

NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1



ITEM No.201
RCP(IB)/1(MP)2025

(Old Case)

(MP) CP(IB) 63 of 2020

Restored on 14-05-2025

Order under Section 9 IBC

IN THE MATTER OF:

Orson Chemicals Through Its Partner Mr. Narayan
Prasad Goenka

.....Applicant

V/s

Creative Quartz LLP

.....Respondent

Coram:

Mr. Brajendra Mani Tripathi, Hon'ble Member(J)

Mr. Man Mohan Gupta, Hon'ble Member(T)

PRONOUNCEMENT ORDER

Delivered on 06/03/2026

The case is fixed for pronouncement of the order. The order is pronounced in open Court *vide* separate sheet.

Sd/-

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

INDORE BENCH

RCP (IB) / 1 (MP)/ 2025

IN

CP (IB)/ 63 (MP)/ 2020

[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:

ORSON RESINS AND COATINGS PRIVATE LIMITED

(Formerly known as M/S Orson Chemicals)

Having its registered office at Plot No 13, SR No 46/1

Daman Ganga Industrial Estate,

Athal, Silvassa, Dadra & Nagar Haveli,

India – 396230

....Operational Creditor/Applicant

Versus

Creative Quartz LLP

A Limited Liability Partnership,

Having its registered office at F-03, I Floor,

Badri Vishal Plaza, Old High Court Lane,

Near Kali Mata Temple, Lashkar, Gwalior,

Madhya Pradesh – 474001.

....Corporate Debtor/Respondent

C O R A M:

HON'BLE SH. BRAJENDRA MANI TRIPATHI, MEMBER (J)

HON'BLE SH. MAN MOHAN GUPTA, MEMBER (T)

Order Pronounced on 06.03.2026



Appearance:

For the Applicant : Mr. Prateek Gupta, Ld. Advocate

For the Respondent : Mr. Sanyam Khetarpal, Ld. Advocate

Mr. Animesh Jha, Proxy, Ld. Advocate

JUDGEMENT

1. The present petition has been filed by **M/s Orson Chemicals** (hereinafter referred to as “**Operational Creditor**”) on 03.08.2020 seeking to initiate Corporate Insolvency Resolution Process (hereinafter referred to as “**CIRP**”) against **Creative Quartz LLP** (hereinafter referred to as “**Corporate Debtor**”) having Identification Number as (DNH/07/07) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “**Code**”) for having committed a default in payment of its outstanding operational debt amounting to **Rs. 1,33,24,490/-** (Rupees One Crore Thirty Three Lacs Twenty Four Thousand Four Hundred and Ninety Only) , inclusive of interest. The **date of default** as stated by the operational creditor is **16.02.2019**.

2. On perusal of **Part-I of the Form-5**, it is revealed that the Operational Creditor is **M/s Orson Chemicals**, a Registered Partnership Firm having its registration number as **DNH/07/07**. The Operational Creditor had its registered office situated at **603, De-Elmas Building, Sonawala Cross Road No. 2, Goregaon (East)**,



Mumbai, Maharashtra - 400 063. This application is filed through **Mr. Narayan Prasad Goenka**, who is a Partner of the firm and has been duly authorized to initiate these proceedings via an **Authority Letter** which is annexed to the petition at **Annexure A-3**. Subsequently, the firm was converted into Private Limited Company under the name **ORSON RESINS AND COATINGS PRIVATE LIMITED** having its registered address at Plot No 13, SR No 46/1 Daman Ganga Industrial Estate, Athal, Silvassa, Dadra & Nagar Haveli, India - 396230.

3. On perusal of **Part-II of the Form-5**, it is revealed that the Corporate Debtor is **Creative Quartz LLP**, a Limited Liability Partnership incorporated on **22.09.2015**, having Limited Liability Partnership Identification Number (**LLPIN**): **AAE-8004**. The registered office of the Corporate Debtor is situated at F-03, I Floor, Badri Vishal Plaza, Old High Court Lane, Near Kali Mata Temple, Lashkar, Gwalior, Madhya Pradesh - 474001.
4. On perusal of **Part-III of the Form-5**, it is observed that the Operational Creditor has not proposed the appointment of an Interim Resolution Professional (hereinafter referred to as "**IRP**").
5. On perusal of **Part-IV of the Form-5**, the details of the operational debt and default are tabulated as follows:



Particulars	Details
Total Amount of Debt Claimed	Rs. 1,33,24,490/-
Principal Amount	Rs. 88,36,198/-
Interest Component	Rs. 44,88,292/- (Calculated @ 22% p.a., calculated upto 31.12.2019)
Date of Default	16.02.2019 (Date of the last payment received by the Applicant)

Submissions by the Operational Creditor/Applicant:

6. It is submitted by the Operational Creditor that the present application is filed due to corporate debtor's failure in making payment of the debt amount of **Rupees 1,33,24,490/-** which is inclusive of interest. The total **principal amount** in default is Rupees **88,36,198/-** and the **interest** is calculated @ **22% per annum**, upto 31.12.2019 which come to Rupees 44,88,292/-.
7. It is further submitted by the Operational Creditor that it had supplied the material being "**Unsaturated Polyester Resins**" (hereinafter referred to as "**Material**") to the corporate debtor from November 2016 till August 2017. The Corporate Debtor has defaulted in making payment against the last six invoices raised during the period from 05.06.2017 to 26.08.2017, after adjusting the payments made by the Corporate Debtor on a First-in-First-Out (FIFO) basis. As per the understanding between the parties, the due date of the



invoice was 60 days and interest @ 22% per annum is to be levied after the due date.

8. It is submitted by the Operational Creditor that the operational creditor vide its various emails from 14.08.2017 to 07.03.2018 requested the corporate debtor to make the payment of the overdue bills but to no avail. Although, the corporate debtor had admitted its liability to make the payment vide its email dated 15.08.2017 and 01.03.2018.

9. It is submitted by the Operational Creditor that thereafter, the parties entered into a **settlement agreement dated 13.03.2018** wherein the corporate debtor agreed to make the payment of Rupees 1,10,36,198/- and a schedule of payment was reduced in writing wherein entire debt amount was required to be paid till **30.08.2018**, which is as under:

Cheque No.	Amount (INR)	Scheduled Date	Bank Name
969263	Rs. 20,00,000/-	25th – 30th March 2018	Karnataka Bank
969264	Rs. 15,00,000/-	25th – 30th April 2018	Karnataka Bank
969265	Rs. 15,00,000/-	25th – 30th May 2018	Karnataka Bank
969266	Rs. 20,00,000/-	25th – 30th June 2018	Karnataka Bank
969267	Rs. 20,00,000/-	25th – 30th July 2018	Karnataka Bank
969268	Rs. 20,36,198/-	25th – 30th August 2018	Karnataka Bank



- 10.** It is further submitted by the Operational Creditor that despite the execution of the settlement agreement, the corporate debtor failed to make the payment as agreed and again defaulted in making the payment of the settlement amount.
- 11.** It is submitted by the Operational Creditor that it, vide its various emails dated 05.06.2018, 13.06.2018, 19.06.2018 and 23.06.2018 requested the corporate debtor to make the payment as per the agreed schedule, however, to no avail. The corporate debtor vide its emails dated 06.06.2018 and 04.10.2018 again admitted its liability towards the operational creditor and requested more time to make good the payment but to no avail.
- 12.** It is submitted by the Operational creditor that it issued a Legal Notice dated 02.11.2018 to the corporate debtor calling upon the Corporate Debtor to make the payment **within 15 days** of the receipt of the notice. In response to the Legal Notice dated 02.11.2018 issued on behalf of the Operational Creditor, the Corporate Debtor vide its letter dated 15.11.2018, while admitting its liability towards the Operational Creditor, falsely stated that the Corporate Debtor has made payment of Rupees 44 Lacs in cash as security to the Operational Creditor whereas the fact of the matter is that no such security of Rupees 44 Lacs was ever given by the Corporate Debtor to the applicant.



13. It is submitted by the Operational creditor that vide its Notice dated 22.11.2018 and 11.12.2018 and email dated 31.01.2019, it clarified that no such amount of Rupees 44 Lacs was ever given by the Corporate Debtor and also called the Corporate Debtor to make the payment of the due amount. However, the Corporate Debtor neither paid the overdue amount nor replied to the correspondences issued by the Operational Creditor. Furthermore, a **Debit Note dated 01.02.2019** for interest @ 22% p.a. was also issued to the Corporate Debtor, which was duly received by the Corporate Debtor without any objection or protest.

14. It is submitted by the Operational creditor that thereafter, the Corporate Debtor made a part-payment of **Rs. 7,00,000/- on 16.02.2019**. However, the total outstanding, even after this small part-payment was Rupees 88,36,198/-.

15. It is submitted by the Operational creditor that in view of the default, the Operational Creditor was constrained to issue a **Demand Notice dated 06.01.2020** in **Form 3**, under Section 8 of the IBC read with Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, thereby requesting the Corporate Debtor to make payment of unpaid operational debt of Rupees 1,33,24,490/- in full within 10 days of receipt of the notice. The said Demand Notice dated **06.01.2020** was served on the corporate debtor by **email** dated **10.01.2020** on the registered email of the corporate debtor. It



is also submitted that the notice sent by the registered post was received back.

16. Consequently, it is submitted that the Corporate Debtor remains in continuous default of an operational debt totalling **Rs. 1,33,24,490/-** (Rupees One Crore Thirty-Three Lacs Twenty-Four Thousand Four Hundred and Ninety Only). This total claim comprises a principal sum of **Rs. 88,36,198/-** and accumulated interest of **Rs. 44,88,292/-** calculated at the contractual rate of 22% per annum up to 31.12.2019.

17. The Operational Creditor has relied upon the judgement of ***Mobilox Innovation Private Limited v. Kirusa Software Private Limited, 2018 (1) SCC 353.***

Reply Submitted by the Corporate Debtor/Respondent:

18. The Corporate Debtor filed its Reply/Objections dated 05.01.2021 to the Application filed by the Operational Creditor under Section 9 of the IBC, 2016. At the outset, the Corporate Debtor denied each and every averment made by the Operational Creditor in the Application, stating that nothing in the Reply should be deemed to be admitted unless specifically admitted by the Answering Respondent. It was submitted that the present Application filed under Section 9 of the Code is incomplete, misleading, and not



bonafide and is fit to be rejected. It was further submitted that the Application is wholly misconceived qua the Answering Respondent and is untenable and amounts to an abuse of the process of law, deserving to be dismissed with heavy costs. It was also submitted that the Applicant had misrepresented material facts before this Hon'ble Tribunal in order to obtain an order of admission of the application under provisions of the Code.

19. By way of preliminary objections, the Corporate Debtor submitted that the present Application under Section 9 of the Code is not maintainable and deserves to be rejected on the ground that the Answering Respondent, in terms of Section 8(2)(a) of the Code, vide its reply dated 15.11.2018, had brought to the notice of the Operational Creditor the “**existence of a dispute**” with regards to the alleged claim as claimed by the Operational Creditor vide its demand notice dated 02.11.2018. It was further submitted that it is the settled position of law that the Adjudicating Authority, whilst examining an application under Section 9 of the Code, must determine:

- i. *Whether there is an “operational debt” as defined exceeding Rs. 1 Crore?*
- ii. *Whether the documentary evidence furnished with the application shows that the aforesaid debt is due and payable and has not yet been paid? and*



iii. *Whether there is existence of a dispute between the parties or the record of the pendency of a suit or arbitration proceeding filed before the receipt of the demand notice?*

The Corporate Debtor further submitted that since notice of dispute was duly served on the Operational Creditor vide letter dated 15.11.2018, the Application is liable to be rejected. In view thereof, the Corporate Debtor submitted that the Application deserves to be rejected.

20. The Corporate Debtor submitted that the present Application is liable to be rejected on the ground that the Corporate Debtor vide its reply dated 15.11.2018, had served a notice of dispute upon the Operational Creditor, stating that the amount claimed by the Operational Creditor was blown out of proportion. Thereafter, The Corporate Debtor directed the Operational Creditor to double-check the amount due, contending that the Corporate Debtor had given cash as security amount of Rs. 44,00,000/- (Rupees Forty Four Lakhs only), and further requested the Operational Creditor to correct the amount as claimed. The Corporate Debtor, in this regard, relied upon the judgment of the Hon'ble Supreme Court in ***Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd., (2018) 1 SCC 353***, to urge that the Adjudicating Authority must reject the application under Section 9(5)(2)(d) if notice of dispute has been received by the Operational Creditor. It was submitted that the



Adjudicating Authority at this stage is only to see 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.

- 21.** The Corporate Debtor submitted that there exists an “existence of dispute” for non-settlement of accounts between the parties, which requires further investigation, and that the “dispute” is not a patently feeble legal argument or an assertion of fact unsupported by evidence. The Corporate Debtor submitted that the dispute was raised with respect to the amount claimed by the Operational Creditor being incorrect, since the account between both the parties was not settled and the same dispute was raised much before the Operational Creditor served the demand notice as claimed in the present matter. It was further submitted that this fact has been admitted by the Operational Creditor in his own petition under reply.
- 22.** The Corporate Debtor submitted that in the absence of a written agreement between the parties, the Operational Creditor has sought an interest amount of 22% p.a. after completion of the due date, which is not only ill-conceived but has also been levied on the figment of imagination of the Operational Creditor, which is a self-serving statement in itself.
- 23.** The Corporate Debtor submitted that the following factual matrix, supported with evidence, evidently shows an existence of dispute and



that the present Application therefore deserves to be dismissed. It was submitted that:

- i. There was no agreement executed between the parties in terms of which the Operational Creditor was required to raise its bills; and
- ii. Since the year 2017-2018, in terms of the non-settlement of accounts, there is a clear pre-existing dispute between the parties.

The Corporate Debtor also submitted that the Corporate Debtor and the Operational Creditor had several messages exchanged between them, wherein the Operational Creditor has admitted to receiving payment in cash from the Corporate Debtor, and therefore there exists a dispute with regards to the payment claimed to be due by the Operational Creditor.

- 24.** The Corporate Debtor further submitted that the Corporate Debtor had sent an email to the Operational Creditor dated 01.03.2018, wherein the Corporate Debtor had clearly mentioned that they were having quality issues which rejected 16 containers of the Corporate Debtor in Canada. This, according to the Corporate Debtor, clearly shows that in the year 2018, a dispute existed between the parties as the Corporate Debtor disputed the amount claimed and complained about the quality of the goods and merely acknowledged an amount of Rs. 54,15,793/- (Rupees Fifty Four Lakhs Fifteen Thousand Seven Hundred and Ninety Three only), which was subsequently adjusted by the Corporate Debtor in cash upon the



Operational Creditor. The Corporate Debtor submitted that the said documents themselves show that there existed a dispute with regards to the payment as claimed to be due by the Operational Creditor.

- 25.** The Corporate Debtor submitted that the claim filed by the Operational Creditor is liable to be dismissed and is bad in law, due to the fact that the Settlement Agreement dated 13.03.2018, as filed by the Operational Creditor, explicitly mentions that in case of a dispute/delayed payment, the courts in Mumbai shall have exclusive jurisdiction to entertain the matter. It was further submitted that the Settlement Agreement also clearly mentions that in case of a delayed payment, the rate of interest to the tune of 13% shall be charged. The Corporate Debtor also submitted that the Operational Creditor has not filed any document to suggest that the cheques were dishonoured after depositing the same, and that the Operational Creditor be put to strict proof thereof. It was also submitted that the interest allegedly charged on the Corporate Debtor was claimed to be 22% which was, as per the Settlement Agreement, reduced to 13% and the same was agreed in the Settlement Agreement explicitly. The Corporate Debtor also submitted that several payments were made in cash which were acknowledged by the Operational Creditor on more than one occasion, including a payment made on 19.12.2018,



which was duly acknowledged by the Operational Creditor in their letter dated 31.01.2019.

26. The Corporate Debtor submitted that it is pertinent to mention that the Operational Creditor has mentioned the existence of an oral agreement; however, there was no such agreement between the parties and the statement of accounts filed by the Operational Creditor are in dispute as the Operational Creditor has received several payments which are not reflecting in their statement of accounts. The Corporate Debtor further submitted that the existence of dispute and absence of any written terms of the contract clearly demonstrate a pre-existing dispute between the parties and the claim filed by the Operational Creditor deserves to be dismissed at the first blush. Mere submissions on behalf of the Operational Creditor stating that the claim is based on an oral contract would not suffice and the said claim is liable to be dismissed.

27. The Corporate Debtor submitted that it is settled law that a claim filed by an unregistered firm in respect to a statutory right or arising from a contract is barred under Section 69(2) of the Partnership Act, and that the Operational Creditor has not filed any document to showcase its incorporation as a registered partnership. It was further submitted that when a winding up petition has been filed on a cause of action to enforce a right arising out of a contract or conferred by the Partnership Act, such a petition by an unregistered firm is



considered to be a suit within the meaning of Section 69(2) of the Partnership Act. On the one hand, the present claim is not arising out of a written contract, and on the other hand, the Settlement Agreement refers to the exclusive territorial jurisdiction of Mumbai. Therefore, in these facts and circumstances, the present matter is liable to be dismissed.

28. The Corporate Debtor submitted that it had reconciled the account of the Operational Creditor maintained with the Corporate Debtor, and that an amount of Rs. 88,36,198/- (Rupees Eighty Eight Lakhs Thirty Six Thousand One Hundred and Ninety Eight only) has already been paid in excess to the Operational Creditor by the Corporate Debtor. The Corporate Debtor further submitted that the manager Rahul has himself admitted in chats with Mr. Deepak Anand that he had received Rs. 16 Lakhs in cash, and there were several other transactions of similar nature. It was further submitted that there is no default as defined under sub-section (12) of Section 3 of the Code. It was also submitted that the amount being demanded by the Operational Creditor in the present petition is absolutely contrary and different to the claim as sought in the Settlement Agreement, as the Operational Creditor itself is not clear regarding the amount that is to be charged from the Corporate Debtor.

29. The Corporate Debtor submitted that the provision of sub-section 3(b) and (c) of Section 9 of the Code is mandatory and thus, in view



of the non-compliance of the said provisions, the present Application deserves to be rejected. The Corporate Debtor relied upon the judgment of the Hon'ble Supreme Court in the case of **Manilal Shah v Sardar Sayed Ahmed (1955) 1 SCR 108**, whilst considering the provision being “**directory**” or “**mandatory**” has held that where statute itself provide consequences of breach or non-compliance, normally the provision has to be regarded as having mandatory in nature. Furthermore, corporate debtor submitted that the Hon'ble Supreme Court in the case of **State of Mysore Vs. V.K.Kangan (1976) 2 SCC 895**, stated that:

“10. In determining whether a provision is mandatory or directory, the Court must look into the subject matter, the importance of the provision disregarded, and the relation of that provision to the general object intended to be secured. No doubt, all laws are mandatory in the sense they impose the duty to obey on those who come within its purview. But it does not follow that every departure from it shall taint the proceedings with a fatal blemish. The determination of the question whether a provision is mandatory or directory would, in the ultimate analysis, depend upon the intent of the lawmaker. And that has to be gathered not only from the phraseology of the provision but also by considering its nature, its design and the consequences which would follow from construing it in one way or the other.”



Thus, in view of the catena of decisions of the Hon'ble Supreme Court, sub-section 3 (b) and (c) of Section 9 of the Code is mandatory and therefore, the present Application deserves to be dismissed. Further, the Corporate Debtor submitted that the existence of dispute between the parties is evident from the correspondence placed on record, which clearly shows that even after a period of almost three years, the parties have not been able to resolve the dispute regarding the realization of payment by the Operational Creditor, and that certain debit notes have not been accepted by the Corporate Debtor.

- 30.** The corporate debtor submitted that the claimed debt is not admitted by the Corporate Debtor and has been disputed vide its notice of dispute and even prior thereto in various emails, and that the Operational Creditor from 2018 to 2020 has been doing forum shopping by sending several frivolous notices to the Corporate Debtor. It was further submitted by the Corporate Debtor that the Applicant has initiated the present proceedings under the Code with malicious intent for a purpose other than for resolution of insolvency, which is evident from the fact that despite there being an existence of dispute between the parties as detailed in various correspondence even prior to issuance of the demand notice, the Applicant filed the present proceedings. [*Reply of Corporate Debtor, Para G(xvii), Pages 16-17*] In view of the afore-stated objections and the admitted



existence of dispute between the parties, the Corporate Debtor prayed that the Application filed by the Applicant under Section 9 of the Code be dismissed.

Submissions in Rejoinder filed by the Operational Creditor:

- 31.** The Operational Creditor filed a Rejoinder Affidavit to the Reply filed by the Corporate Debtor. At the outset, the Operational Creditor denied each and every averment made in the Reply filed by the Corporate Debtor, save and except what has been specifically admitted herein or in the main Application. The Operational Creditor further submitted that the Application filed by it, inclusive of all documents and annexures forming part thereof, may be treated as part and parcel of the present Rejoinder.
- 32.** By way of preliminary submissions, it was submitted by the Operational Creditor that the present company petition has been filed under Section 9 of the Code to initiate a Corporate Insolvency CIRP against the Corporate Debtor. It was submitted that there exists an undisputed operational debt amounting to Rupees 1,33,24,490/- (Rupees One Crore Thirty-Three Lacs Twenty-Four Thousand Four Hundred and Ninety Only) owed by the Corporate Debtor to the Operational Creditor.



33. The Operational Creditor submitted that sufficient documents have been placed on record to establish the existence of undisputed unpaid operational debt. It was further submitted that not only has the Corporate Debtor admitted its liability towards the Operational Creditor, but the Corporate Debtor has also shown its inability to pay the unpaid operational debt. It was further submitted that the complete Application along with the supporting documents already on record ought to be read as part of the present Rejoinder.

34. The Operational Creditor submitted that the alleged “existence of dispute” raised by the Corporate Debtor on the basis of the purported letter dated 15.11.2018 is a dishonest plea averted to by the Corporate Debtor solely to avoid the CIRP. It was submitted that there is not a single document to establish that the Corporate Debtor made payment of Rupees 44 Lacs in cash as security to the Operational Creditor. In fact, the Operational Creditor, vide its Notice dated 22.11.2018, categorically denied receipt of the said amount of Rupees 44 Lacs. Thereafter, the Operational Creditor vide its communications dated 11.12.2018 and 31.01.2019 called upon the Corporate Debtor to make the due payment; however, the Corporate Debtor did not even reply to the said communications. Furthermore, the Operational Creditor vide its letter dated 01.02.2019 issued a Debit Note to the Corporate



Debtor claiming interest on the due amount. The Corporate Debtor did not reply to the same. Again, legal notices dated 29.07.2019 and 01.08.2019, followed by the Demand Notice dated 06.01.2020 under Section 8 of the Code, were issued by the Applicant, but no reply was forthcoming from the Corporate Debtor.

35. It was accordingly submitted by the Operational Creditor that the alleged existence of dispute set up by the Corporate Debtor is not only vexatious and unsupported by any evidence, but also wholly devoid of merit and is therefore liable to be rejected. The Operational Creditor further submitted that the Corporate Debtor's reply was filed belatedly and beyond the time granted by this Hon'ble Tribunal, without any Application for condonation of delay.

36. By way of para-wise reply, the Operational Creditor denied the contents of Paras I and II of the Corporate Debtor's Reply as being wrong. It was specifically denied that the Application is incomplete, misleading, or not bonafide. It was submitted to the contrary that the Application is complete in all respects, that there has been no payment of the unpaid operational debt, that the Demand Notice along with invoices was duly delivered to the Corporate Debtor, and that no notice of dispute was received by the Operational Creditor.



37. The Operational Creditor denied the contents of Para C of the Reply and submitted that the contention of the Corporate Debtor that the present application under Section 9 of the Code is not maintainable on the ground that it had raised an “existence of dispute” vide its reply dated 15.11.2018, is wholly untenable. It was submitted that the so-called “Notice of Dispute” raised by the Corporate Debtor is unsupported by any documentary evidence whatsoever and is a spurious defence which is mere bluster. It was further submitted that the Operational Creditor, in response to the Corporate Debtor’s letter dated 15.11.2018, had issued a Legal Notice dated 22.11.2018 categorically denying receipt of any amount of Rupees 44 Lacs. It was also submitted that the dictum of the Hon’ble Apex Court in *Mobilox Innovations Private Limited v. Kirusa Software Pvt. Ltd., (2018) 1 SCC 353*, in fact supports the case of the Applicant, as the Hon’ble Apex Court has categorically held that only a “real dispute” would fall within the inclusive definition of “dispute” under Section 5(6) of the Code, and that the test for “existence of dispute” requires a contention necessitating further investigation, which cannot be a patent feeble legal argument or an assertion of facts unsupported by evidence.

38. The Operational Creditor denied the contents of Paras D and E of the Reply and submitted that the Corporate Debtor, vide its reply dated 15.11.2018, had in fact admitted its liability towards the



Applicant in express terms by stating that payments to M/s Orson Chemicals have been delayed and are overdue. It was submitted that the contention of the Corporate Debtor regarding payment of Rupees 44 Lacs in cash as security is a futile and imaginary contention, which stands falsified by the subsequent correspondences issued by the Applicant and the complete silence maintained by the Corporate Debtor in response to those correspondences, which amounts to an admission on its part.

39. The Operational Creditor denied the contents of Para F of the Reply and submitted that there exists a written agreement between the parties in the form of invoices issued by the Applicant against supply of material to the Corporate Debtor. It was submitted that the said invoices were duly received by the Corporate Debtor, the contents thereof were admitted by it, and the Corporate Debtor had also counter-signed the invoices. It was further submitted that the written invoices contain a stipulation that interest at 22% per annum will be charged after the due date, and that the Corporate Debtor is accordingly estopped from raising any plea to the contrary.

40. The Operational Creditor denied the contents of Para G of the Reply in their entirety. It was specifically submitted as follows:

(i) The Applicant had not supplied material on its own volition, but only upon the verbal purchase order placed by the



Corporate Debtor, and the invoices and correspondences between the parties amount to an implied Agreement between them;

- (ii)** There is no non-settlement of accounts nor any pre-existing dispute – on the contrary, the Corporate Debtor made admissions of its liability vide its emails dated 15.08.2017 and 01.03.2018, and further vide the Settlement Agreement dated 13.03.2018 admitted its liability to the tune of Rupees 1,10,36,198/-, undertaking to pay the same within the stipulated period;
- (iii)** The alleged email dated 01.03.2018 is not a dispute and the quality issue mentioned therein pertains to the Corporate Debtor itself – in fact, the Corporate Debtor in very clear and unequivocal words in that email acknowledged the trouble it had caused to the Operational Creditor due to non-payment and had even expressed willingness to give a personal guarantee to the Operational Creditor;
- (iv)** It is vehemently denied that the Corporate Debtor made any payment in cash to the Operational Creditor;
- (v)** The Insolvency and Bankruptcy Code, 2016 is a special legislation having an overriding effect on all other laws in terms of Section 238 of the Code;



(vi) The Applicant is a registered partnership firm and has filed the registered partnership

(vii) . in support at Pages 41-44 of the Application.

41. The Operational Creditor submitted that pursuant to the Settlement Agreement dated 13.03.2018, the Corporate Debtor had admitted its liability to the tune of Rupees 1,10,36,198/- as the principal amount and had undertaken to pay the same within the stipulated period. However, the Corporate Debtor failed to make payment as per the Settlement Agreement. It was further submitted that the Corporate Debtor again admitted its liability vide its emails dated 06.06.2018 and 04.10.2018. The ledger account of the Corporate Debtor, filed by the Applicant at Page 181 of the Application, contains each and every payment made by the Corporate Debtor. Due to the failure of the Corporate Debtor to adhere to the terms and conditions of the Settlement Agreement dated 13.03.2018, the parties were relegated to the original understanding in terms of the invoices raised by the Applicant, carrying interest at 22% per annum.

42. It was further submitted that the difference in the amount claimed vis-à-vis the Settlement Agreement is attributable to payments made by the Corporate Debtor subsequent to the execution of the Settlement Agreement, as is evident from the ledger account at Pages 181-186 of the Application.



43. The Operational Creditor vehemently denied the contention of the Corporate Debtor that it had reconciled the account or that an amount of Rupees 88,36,198/- has already been paid in excess to the Operational Creditor. It was submitted that the documents including the emails sent by the Corporate Debtor prove the contrary, as there is a clear admission of liability on the part of the Corporate Debtor. It was also vehemently denied that any payment was made in cash by the Corporate Debtor to the Applicant. The Corporate Debtor was put to strict proof of the same. It was submitted that the Corporate Debtor is intentionally attempting to avoid and evade its admitted debt by creating fictitious and concocted stories about payments made in cash and the alleged existence of dispute, without providing a single document in substantiation thereof.

44. The Operational Creditor denied that the application suffers from non-compliance of the mandatory provisions of Section 9(3)(b) and (c) of the Code. It was submitted that the Affidavit under Section 9(3)(b) and (c) along with supporting documents is already on record. It was further submitted that none of the judgements relied upon by the Corporate Debtor are applicable to the facts and circumstances of the present case. It was also denied that the Operational Creditor has initiated the present proceedings with any malicious intent or for any purpose other than the resolution



of insolvency. The Operational Creditor reiterated that the Application is complete, that there is no payment of the unpaid operational debt, that the Notice along with Invoices has been delivered to the Corporate Debtor, and that no notice of dispute has been received by the Operational Creditor.

- 45.** In view of the submissions made hereinabove and in the main Application, the Operational Creditor humbly prayed that this Hon'ble Tribunal may be pleased to admit the present Application and initiate the CIRP against the Corporate Debtor.

Observations and Analysis:

- 46.** Before advertng to the merits of the present matter, it is necessary to briefly note the procedural trajectory of this case. The present Application under Section 9 of the Code was originally filed by the Operational Creditor 03.08.2020 claiming a default amount of Rs. 1,33,24,490/-. The said Application was dismissed by the this Learned Tribunal vide its order dated 19.01.2024 in **(MP) CP(IB) 63 of 2020**. The Learned Tribunal had reasoned that during the pendency of the Application, the Corporate Debtor had paid Rs. 70 Lacs to the Operational Creditor in pursuance of a settlement agreement entered into between the parties, and since after such payment the balance amount fell below the threshold



limit of Rs. 1 Crore, the Application could not be maintained any further.

47. Aggrieved by the said order of dismissal, the Operational Creditor preferred an appeal before the National Company Law Appellate Tribunal, Principal Bench, New Delhi, being **Company Appeal (AT) (Ins.) No. 514 of 2024**. The Hon'ble NCLAT, vide its order dated 11.03.2025 allowed the appeal, set aside the impugned order dated 19.01.2024 and remanded the matter back to this Tribunal to decide the same on merits. It was expressly clarified by the Hon'ble NCLAT that while deciding the appeal, it had not adverted to the merits of the case in any manner. The matter is now before this Bench for adjudication on merits.
48. In setting aside the order of this Learned Tribunal, the Hon'ble NCLAT held that the Learned Tribunal had committed a patent error in dismissing the Application on the ground that the balance amount, subsequent to the payment of Rs. 70 Lacs during the pendency of the Application, fell below the threshold of Rs. 1 Crore. The Hon'ble NCLAT categorically laid down the legal position that the maintainability of an application under Section 9 of the Code is to be tested as on the date of its filing, and not at the time of its final decision. The Hon'ble NCLAT placed reliance upon its own decision in **Mist Avenue Pvt. Ltd. v. Nitin Batra & Ors., (2023) SCC OnLine NCLAT 2296**, which itself was



grounded upon the judgment of the **Hon'ble Supreme Court** in

Manish Kumar Jain v. Union of India, (2021) SCC Online SC

30. It was held that the threshold requirement must be fulfilled as on the date of filing of the Application, and the subsequent reduction of the outstanding amount during the pendency of proceedings, whether on account of settlement or otherwise, does not render the application non-maintainable.

49. It is also noted from the record and as affirmed by the Hon'ble NCLAT in its order dated 11.03.2025 that during the pendency of the present Application, the Corporate Debtor approached the Operational Creditor for settlement of the dispute out of court, invoking Rule 8 of the Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority) Rules, 2016. A **settlement agreement** was accordingly entered into between the parties on **27.02.2023**, where under the Corporate Debtor agreed to pay a total amount of Rs. 88,36,198/- to the Operational Creditor in four instalments, as follows:

- (i)** The First instalment of Rs. 25 Lakhs by way of Demand Draft dated 18.01.2023 which was paid at the time of execution of the said agreement;
- (ii)** The Second instalment of Rs. 25 Lakhs by post-dated cheque dated 28.02.2023;



- (iii) The Third instalment of Rs. 25 Lakhs by post-dated cheque dated 30.03.2023; and
- (iv) The Fourth instalment of Rs. 13,36,198/- by post-dated cheque dated 30.04.2023.

It was also agreed between the parties that on receipt of the entire amount of Rs. 88,36,198/-, the Operational Creditor shall withdraw the present Application, and thereafter the settlement agreement shall be filed before this Tribunal for withdrawal of the Application.

- 50.** However, the Corporate Debtor paid only Rs. 70 Lakhs out of the agreed amount of Rs. 88,36,198/- and committed a breach of the settlement agreement by failing to pay the remaining amount. This position was recorded even in the order of the Learned Tribunal dated 14.09.2023, wherein it was noted that against the dues of Rs. 1.33 Crores, an amount of around Rs. 70 Lacs had been paid and the Corporate Debtor sought further time to pay the balance within the next 2-3 weeks. The Learned Tribunal had on that date made it clear that on the next date of hearing, the matter would be proceeded with for hearing. Despite this, the Corporate Debtor failed to honour the terms of the settlement agreement and pay the balance amount. The settlement agreement, therefore, stood breached by the Corporate Debtor,



and the Application was rightly pursued for hearing by the Operational Creditor.

51. In light of the unambiguous directions of the Hon'ble NCLAT, this Tribunal is now called upon to adjudicate the present Application on its merits. The Hon'ble NCLAT has expressly found that the order of the Learned Tribunal dated 19.01.2024 dismissing the Application was patently illegal, as the question of maintainability of the Application under Section 9 of the Code was required to be examined as on the date of filing of the Application, i.e., June 2020, when the threshold of Rs. 1 Crore was met, the claimed amount being Rs. 1,33,24,490/-. Accordingly, this Tribunal proceeds to examine the merits of the Application as remanded.

52. Having regard to the pleadings and submissions advanced by both sides, the following issues arise for determination by this Tribunal:

- (i)** *Whether an operational debt as defined under the Code exists and is due and payable by the Corporate Debtor to the Operational Creditor?*
- (ii)** *Whether the Operational Creditor has committed a default in making the payment of the said operational debt?*
- (iii)** *Whether there exists any pre-existing dispute between the parties that would preclude admission of the Application?*
and



53. Issue No. (i): *Whether an operational debt as defined under the Code exists and is due and payable by the Corporate Debtor to the Operational Creditor?*

54. Having carefully examined the record and the documents annexed to the Application, this Tribunal is satisfied that an operational debt within the meaning of Section 5(21) of the Code undeniably exists in the present case and remains due and payable by the Corporate Debtor to the Operational Creditor.

55. As per the documents on record, the Operational Creditor, M/s Orson Chemicals (now known as Orson Resins and Coatings Private Limited), supplied “Unsaturated Polyester Resins” to the Corporate Debtor, M/s Creative Quartz LLP, from November 2016 till August 2017, pursuant to verbal purchase orders placed by the Corporate Debtor from time to time. The invoices raised by the Operational Creditor clearly indicate that the payment terms were 60 days from the date of invoice, and that in case of any delay in payment beyond the due date, interest at the rate of 22% per annum would be charged on the overdue amounts. The Corporate Debtor accepted all such terms and conditions without any protest or demur, and the invoices were duly counter-signed/receipted by the Corporate Debtor. ***[Invoices, Annexure A-4, Pages 45-101]***



56. The debt in the present case has arisen from the supply of goods, being “Unsaturated Polyester Resins”, in the ordinary course of business of the Operational Creditor. Such a debt squarely falls within the definition of “operational debt” under Section 5(21) of the Code, which includes a claim in respect of the provision of goods or services. The claim is supported by a series of six invoices (**Annexure A-4**) covering supply of material from 05.06.2017 to 26.08.2017, i.e., the last six invoices against which default has been committed, after adjusting all prior payments received on a First-In-First-Out (FIFO) basis. **[Invoices, Annexure A-4 and Ledger Account, Annexure A-12]**

57. The total principal amount outstanding and in default, as per the Ledger Account maintained by the Operational Creditor in the ordinary course of business is Rs. 88,36,198/- (Rupees Eighty Eight Lakhs Thirty Six Thousand One Hundred and Ninety Eight Only). In addition, interest has accrued at the contractual rate of 22% per annum after the respective due dates, amounting to Rs. 44,88,292/- calculated up to 31.12.2019. The total operational debt claimed as of the date of filing of the Application is therefore Rs. 1,33,24,490/- (Rupees One Crore Thirty Three Lakhs Twenty Four Thousand Four Hundred and Ninety Only), inclusive of the aforesaid interest component. **[Annexure A-12 and Form 5, Part-IV, Table of Debt]**



58. Significantly, the existence of the debt is not a matter of genuine dispute. As noted from the record, the Corporate Debtor, vide its emails dated 15.08.2017 and 01.03.2018, expressly admitted its liability towards the Operational Creditor and promised to make payment. More crucially, the Corporate Debtor executed a formal Settlement Agreement dated 13.03.2018 with the Operational Creditor, acknowledging its liability to the extent of Rs. 1,10,36,198/- and undertaking to pay the same in six instalments by 30.08.2018. Even after repeated defaults and correspondences, the Corporate Debtor again vide emails dated 06.06.2018 and 04.10.2018 admitted its liability and requested further time for payment. The execution of the Settlement Agreement is an unequivocal acknowledgement of the operational debt by the Corporate Debtor. ***[Annexure A-5, Settlement Agreement dated 13.03.2018, Annexure A-6, Email Correspondence June-October 2018, Annexure A-7]***

59. Furthermore, a new **Settlement Agreement** was entered into between the parties on **27.02.2023** during the pendency of the present Application, where the Corporate Debtor once again acknowledged its liability and agreed to pay a reduced sum of Rs. 88,36,198/- in four instalments, namely:



- i. The First instalment of Rs. 25 Lakhs by way of Demand Draft dated 18.01.2023 which was paid at the time of execution of the said agreement;
- ii. The Second instalment of Rs. 25 Lakhs by post-dated cheque dated 28.02.2023;
- iii. The Third instalment of Rs. 25 Lakhs by post-dated cheque dated 30.03.2023; and
- iv. The Fourth instalment of Rs. 13,36,198/- by post-dated cheque dated 30.04.2023.

It was further agreed that upon receipt of the entire amount, the Operational Creditor would withdraw the present Application. The very act of entering into successive settlement agreements is a categorical acknowledgment of the outstanding operational debt. ***[Annexure-1 to Written Submissions and NCLAT Order dated 11.03.2025]***

- 60.** In view of the foregoing, this Tribunal finds and holds that an operational debt as defined under Section 5(21) of the Code clearly exists.

Therefore, the first issue is answered accordingly in the affirmative.

- 61. Issue No. (ii):** *Whether the Corporate Debtor has committed a default in making payment of the said operational debt?*



62. This Tribunal has no hesitation in holding that the Corporate Debtor has committed a default within the meaning of Section 3(12) of the Code. Despite repeated follow-up emails from August 2017 onwards and the execution of the Settlement Agreement dated 13.03.2018, the Corporate Debtor continued to default. The last payment received by the Operational Creditor was a part-payment of Rs. 7,00,000/- on 16.02.2019, after which no further payment was made towards the principal balance of Rs. 88,36,198/-. The Operational Creditor accordingly issued a Demand Notice dated 06.01.2020 in prescribed Form 3 under Section 8 of the Code, which was duly served upon the Corporate Debtor by email dated 10.01.2020 on its registered email addresses. ***[Annexure A-5; Demand Notice and Email dated 10.01.2020, Annexure A-13]***

63. Despite receipt of the Demand Notice, the Corporate Debtor neither paid the outstanding amount nor raised any notice of dispute within ten days as required under Section 8(2) of the Code. The breach of the Settlement agreement dated 27.02.2023 — wherein the Corporate Debtor paid only Rs. 70 Lakhs out of the agreed Rs. 88,36,198/-, and the third and fourth post-dated cheques were dishonoured — further confirms the continuing default. As per Clause 5 of the Settlement agreement, dishonour of the post-dated cheques rendered the Agreement null and void.



This position was duly recorded by this Tribunal in its order dated 14.09.2023, as affirmed by the Hon'ble NCLAT in its order dated 11.03.2025.

Therefore, the second issue is accordingly answered in the affirmative.

64. Issue No. (iii): *Whether there exists any pre-existing dispute between the parties that would preclude admission of the Application?*

The Corporate Debtor has raised two principal grounds to establish the “existence of a dispute” within the meaning of Section 5(6) read with Section 8(2)(a) of the Code: **(a)** that it paid Rs. 44 Lakhs in cash as security to the Operational Creditor, which was not accounted for; and **(b)** that certain WhatsApp messages exchanged between the parties evidence a pre-existing quality dispute and a disagreement over the rate charged. This Tribunal has examined both grounds and finds neither of them to constitute a genuine, pre-existing dispute.

65. The law governing the determination of “existence of dispute” is well settled by the **Hon'ble Supreme Court** in ***Mobilox Innovations Private Limited v. Kirusa Software Private Limited, (2018) 1 SCC 353***. The Hon'ble Court held that the dispute must truly exist in fact and must not be spurious,



hypothetical or illusory. The defence must constitute a plausible contention requiring further investigation and must not be a “**patently feeble legal argument**” or an “**assertion of facts unsupported by evidence**”. The Court cautioned that spurious defences which are mere bluster must be rejected at this stage. This Tribunal applies this test to each of the grounds raised by the Corporate Debtor.

Ground (a) — Alleged Cash Payment of Rs. 44 Lakhs: The Corporate Debtor's claim, made vide its letter dated 15.11.2018, that it paid Rs. 44 Lakhs in cash as security to the Operational Creditor is a bare, unsupported assertion as no evidence of any kind has been produced in its support. More significantly, the said letter simultaneously admits that “payments to the Operational Creditor are delayed and overdue,” which is an unequivocal acknowledgment of liability rather than a dispute. The Operational Creditor promptly and categorically denied receipt of this amount vide notices dated 22.11.2018 and 11.12.2018 and email dated 31.01.2019, to none of which did the Corporate Debtor reply. The Debit Note dated 01.02.2019 was receipted by the Corporate Debtor without any objection. The subsequent Legal Notices dated 29.07.2019 and 01.08.2019 and the Demand Notice dated 06.01.2020 were all met with complete silence. This two-year



silence is wholly inconsistent with a genuine dispute about an unaccounted cash payment of such magnitude. ***[Annexure A-8; Annexure A-9; Annexure A-10; Annexure A-11 and Annexure A-13]***

Ground (b) — WhatsApp Messages and Alleged Quality Dispute:

The Corporate Debtor has also placed reliance on certain WhatsApp messages exchanged between the parties in August–September 2017, which it contends evidence a pre-existing quality dispute and a dispute over rates charged. This Tribunal has carefully perused the messages reproduced in the Reply of the Corporate Debtor. The messages dated 10.08.2017, wherein one Mr. Deepak Anand writes “ANIL says the material was not up to the mark” and Nikhil of the Operational Creditor responds that “everybody in the industry is using it”, are relied upon to suggest a quality grievance. However, on a fair reading of the very same conversation, it is evident that Mr. Deepak Anand himself responds shortly thereafter with “Ok. No issues. I trust you” and “Done deal bro,” unequivocally closing and accepting the quality concern without any reservation. ***[Reply of Corporate Debtor, Para G(ii); WhatsApp Messages reproduced at Pages 7–9 of Reply]***



66. More fundamentally, whatever quality or rate concerns were informally raised in the WhatsApp messages of August 2017 stood conclusively waived as it executed the Settlement Agreement dated 13.03.2018 acknowledging a liability of Rs. 1,10,36,198/- without raising any quality-based deduction or counter-claim, and made part-payments against that liability on multiple occasions. The WhatsApp messages therefore do not constitute a pre-existing dispute. **[Annexure A-5; Annexure A-6 and**

Annexure A-12;]

67. The remaining defences of the Corporate Debtor — the absence of a written agreement, alleged unaccounted cash payments, jurisdiction of Mumbai courts, and the bar under Section 69(2) of the Partnership Act — are equally without merit. The invoices themselves, received and accepted without protest, constitute the written record of the transaction terms including the 22% interest rate. The Operational Creditor is a registered partnership firm bearing Registration No. DNH/07/07 as evidenced by **Annexure A-1**. The Code, being a special legislation, overrides all other laws by virtue of Section 238 thereof. None of these contentions constitute a “dispute” within the meaning of Section 5(6) of the Code. **[Annexure A-4 and Annexure A-1]**

68. In light of the above, this Tribunal holds that neither the alleged cash payment of Rs. 44 Lakhs nor the WhatsApp messages



regarding quality and rates, nor any other contention raised by the Corporate Debtor, constitute a genuine, pre-existing dispute within the meaning of Section 5(6) read with Section 8(2)(a) of the Code.

Therefore, the third issue is accordingly answered in the negative.

ORDER

69. Taking into consideration the facts and circumstances of the case, as well as the position of Law, as well as the judicial precedents cited, we are of the view that the Applicant/OC has successfully brought home on the following points on record:

- i. There is a default of payment of **Rupees 1,33,24,490/-** which is inclusive of interest. The total **principal amount** in default is Rupees **88,36,198/-** and the **interest** is calculated @ **22% per annum**, upto 31.12.2019 which come to Rupees 44,88,292/-.
- ii. A Demand Notice dated 06.01.2020 was sent to the Respondent/Corporate Debtor.
- iii. The Corporate Debtor has failed to pay the defaulted amount.



- iv. There is no pre-existing dispute pending before filing of the petition.
- v. This petition has been filed within the limitation.

Keeping all these facts and legal position in view, the petition filed by the Operational Creditor is required to be **Admitted** under Section 9(5) of the IBC, 2016.

- 70.** In the present case, the Applicant/Operational Creditor has not proposed any name for the appointment of an **Interim Resolution Professional** (hereinafter referred to as “**IRP**”). Accordingly, this Tribunal, in exercise of its powers under Section 16(3)(b) of the IBC, 2016, appoints **CA Vikas Lalwani**, Insolvency Professional, having **Registration No. IBBI/IPA-001/IP-P-02458/2021-2022/13766**, (Email: ipvikaslalwani@gmail.com) as the IRP in respect of the Corporate Debtor, M/s Creative Quartz LLP. The IRP appointed shall take in this regard such other and further steps as are required under the Code, more specifically in terms of Section 15, 17, 18 of the Code and file the report within 20 days before this Bench. The powers of the Board of Directors/Designated Partners of the Corporate Debtor shall stand superseded as a consequence of the initiation of the CIRP in relation to the Corporate Debtor in terms of the provisions of IBC, 2016.



71. As a consequence of the Petition being admitted in terms of Section 9(5) of the Code, the moratorium as envisaged under the provisions of Section 14 shall apply in relation to the Corporate Debtor as under:

1) “Subject to provisions of subsections (2) and (3) on the insolvency commencement date the Adjudicating Authority shall by order declare prohibiting all of the following namely:

- a. *The institution of suits or continuation of pending suits or proceedings against the respondent 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 respondent 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 respondent 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 respondent.*



- 2) The supply of essential goods or services to the Corporate Debtor as may be specified shall not be terminated or suspended or interrupted during moratorium period.
- (2A) Where the interim resolution professional or resolution professional, as the case may be, considers the supply of goods or services critical to protect and preserve the value of the Corporate Debtor and manage the operations of such Corporate Debtor as a going concern, then the supply of such goods or services shall not be terminated, suspended or interrupted during the period of moratorium, except where such Corporate Debtor has not paid dues arising from such supply during the moratorium period or in such circumstances as may be specified.
- 3) The provisions of sub-section (1) shall not apply to (a) such transactions, agreements or other arrangement as may be notified by the Central Government in consultation with any financial sector regulator or any other authority; (b) a surety in a contract of guarantee to a corporate debtor.
- 4) The order of moratorium shall have effect from the date of such order till the completion of the Corporate Insolvency Resolution Process: Provided that where at any time during the Corporate Insolvency Resolution Process period, if the Adjudicating



Authority approves the Resolution Plan under sub Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, the moratorium shall cease to have effect from the date of such approval or Liquidation Order, as the case may be.”

- 72.** The Operational Creditor is directed to pay a sum of Rs. 1,00,000/- (Rupees One Lakh only) to the IRP to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- 73.** Based on the above terms, the **Petition Stands Admitted** in terms of Section 9(5) of IBC, 2016 and the moratorium shall come into effect as of this date. A copy of the Order shall be communicated to the Operational Creditor as well as to the Corporate Debtor above named by the Registry. In addition, a copy of the Order shall also be forwarded to IBBI for its records. Further, the Interim Resolution Professional above named be also furnished with copy of this Order forthwith by the Registry, who will also communicate the initiation of the CIRP in relation to the Corporate Debtor to the Registrar of Companies concerned.
- 74.** Accordingly, **RCP (IB) / 1 (MP)/ 2025 in CP (IB)/ 63 (MP)/ 2020 stands allowed** and the Respondent/Corporate Debtor M/s



Creative Quartz LLP is, therefore, admitted into the CIRP in terms of Section 9(5) of the IBC, 2016.

Sd/-

Sd/-

MAN MOHAN GUPTA
(MEMBER TECHNICAL)

BRAJENDRA MANI TRIPATHI
(MEMBER JUDICIAL)

Abhinav Maru - LRA