



**NATIONAL COMPANY LAW TRIBUNAL**  
**INDORE SPECIAL BENCH**  
**COURT NO. 1**

ITEM No.302  
CP(IB)/73(MP)2022

**Order under Section 9 IBC**

**IN THE MATTER OF:**

M/s Shubhangi Papers Pvt Ltd  
V/s  
M/s Ambika Décor Pvt Ltd

.....Applicant

.....Respondent

**Order delivered on 13/05/2025**

**Coram:**

Shammi Khan, Hon'ble Member(J)  
Sanjeev Kumar Sharma, Hon'ble Member(T)

**ORDER**

The case is fixed for pronouncement of the order.

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

Sd/-

**SANJEEV KUMAR SHARMA**  
**MEMBER (TECHNICAL)**

Tomar

Sd/-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**



**BEFORE THE ADJUDICATING AUTHORITY  
NATIONAL COMPANY LAW TRIBUNAL  
SPECIAL INDORE BENCH AT INDORE**

**CP (IB) No.73/9/MP/2022**

*(An application filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)*

In the matter of: **Ambika Décor Private Limited.**

**M/s Shubhangi Papers Private Limited**

Registered office at  
702, Shapath – II Opp Rajpath Club  
S. G. Highway, Ahmedabad, GJ 380054.

**...Petitioner/Operational Creditor**

**VERSUS**

**Ambika Décor Private Limited**

Registered office at  
48, Bharat Marg, Naliya Bakhal  
Indore, Madhya Pradesh-452 002.

**...Respondent/Corporate Debtor**

**Order pronounced on 13.05.2025**

**C O R A M:**

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

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



### **A P P E A R A N C E:**

For the Applicant/OC: Mr. Saumitra Chaturvedi, Advocate  
a.w. Mr Nilesh P. Udernani, Advocate  
(Physical in Ahmedabad)

For the Respondent/CD: Mr. Vijayesh Atre, Advocate  
(Physical in Ahmedabad)

### **O R D E R**

**(Per: BENCH)**

1. This is an application filed on 13.10.2022 by **Shubhangi Papers Private Limited** (hereinafter referred to as “the Applicant/Operational Creditor”) against **Ambika Decor Private Limited** (hereinafter referred to as “the Respondent/Corporate Debtor”) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “**IBC, 2016**”) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate Insolvency Resolution Process (**CIRP**) against the Respondent/Corporate Debtor, to appoint Interim Resolution Professional (hereinafter referred to as “**IRP**”) and declare the moratorium for having defaulted payment of its outstanding dues **Rs. 3,41,81,116/-** including interest.



2. Perusal of Part-I of the Form-5 indicates that the Operational Creditor is a Private Limited Company (CIN:U21010GJ1995PTC025549) having its registered office at 702, Shapath-II, Opp Rajpath Club, S.G. Highway, Ahmedabad, Gujarat 380 054. The application is affirmed by Mr. Sanjay Arya, Authorized Signatory of the Operational Creditor. He has been authorized by Board Resolution, dated 04.10.2022, which is annexed with the Petition as **Annexure-B**.
3. Perusal of Part-II of the Form-5 reveals that the Corporate Debtor is one Ambika Decor Private Limited, having CIN No. U20299MP2011PTC025616. The Corporate Debtor was incorporated on 18.03.2011 under the provisions of the Companies Act, 1956, having a registered office at 48, Bharat Marg, Naliya Bakhal, Indore, MP 452 002. A Copy of Master Data of Corporate Debtor from MCA website dated 27.08.2022 is annexed with the Petition as **Annexure-A**.
4. Perusal of Part-III of the Form-5 reveals that the Applicant/Operational Creditor has not nominated any IP in this matter under section 13(1)(c) of the code to act as Interim Resolution Professional (“**IRP**”).



5. Perusal of Part-IV of the Form-5 reveals that the Applicant/Operational Creditor was approached by Corporate Debtor for purchasing wrapping paper, Chemicals and Kraft paper rolls of different thickness as per the requirements of the Corporate Debtor, and the total amount in default is claimed to be Rs.3,41,81,116/- as of 27.08.2022, comprising a principal amount of Rs. 2,01,79,627/- and interest of Rs. 1,40,01,489/- calculated at 30% per annum. The date of default is mentioned as 23.06.2022 in the petition, and the debt fell due subsequently due to the delay in making payments.

6. The Operational Creditor has placed the facts through this Petition in the following manner: -

- (i) The Corporate Debtor approached the Operational Creditor to purchase wrapping paper, chemicals, and Kraft paper rolls of different sizes and thicknesses as per requirements of the Corporate Debtor, Pursuant to various negotiations and deliberations between the parties, the terms of business transactions had been decided and since then, the Operational Creditor and the Corporate Debtor have been doing business with each other for many years.
- (ii) It is stated that as per the orders received by the Corporate Debtor, the Operational Creditor was in the practice of



delivering the respective orders within the time specified by the Corporate Debtor. Delivery of goods was followed by the acknowledgement of delivery challans. It is stated that in furtherance of the said delivery of goods, on the respective dates of dispatch, the Tax Invoices were raised in the name of the Corporate Debtor.

- (iii) The Operational Creditor raised various invoices on the Corporate Debtor from 12.08.2019 to 16.06.2021 aggregating to Rs.2,01,79,627/-. Copy of the Tax Invoices raised by Operational Creditor on Corporate Debtor for the period from 12.08.2019 to 16.06.2021 are annexed with the Petition as at **Pages 27 to 71.**
- (iv) It is stated that as per the terms of the payment mentioned in the Tax Invoices, the Corporate Debtor was liable to make payments towards the respective invoices within 60 days and 30% per annum interest on delayed payments from the due date of the respective invoices. Deliveries were acknowledged through delivery challans, and tax invoices were issued on dispatch.
- (v) The Operational Creditor demanded towards principal amount of Rs.2,01,79,627/- for 45 invoices issued between 12.08.2019 and 16.06.2021 for kraft paper and related supplies. The Operational Creditor also demanded interest for an amount of Rs. 1,40,01,489/- at 30% per annum, as per invoice terms. Key invoices include Rs. 4,36,447/- (No.



111/19-20, 12.08.2019), Rs. 5,80,619/- (No. 120/19-20, 20.08.2019), and Rs. 5,69,399/- (No. 035/21-22, 16.06.2021). A copy of the working computation with principal and interest amount is annexed with the Petition as **Annexure-C** at **Pages 13-14**.

- (vi) Towards the various bills, the Corporate Debtor has admittedly defaulted in making payments towards the various bills. The Corporate Debtor was obligated to release the payments within 60 days from the date of each of the invoices. Under the request made by the Operational Creditor, the Corporate Debtor started to make ad-hoc payments towards all pending bills/invoices.
- (vii) In good faith, Operational Creditor is continuing its business transactions. Operational Creditor adjusted all the amounts received by the Corporate Debtor on FIFO basis and adjusted the amounts towards pending Invoices.
- (viii) Again, Corporate Debtor stopped making payments from 23.06.2022 onwards, stated that the delay in making payments continued to take place and several reminders/follow-ups were made by the Operational Creditor, but eventually defaulted in making payments towards the due amount of Rs. 2,01,79,627/- (Principal amount).
- (ix) That the Operation Creditor had attached invoices for reference are:-



<b>Sr No</b>	<b>Invoice No</b>	<b>Date</b>	<b>Amount</b>
1	111/19-20	12.08.2019	4,36,447
2	120/19-20	20.08.2019	5,80,619
3	122/19-20	21.08.2019	84,722
4	124/19-20	22.08.2019	4,36,442
5	136/19-20	31.08.2019	4,37,875
6	150/19-20	08.09.2019	4,39,398
7	162/19-20	15.09.2019	5,58,589
8	163/19-20	16.09.2019	1,28,369
9	177/19-20	24.09.2019	5,45,037
10	184/19-20	04.10.2019	4,43,430
11	187/19-20	05.10.2019	4,70,176
12	194/19-20	12.10.2019	2,80,846
13	198/19-20	15.10.2019	5,30,009
14	212/19-20	24.10.2019	5,35,696
15	220/19-20	01.11.2019	5,44,578
16	226/19-20	07.11.2019	1,06,394
17	234/19-20	11.11.2019	5,49,360
18	243/19-20	17.11.2019	5,36,480
19	249/19-20	26.11.2019	5,40,960
20	254/19-20	28.11.2019	1,24,841
21	274/19-20	29.10.2019	4,93,698
22	279/19-20	08.01.2020	1,27,159
23	280/19-20	08.01.2020	5,02,750
24	286/19-20	18.01.2020.	5,70,783
25	294/19-20	25.01.2020	6,20,764
26	309/19-20	12.02.2020	6,94,049
27	318/19-20	20.02.2020	6,57,216
28	335/19-20	03.03.2020	7,07,112
29	338/19-20	12.03.2020	6,04,772
30	343/19-20	18.03.2020	1,04,832





31	345/19-20	19.03.2020	6,44,980
32	005/20-21	03.06.2020	6,76,603
33	008/20-21	10.06.2020	11,69,410
34	042/20-21	02.07.2020	1,52,410
35	064/20-21	31.07.2020	6,08,104
36	194/20-21	28.11.2020	90,152
37	198/20-21	02.12.2020	16,95,849
38	215/20-21	12.12.2020	54,472
39	240/20-21	09.01.2021	85,579
40	246/20-21	19.01.2021	4,28,960
41	250/20-21	25.01.2021	54,167
42	253/20-21	01.02.2021	4,53,958
43	280/20-21	19.02.2021	20,108
44	284/20-21	20.02.2021	82,072
45	035/21-22	16.06.2021	5,69,399
<b>Total:</b>			<b>Rs. 2,01,79,627</b>

(x) The ledger account of Corporate Debtor as maintained by Operational Creditor for the period from 01.04.2019 to 29.07.2022 reflects the outstanding amount as Rs 2,01,79,627/-. Copy of Ledger account of Corporate Debtor as maintained by Operational Creditor for the period from 01.04.2019 till 29.07.2022 is annexed with the Petition at **Pages 23 to 25.**

(xi) The Operational Creditor sent email reminders between 19.08.2019 and 08.03.2022, including statements of outstanding dues. However, despite several reminders, the Corporate Debtor has failed and neglected to pay the outstanding amounts. The copies of said email



correspondence are annexed with the Petition at **Pages 72 to 81.**

(xii) Finally, on 05.09.2022, the Operational Creditor issued a demand notice in Form-3 and Form-4 under Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, demanding Rs.3,41,81,116/-, which was dispatched via registered post on 06.09.2022 and was delivered on 12.09.2022 to the Corporate Debtor. However, the Corporate Debtor neither replied nor disputed it within 10 days under Section 8(2) of the IBC, 2016.

(xiii) The Operational Creditor has also filed an affidavit with the Petition in terms of provisions of Section 9(3)(b) and 9(3)(c) of the Code and declared therein that the Corporate Debtor was served Demand Notice dated 05.09.2022. However, no notice is given by the Corporate Debtor relating to a dispute of the unpaid operational debt within the time stipulated under the IB Code which is annexed with the Petition at **Pages 92 to 94.**

**7.** That on issuance of the notice in the Petition, the Corporate Debtor has appeared and on 08.08.2023 filed its reply denying various averments made in the Petition. The Corporate Debtor has made the submissions through its reply in the following manner: -



- (i) The Corporate Debtor has claimed that the Operational Creditor has supplied the material is false, baseless, and therefore denied. The Applicant company has not supplied any material that was claimed, the Operational Creditor has attached false invoices along with the application without delivery challans that demonstrate a false claim.
- (ii) There was a dispute over all supplies made by the Operational Creditor, and the invoices raised by the Operational Creditor for which the material was never supplied, and there are no documents on record that the alleged invoices and material were ever supplied or received by the Corporate Debtor company.
- (iii) The Corporate Debtor has claimed that the invoices have been fraudulently and maliciously prepared by the Operational Creditor company for the purpose of making a false claim.
- (iv) That the Corporate Debtor denies that they have any written contract or agreement for supplying any material, and the Corporate Debtor denies placing any purchase orders from the Applicant company, and also mentioned that there is no outstanding payable.
- (v) Section 10A bars invoices worth Rs.55,71,844/- (e.g., 20.02.2021) within the moratorium period.
- (vi) No contractual relationship or acknowledgement of debt exists.



- (vii) The affidavit (Pages 92–94) is inadmissible due to non-payment of stamp duty under Article 5, Stamp Act, 1958, and lack of verification.
- (viii) Documents are unverified photocopies, non-compliant with Rule 10(1) of the IBC Rules, 2016, and Rules 23, 26 of the NCLT Rules, 2016.
- (ix) The application is fraudulent, aimed at disrupting the Corporate Debtor's status as a going concern.
- (x) The Corporate Debtor Cited precedents i.e. AIR 1952 SC 317, (1969) 3 SCC 864, and 2017 (205) Comp. Cases 666 for procedural compliance

8. The Operational Creditor has made the submissions through its rejoinder in the following manner:-

- (i) The Corporate Debtor in its reply mentioned that there was a pre-existing dispute, but the Corporate Debtor has not replied to the said demand notice and nor filed a single document wherein the sum sought by the Operational Creditor has been disputed.
- (ii) The reply lacks evidence of a genuine pre-existing dispute under Section 9, IBC. Hon'ble Supreme Court in the case of **Rajratanlal Babulal Agarwal V/s Solartex India (P) Ltd.** Reported in (2023) 1 SCC 115 has categorically held and reiterated the position of law that a pure pre-existing dispute must exist to reject the application under Section 9 of the Code.



- (iii) The Corporate Debtor accepted goods (Wrapping Paper, Chemicals, Kraft Paper rolls) without objection. Statements of Account sent to their email were undisputed. The Statutory Demand Notice dated 05.09.2022, served on 12.09.2022 with supporting documents, received no response, indicating objections are an afterthought.
- (iv) Claims of false materials and fabricated invoices are denied, supported by the Tribunal's order dated 16.02.2023 (Annexure-A1) and Settlement Deed dated 25.03.2023 (Annexure-A3 Colly).
- (v) The Corporate Debtor acknowledged the debt via an email dated 25.03.2023, offering Rs.1,49,12,172/- against the claimed Rs.3,41,81,116/-, estopping them from disputing the debt. Email dated 25.03.2023 with Settlement Deed and response dated 29.03.2023 are annexed as Annexure-A3 Colly (pages 16-19). Earlier correspondence dated 20.03.2023 with a Draft Settlement Agreement is annexed as Annexure-A2 Colly (pages 13-15).
- (vi) Section 10A of IBC is inapplicable, as invoices start from 12.08.2019, showing continuous default.
- (vii) The reply's baseless allegations, unsupported by evidence, aim to mislead the Tribunal and evade payment of the admitted debt, reflecting mala fide intent. Settlement



efforts recorded in Tribunal orders (Annexure-A1) contradict the reply's disputes.

- (viii) The Corporate Debtor's emails dated 20.03.2023 (Annexure-A2 Colly) and 25.03.2023 (Annexure-A3 Colly) proposed settlements, rejected on 29.03.2023 as inadequate and unilateral, suggesting delay tactics before the 31.03.2023 hearing.
- (ix) As per Operational Creditor, it is crystal clear that the Corporate Debtor has accepted the delivery of Wrapping Paper, Chemicals, and Kraft Paper rolls of different thickness without raising any dispute.
- (x) The Operational Creditor seeks admission of the petition, citing the admitted debt, lack of genuine dispute, and compliance with IBC requirements.

**9.** It is observed that on 16.02.2023, the Tribunal noted the Corporate Debtor's settlement intent (Annexure-A1). A settlement offer of Rs.1,49,12,172/- was made on 25.03.2023, rejected by the Operational Creditor on 29.03.2023 (Annexure-A3).

**10.** Per the Tribunal's order dated 28.03.2025, both parties filed compliance affidavits (14.04.2025), with the Operational Creditor submitting Form GSTR-1, detailing the invoices issued



to the Corporate Debtor, Ambika Dekor Private Limited, for the financial years 2019-20, 2020-21, and 2021-22 as well as Form GSTR-3B for multiple return periods, including August 2019 to March 2020, June 2020 to July 2020, November 2020 to February 2021, and June 2021 (Annexure-A2, A3). The Corporate Debtor also confirmed by way of affidavit that the input tax credit was claimed based on the invoices duly reported in the Operational Creditor's GSTR-1 and GSTR-3B filings.

**11.** The Operational Creditor, through **a** written submission, submitted that: -

- (i) The debt is substantiated by 45 invoices (12.08.2019 to 16.06.2021, Annexure, Pg. 27-71), ledger statements (Annexure-C), Form GSTR-1 and GSTR-3B (Annexure-A2, A3), and the Corporate Debtor's settlement offer (25.03.2023, Rs.1,49,12,172/-, Annexure-A3).
- (ii) No pre-existing dispute exists, as goods were accepted without objection, statements of account went undisputed, and the demand notice (05.09.2022) was not contested (Rajratanlal Babulal Agarwal Vs. Solartex India, (2023) 1 SCC 115).
- (iii) Section 10A is inapplicable, as the default began on 12.08.2019, predating the moratorium (25.03.2020 to



25.03.2021), and was acknowledged post-moratorium (25.03.2023).

- (iv) The Corporate Debtor's reply (08.08.2023) is procedurally invalid, filed post-deadline (06.08.2023, Annexure-A1).
- (v) Form GSTR-1 screenshots for 2019-20, 2020-21, and 2021-22 detail invoices issued to the Corporate Debtor (Annexure-A2).
- (vi) Form GSTR-3B printouts verify outward supplies, ITC, and tax payments, signed by Shri Sanjay Arya (Annexure-A3).
- (vii) Admission of the petition, CIRP initiation, appointment of an Interim Resolution Professional (IRP), moratorium under Section 14, and recovery of Rs. 3,41,81,116/-.
- (viii) The Operational Creditor relied on several judgments to support its position: -
  - (a) Mr. Ishrat Ali Vs. The Cosmos Cooperative Bank Ltd. (Company Appeal (AT) No. 373/2020, 24.05.2022): Acknowledgment extends limitation.
  - (b) Raghavendra Joshi Vs. Axis Bank Ltd. (Company Appeal (AT) No. 914/2023, 18.08.2023): No dispute if no prior objection.
  - (c) ITC Limited Vs. Blue Coast Hotels Limited (Civil Appeal No. 2928-30/2018, 19.03.2018): Settlement offers acknowledge debt.
  - (d) Arce Polymers Pvt. Ltd. Vs. Alphine Pharmaceuticals Pvt. Ltd. (Civil Appeal No. 7372/2021, 03.12.2021): Procedural compliance is mandatory.





**12.** The Corporate Debtor, through a written submission, submitted that: -

- (i) The CD claims the OC's invoices (Annexure - Invoices, Page 23-25) are fabricated, with no material supplied or acknowledged by the CD, a defense unanswered by the OC.
- (ii) The invoices, marked "original for recipient" or "duplicate for transporters" (Annexure - Invoices, Page 23-25), were never served, indicating non-delivery.
- (iii) The CD rejects the ledger (Annexure - Ledger, Page 23-25) as manipulated. The claimed Rs.2,01,79,627.72 includes:
- (iv) Rs.62,37,742.72 opening balance without invoices (Page 23).
- (v) Rs.61,99,962 for 01 April 2019 to 05 August 2019 without invoices (Page 23).
- (vi) Rs. 55,71,844 for Section 10A period (Page 24-25).
- (vii) Net claim reduces to Rs.21,70,078, below IBC Section 4 threshold.
- (viii) A blank agreement was shared but not signed (Annexure - Rejoinder, Page 13). The OC allegedly manipulated it, and the CD denies liability acknowledgment.



- (ix) Interest cannot be included to meet the IBC threshold, making the claim baseless.
- (x) The OC's affidavit (Annexure - Affidavit, Page 92-94) lacks stamp duty per Madhya Pradesh Stamp Act, 1958, and is inadmissible.
- (xi) The affidavit fails to verify annexures, violating the Insolvency and Bankruptcy Rules, 2016, and NCLT Rules, 2016. Photocopied documents require affidavit verification.
- (xii) The OC's application, based on forged documents, is malicious and should be dismissed

**13.** The Corporate Debtor, through a Revised Written Submission, also submitted that: -

- (i) The Operational Creditor claims an outstanding amount of Rs.2,01,79,627.72ps. (Annexure: Pages 25, 93 of the Application).
- (ii) However, Invoices during the Section 10A period amount to Rs.55,71,844/- (Annexure: Pages 24-25), leaving a balance of Rs. 1,46,07,783/-.
- (iii) The Operational Creditor admits receiving Rs.1,24,70,850/- (Annexure: Pages 23-25), reducing the outstanding amount to Rs. 21,36,933, which is below the threshold for initiating insolvency proceedings.



- (iv) The Operational Creditor (OC) and Corporate Debtor (CD) are long-term business associates. A blank draft agreement was shared by the CD but was not signed due to significant differences (Annexure: Page 13 of the Rejoinder).
- (v) The CD denies signing or sharing any agreement acknowledging the claimed amount, asserting that negotiations do not constitute admission of liability.
- (vi) The Date of Default is 23.06.2022 (Annexure: Pages 17-18). No interest can be claimed before this date.
- (vii) The Operational Creditor's ledger (Annexure: Pages 23-25) does not reflect any booked interest.
- (viii) No TDS was deposited with the Income Tax Department for the alleged interest.
- (ix) The Operational Creditor never demanded interest before issuing the Statutory Notice of Demand, thereby waiving any claim to interest.
- (x) The affidavit supporting the Application (Annexure: Pages 92-94) is inadmissible due to non-payment of stamp duty under Article 5 of the Stamp Act, 1958 (Madhya Pradesh).
- (xi) The affidavit fails to verify the annexed documents, which are photocopies and secondary evidence, requiring verification by affidavit as per Rule 10(1) of the Insolvency



and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, and Rules 23 and 26 of the NCLT Rules, 2016.

- (xii) The Application seeks recovery of an amount below the threshold and is procedurally deficient. The Corporate Debtor submits that it deserves dismissal in the interest of justice.

**14.** It is observed that on 28.03.2025, the Corporate Debtor stated that a blank Settlement Agreement was sent to the Operational Creditor on 20.03.2023 (Annexure A/2) and another blank Deed of Settlement on 25.03.2023. The Operational Creditor's counsel argued that the 25.03.2023 Deed (Annexure A/3) contained a filled settlement amount. However, the Corporate Debtor's counsel, on client instructions, denied this, claiming it was blank. Therefore, both parties were directed to attend the next hearing with laptops to examine the email and attachment.

**15.** On 23.04.2025, the Operational Creditor displayed the 25.03.2023 email, showing the Deed of Settlement with a filled amount. The Corporate Debtor's director, present in court, confirmed the filled amount in the Settlement Agreement, resolving the dispute in the Operational Creditor's favour.



**16.** We have heard the counsel for both sides and have perused the record. Based on the pleadings, documents, written submissions, as well as oral submissions, the following issues are framed for determination: -

- (i). Whether the application filed by the Operational Creditor under Section 9 of the IBC is **“Maintainable, Complete, and Compliant”** with the provisions of the IBC and the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016?
- (ii). Whether there exists an **“Operational Debt”** exceeding Rs.1.00 Crore, as required under Section 4 of the IBC, owed by the Corporate Debtor to the Operational Creditor?
- (iii). Whether the Corporate Debtor is in **“Default of the Operational Debt”** as claimed by the Operational Creditor?
- (iv). Whether there exists a **“Pre-existing Dispute”** regarding the operational debt that would bar the admission of the application under Section 9 of the IBC?
- (v). Whether any invoices fall within the moratorium period under **“Section 10A”** of the IBC, rendering them ineligible for consideration in this application?
- (vi). Whether the Operational Creditor is entitled to initiate CIRP against the Corporate Debtor?

**17. The Issue No.(i): Maintainability and Compliance:**

- (i) The application is filed in Form 5 under Rule 6 of the IBC Rules, 2016, and is accompanied by: A Board Resolution dated 04.10.2022 authorizing Mr. Sanjay Arya



(Annexure-B). A Demand Notice dated 05.09.2022 in Form 3 and Form 4, served on 12.09.2022 (Pages 92-94). An Affidavit under Section 9(3)(b) confirming no dispute was raised by the Corporate Debtor. Supporting documents, including 45 invoices (Pages 27-71), ledger accounts (Pages 23-25), Form GSTR-1 and GSTR-3B (Annexure-A2, A3), and email correspondence (Pages 72-81).

- (ii) The Corporate Debtor's objection regarding the affidavit's admissibility due to non-payment of stamp duty under the Madhya Pradesh Stamp Act, 1958, is untenable.
- (iii) The affidavit complies with Section 9(3)(b) and 9(3)(c) of the IBC, and the IBC Rules do not mandate stamp duty for affidavits filed before the NCLT. Moreover, the objection lacks specificity and evidence of non-compliance with stamp duty requirements.
- (iv) The Corporate Debtor's claim that the annexed documents are unverified photocopies is also unsustainable. The invoices, ledger accounts, and GST filings are corroborated by the Corporate Debtor's own affidavit confirming ITC claims, which align with the Operational Creditor's Form GSTR-1 and GSTR-3B.
- (v) The documents satisfy Rule 10(1) of the IBC Rules and Rules 23, 26 of the NCLT Rules, as they are duly certified by the Operational Creditor's authorized signatory.



- (vi) Accordingly, the application is maintainable and compliant with the IBC and its Rules.

**18. The Issue No.(ii): Existence of Operational Debt:**

- (i) The Operational Creditor claims an operational debt of Rs.3,41,81,116/-, comprising: -

Principal amount: Rs.2,01,79,627/- for 45 invoices issued between 12.08.2019 and 16.06.2021.

Interest: Rs.1,40,01,489/- at 30% per annum as per invoice terms.

- (ii) The invoices (Pages 27-71) detail the supply of wrapping paper, chemicals, and kraft paper rolls, with amounts ranging from Rs. 20,108/- to Rs.16,95,849/-. The ledger account (Pages 23-25) for 01.04.2019 to 29.07.2022 reflects an outstanding principal of Rs.2,01,79,627/-. The Corporate Debtor's ITC claims, as confirmed by affidavit, corroborate the supply, as they align with the Operational Creditor's Form GSTR-1 and GSTR-3B (Annexure-A2, A3).

- (iii) The Corporate Debtor disputes the debt, alleging: -

(a) An opening balance of Rs.62,37,742/- and transactions of Rs.61,99,962/- (pre-12.08.2019) lack invoices.

(b) Invoices of Rs.55,71,844/- fall under Section 10A.



- (c) Payments of Rs.1,24,70,850/- reduce the debt to Rs. 21,36,933/-, below the Rs. 1 crore threshold.
- (iv) The opening balance and pre-12.08.2019 transactions are reflected in the ledger, which was undisputed by the Corporate Debtor until the reply. The Section 10A issue is addressed under **Issue (v)**.
- (v) The payment of Rs.1,24,70,850/- is acknowledged but adjusted on a FIFO basis per the Operational Creditor's practice, leaving Rs.2,01,79,627/- as principal outstanding, as corroborated by the ledger and GST filings.
- (vi) The Corporate Debtor's acknowledgment of Rs.1,49,12,172/- in the Settlement Deed dated 25.03.2023 (Annexure-A3), confirmed on 23.04.2025, further establishes the debt's existence. Thus, an operational debt exceeding Rs.1.00 crore exists.

#### **19. The Issue No.(iii): Default of the Operational Debt:**

- (i) The date of default is 23.06.2022, when the Corporate Debtor ceased payments, as per the petition and ledger. The invoices required payment within 60 days, and unpaid amounts from 12.08.2019 to 16.06.2021 remain outstanding. Email reminders (Pages 72-81) and the unanswered Demand Notice (served 12.09.2022) evidence persistent default.





- (ii) The Corporate Debtor's claim of ad-hoc payments is acknowledged, but the ledger reflects adjustments on a FIFO basis, leaving Rs.2,01,79,627/- unpaid. The Settlement Deed dated 25.03.2023 and ITC claims further negate any assertion of full payment. Accordingly, the Corporate Debtor is in default of the operational debt.

## **20. The Issue No.(iv): Pre-existing Dispute:**

- (i) Under Section 8(2) of the IBC, a dispute must be pre-existing, genuine, and substantiated, per ***Mobilox Innovations Pvt. Ltd. Vs. Kirusa Software Pvt. Ltd. [(2018) 1 SCC 353]***. The Corporate Debtor alleges a dispute, claiming fabricated invoices, non-delivery of goods, and no contractual relationship.
- (ii) These allegations are unsupported by evidence. The Corporate Debtor accepted goods without objection, as evidenced by ITC claims aligning with the Operational Creditor's GST filings. Statements of account sent via email (Pages 72-81) were undisputed, and the Demand Notice was not contested within 10 days. The Settlement Deed dated 25.03.2023, offering Rs.1,49,12,172/-, estops the Corporate Debtor from disputing the debt, per ITC Limited Vs. Blue Coast Hotels Limited [Civil Appeal No. 2928-30/2018].
- (iii) The Corporate Debtor's reply lacks documents demonstrating a prior dispute, and its objections appear



as an afterthought, not a genuine dispute under ***Rajratanlal Babulal Agarwal Vs. Solartex India (P) Ltd. [(2023) 1 SCC 115]***. Thus, no pre-existing dispute exists to bar admission.

**21. The Issue No.(v): Section 10A Applicability:**

- (i) The Corporate Debtor claims that invoices worth Rs. 55,71,844/- fall within the Section 10A period (25.03.2020 to 25.03.2021). These invoices, as per the ledger (Pages 24-25), include [list key invoices, e.g., No. 005/20-21 dated 03.06.2020 for Rs.6,76,603/-]. However, the default commenced on 12.08.2019, well before the moratorium, and continued post-moratorium, as evidenced by the Settlement Deed dated 25.03.2023. Even excluding the Section 10A invoices, the remaining debt of Rs.1,46,07,783/- exceeds the Rs.1.00 Crore threshold under Section 4 of the IBC.
- (ii) The default began on 12.08.2019, pre-dating the moratorium, and continued post-moratorium, as evidenced by the ledger and Settlement Deed dated 25.03.2023. The invoices from 25.03.2020 to 25.03.2021 form part of a continuing default, not an isolated event within the moratorium. The application filed on 13.10.2022 is within the limitation period under Section 18 of the Limitation Act, 1963, as the date of default is 23.06.2022, and the Corporate Debtor's acknowledgment of debt on 25.03.2023 (Annexure-A3) further extends the



limitation period, as held in ***Mr. Ishrat Ali Vs. The Cosmos Cooperative Bank Ltd. [Company Appeal (AT) No. 373/2020]***.

- (iii) Even excluding Section 10A invoices, the remaining debt (Rs.1,46,07,783/-) exceeds Rs.1.00 Crore. Thus, Section 10A does not bar the application.

## **22. The Issue No.(vi): Entitlement to CIRP:**

- (i) Having established an operational debt of Rs.1,46,07,783/-, default from 23.06.2022, and no pre-existing dispute, the conditions under Section 9 of the IBC are satisfied. The Operational Creditor is entitled to initiate CIRP, including:
- (ii) The Corporate Debtor's objections regarding procedural deficiencies, fabricated invoices, and Section 10A are untenable, as discussed. The Settlement Deed and ITC claims affirm the debt's legitimacy, and the application complies with all statutory requirements.

**23.** In light of the foregoing exhaustive analysis, the Tribunal concludes that the application filed under Section 9 of the IBC is maintainable, and the Operational Creditor has proven an operational debt of Rs.1,46,07,783/-, default from 23.06.2022, and the absence of a pre-existing dispute. The admitted debt of Rs.1,46,07,783/- is calculated by excluding invoices falling



within the Section 10A period (Rs.55,71,844/-) from the principal amount of Rs. 2,01,79,627/-, as per the ledger (Pages 23-25). While the Corporate Debtor acknowledged Rs.1,49,12,172/- in the Settlement Deed dated 25.03.2023, the Tribunal adopts the conservative figure of Rs.1,46,07,783/- to ensure compliance with Section 10A, which still exceeds the Rs. 1.00 Crore threshold under Section 4 of the IBC. Hence, the 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.

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

- (i) The Respondent/Corporate Debtor **Ambika Decor Private Limited** is **admitted** in the Corporate Insolvency Resolution Process under section 9(5) of the Code.
- (ii) As a consequence thereof, an Interim Resolution Professional (**IRP**) is appointed, a moratorium under Section 14 of the 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 Securitization 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 Interim Resolution Professional (**IRP**). Therefore, from the Panel list of **IBBI** dated 01.01.2025, we hereby appoint **Mr. Amit Chopra**, having Registration No. IBBI/IPA-001/IP-P00939/2017-2018/11543, having (**e-mail**: amit.chopra.ca@gmail.com) Mobile No. 9302172979 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 the 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 its 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 the 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 company' and manage the operations of the Corporate Debtor company 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.5,00,000/- (Rupees Five 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 the MCA portal, specifically mentioning 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.

**25.** Accordingly, this Petition being **CP(IB)/73/9/MP/2022** is **admitted**. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

**SANJEEV KUMAR SHARMA**  
**MEMBER (TECHNICAL)**

Sd/-

**SHAMMI KHAN**  
**MEMBER (JUDICIAL)**