business with the Applicant and has made payment to the Applicant beyond 60 days and that there are pending dues as mentioned in the Commercial Suit. The CD cannot be permitted to approbate and reprobate by acknowledging liability on one hand and disputing the same on the other. Moreover, the plea that in the past also payments were made by the CD



beyond the 60 days payment term cannot be accepted for two reasons that there was a clear written stipulation in the purchase orders issued by the CD that payment term was 60 days and only because in the past the Applicant has received belated payments does not invalidate or make the said stipulation not binding on the CD or the Applicant. There is nothing on record to show that parties had agreed to an extended payment term and that CD cannot claim that it has made default in making payment within the stipulated 60 days in the past and therefore, he would continue to make the default in future and that due to its past defaults, the payment term stands extended.

7.17 The CD has contested that the Applicant has issued two Demand Notices dated 20.06.2025 and 24.07.2025 and that the CD had raised disputes in between these Demand Notices and therefore, there exists a pre-existing dispute. However, the Applicant has not withdrawn the first Demand Notice dated 20.06.2024 and continues to hold the field in the eyes of law.

7.18 The mere issuance of a demand notice by NeSL does not in any manner vitiates the first demand notice, which was issued by the Operational Creditor.

7.19 As this issue was brought forward by the CD through an Additional Affidavit dated 12.12.2025, this Tribunal had directed the parties to refer to the judgment of **Hon'ble Supreme Court passed on 10.12.2025, in Civil Appeal No. 12261 of 2024 being Saraswati Wire and Cable Industries Vs. Mohammad Moinuddin Khan and Ors.**, wherein, while reiterating the ratio of *Mobilox*, it was held 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”.*

7.20 Therefore, applying the ratio and facts in the present case, the contention by the CD of issuing two demand notices and the existence of dispute is held to be baseless, lacking in substance, and a mere afterthought, as till the issuance of the Demand Notice dated 20.06.2025 there was no credible dispute raised by the CD.

7.21 The Applicant has placed on record the NeSL record of default in Form D, which reflects the Status of Authentication of default as ‘Disputed’ with remarks that there exists a pre-existing dispute. The Applicant has relied on the judgment of **Hon’ble NCLAT, in Rakesh Bhailalbhai Patel v. Vasundhara Seamless Stainless 4 Tubes (P) Ltd., 2025 SCC OnLine NCLAT 1669**, vide Order dated 17.10.2025, has clarified the legal position regarding marking of dispute on NeSL portal. The relevant portion of the judgment is reproduced as under:

*“79. The contention regarding the NeSL portal is also not convincing. The Code does not treat the NeSL information as determinative of the existence of a dispute. The mere marking of a debt as “disputed” on the portal, without supporting evidence, cannot override the underlying contractual documents and financial records”.*

7.22 The CD with regard to above, relied upon the judgment of Hon’ble NCLAT in **Bhawani Prasad Mishra v. Aramco Infralinks Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 557 of 2025 (Order dated 25.04.2025)**, wherein it was held that Section 9(5)(ii) (d) of the IBC is mandatory and that the application must be rejected if either notice of dispute is received or there is a record of dispute in the Information Utility. However, the said order has already been challenged before the Hon’ble Supreme Court in Civil Appeal Diary No. 26723 of 2025. In any event, in the present case, the Applicant has substantiated its claim through invoices, e-way bills and GSTR-1 filings, thereby establishing the operational debt and default.



7.23 The CD in its written submission has raised the issue that the Applicant received significant confidential information from the CD concerning customer-specific know-how and technical requirements/specifications. The Applicant violated its confidentiality obligations under the CoC by colluding with CD's top customers and making arrangements to supply them by colluding with the CD's competitors, using CD's confidential information as a springboard to manufacture customized goods as per the needs of CD's customers. This contention was raised by the CD for the first time in its written submission and no supporting evidence is placed on record to prove the same and are merely bald averments. Since, the CD has raised this contention in the written submission and not in its Reply, hence, it cannot be accepted as the Applicant did not have a chance for rebuttal for the said contention raised by the CD.

7.24 Another contention of the CD was pendency of Commercial Suit No. 91 of 2025 before Hon'ble Bombay High Court. The said suit was instituted on 11.07.2025. It is seen that the demand notice is dated 20.06.2025 and after the receipt of the said demand notice this suit was instituted. Hence, we can safely say that pendency of the said Commercial Suit will not come in way of the present matter.

7.25 Further, this Tribunal relies on the judgment of Hon'ble Supreme Court in ***Mobilox Innovations (P) Ltd. v. Kirusa Software Pvt Ltd. (2018) 1 SCC 353***, wherein it has been categorically stated that:

*"40. It is clear, therefore, that once the operational creditor has filed an application, which is otherwise complete, the adjudicating authority must reject the application under Section 9(5)(2)(d) if notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility. It is clear that such notice must bring to the notice of the operational creditor the "existence" of a dispute or the fact that a suit or arbitration proceeding relating to a dispute is pending between the parties. Therefore, all that the adjudicating authority is to see at this stage is whether there is a plausible contention which*



requires further investigation and that the “dispute” is not a patently feeble legal argument or an assertion of fact unsupported by evidence. It is important to separate the grain from the chaff and to reject a spurious defence which is mere bluster. However, in doing so, the Court does not need to be satisfied that the defence is likely to succeed. The Court does not at this stage examine the merits of the dispute except to the extent indicated above. So long as a dispute truly exists in fact and is not spurious, hypothetical or illusory, the adjudicating authority has to reject the application.”

7.26 In light of the aforesaid settled position of law and the facts in the present case, we are of the view that the contention of pre-existing dispute raised by the CD is spurious, moonshine and mere bluster. Stoppage of supply by the Applicant due to not genuine and bona fide and merely a feeble and illusory defence. Therefore, the question posed above in the analysis is answered accordingly. Stoppage of supply by the Operational Creditor due to non-payment of due invoices for past supplies, that too in terms of the purchase orders issued by the CD, in order to safeguard its financial interests, can never be termed as dispute. Therefore, the question posed in the beginning of this order is answered accordingly.

7.27 The Applicant has stated the dates of default as 04.04.2025 and 15.06.2025 which are as per the terms of the PO i.e. 60 day from the date of invoice. The Applicant filed the Application on 02.07.2025 which is within the limitation period.

7.28 In view of the above findings, it is clear that the Applicant has placed on record the necessary evidences and materials to demonstrate the existence of the operational debt exceeding the minimum threshold of Rs.1 Crore prescribed under Section 4 of the Code due and payable by the CD as well as the default in payment thereof by the CD. The Applicant has served the Demand Notice upon the CD, and that the CD has failed to establish the existence of any pre-existing dispute. The Application is



complete as all the relevant documents have been attached by the Applicant along with the Application.

7.29 As the Applicant has not proposed the name of the IRP, this Tribunal appoints **Sumedha Management Solutions Private Limited**, a registered Insolvency Professional Entity (IPE) having Registration Number **IBBI/IPE-0020/IPA-1/2022-23/50023** from the panel of IP's as given to us by IBBI.

7.30 We find that all pre-requisites of Section 9 of the Code are fulfilled and, accordingly, we are satisfied that the instant Application is fit for admission under Section 9 of the Code. The Applicant has attached all the documents as required and therefore the Application is complete.

7.31 We make it clear that at this stage we have not crystalized the amount as claimed in this Application, the same is left to be collated by the IRP.

### **ORDER**

In view of the aforesaid findings, Application bearing C.P.(IB) No.669/MB/2025 filed under Section 9 of the Code by LINTEC India Private Limited., the Applicant, for initiating CIRP in respect of **Naxnova Technologies Private Limited**, the Corporate Debtor is hereby **admitted**.

We further declare moratorium under Section 14 of the Code with consequential directions as mentioned below: -

- I. We prohibit-
  - 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 possession of the Corporate Debtor.
- II. That the supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
- III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under Section 31(1) of the Code or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.
- IV. That the public announcement of the CIRP shall be made in immediately as specified under Section 13 of the Code read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.
- V. That this Bench hereby appoints **Sumedha Management Solutions Private Limited**, a registered Insolvency Professional having Registration Number **IBBI/IPE-0020/IPA-1/2022-23/50023** and e-mail address [info@sumedhamanagement.com](mailto:info@sumedhamanagement.com) having valid Authorisation for Assignment up to 31.12.2026 as the IRP to carry out the functions under the Code.



- VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.
- VII. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of the Code. The officers and managers of the Corporate Debtor are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. Coercive steps will follow against them under the provisions of the Code read with Rule 11 of the NCLT Rules for any violation of law.
- VIII. That the IRP/IP shall submit to this Tribunal monthly reports with regard to the progress of the CIRP in respect of the Corporate Debtor.
- IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Applicant is directed to deposit a sum of Rs.3,00,000/- (Rupees Three Lakh) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid back to the Applicant on priority upon the funds available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.
- X. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai for updating the Master Data of the Corporate Debtor.
- XI. The IRP is directed to issue notice of admission upon all the statutory authorities of the Corporate Debtor without fail within a period of 7 days from the date of this order.



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- XII. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.
- XIII. The Registry is directed to immediately communicate this Order to the Applicant, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.
- XIV. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-

**NILESH SHARMA  
MEMBER (JUDICIAL)**

//VM//

Sd/-

**SAMEER KAKAR  
MEMBER (TECHNICAL)**