

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

ITEM No.302
C.P.(IB)/351(AHM)2025

Under Section 9 IBC

IN THE MATTER OF:

Piyush Pharmachem (India) Pvt. Ltd
V/s
Shiva Dyestuff Pvt. Ltd

.....Applicant

..... Respondent

Order delivered on: 13/03/2026

C O R A M:

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

ORDER
(Hybrid Mode)

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

-sd-

SANJEEV SHARMA
MEMBER (TECHNICAL)

-sd-

SHAMMI KHAN
MEMBER (JUDICIAL)

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

CP (IB) No.351/9/AHM/2025

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

In the Matter of:

Piyush Pharmachem (India) Private Limited

CIN: U24232AP2010PTC071084

Having its registered address at:

Survey No. 263, D 134, 135,

Phase 3, IDA, Jeedimetla,

Hyderabad – 500055,

Telangana, India.

..... **Petitioner/Operational Creditor**

VERSUS

Shiva Dyestuff Private Limited

CIN: U24110GJ1990PTC098261

Having its registered address at:

Plot No. 6104/A2-11, GIDC,

Bharuch, Ankleshwar,

Gujarat – 393002, India.

..... **Respondent/Corporate Debtor**

Order Pronounced On: 13.03.2026

C O R A M:

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

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

A P P E A R A N C E:

For the Petitioner/OC : Mr. Divyank Jaiswal, Advocate
For the Respondent/CD: Mr. Nipun Singhvi, Advocate a.w.
Ms. Rahul Bhavsar, Advocate

O R D E R **Per Bench**

1. The present petition has been filed on 03.12.2025 vide inward no. E-3108 by the Applicant - Piyush Pharmachem (India) Private Limited ("Operational Creditor") against the Respondent Shiva Dyestuff Private Limited (hereinafter referred to as 'Corporate Debtor') under Section 9 of the IBC, 2016 read with Rule 6 of the IB (AAA) Rules, 2016 or initiation of the Corporate Insolvency Resolution Process (CIRP) in respect of default in payment of operational debt amounting to Rs.5,86,08,827/- comprising principal and contractual interest.
2. On perusal of Part-I of Form-5, it is evident that the Operational Creditor is a company constituted under the provisions of the Companies Act, 1956 bearing CIN: U24232AP2010PTC071084. The Operational Creditor has been engaged in the business of trading and supply of chemicals, solvents and allied products since the year 2010. The Operational Creditor has placed on record its Certificate of Incorporation, Master Data Sheet and list of directors as available on the MCA portal, which are exhibited as Exhibit-A and Exhibit-B. The registered address of the

company is at: Survey No.263, D 134, 135 Phase-3, IDA, Jeedimetla, Hyderabad – 500055, Telangana, India.

3. On perusal of Part-II of Form-5, it is further evident that the Corporate Debtor, Shiva Dyestuff Private Limited, is a private limited company incorporated on 02.04.1990 with the Registrar of Companies, Ahmedabad under the provisions of the Companies Act, 1956 bearing CIN: U24110GJ1990PTC098261. The registered address of the company is at: Plot No. 6104/A2-11, GIDC, Bharuch, Ankleshwar, Gujarat, India – 393002 as per Master Data from Ministry of Corporate Affairs website which is annexed with the Petition as Annexure-C.
4. On perusal of Part-III of Form-5, it is observed that the Operational Creditor has not proposed the name of any Interim Resolution Professional and has prayed that the same be appointed by this Adjudicating Authority from the panel maintained by the Insolvency and Bankruptcy Board of India.
5. On perusal of Part-IV of Form-5, it is observed that the total operational debt claimed by the Operational Creditor arising from supply of goods to the Corporate Debtor amounts to Rs.5,86,08,827/- comprising Rs.5,50,04,143/- towards principal and Rs.36,04,684/- towards contractual interest calculated @18% per annum up to 23.06.2025. The date of default is stated to have arisen upon expiry of the agreed

credit period of ninety days from the respective invoices, falling between 08.12.2024 and 08.04.2025.

6. The Operational Creditor has placed the facts through Part-IV & Part-V of Form-5 of the Company Petition in the following manner:

6.1 It is submitted that the Respondent has been a regular customer of the Petitioner, placing purchase orders from time to time, pursuant to which the Petitioner supplied goods against tax invoices. The agreed terms of sale stipulated that payments were to be made within ninety days from the date of invoice, and in the event of delay, interest at the rate of 18% per annum was chargeable.

6.2 It is stated that the Petitioner/ Operational Creditor had supplied various Chemical and its related products under various tax invoices by virtue of various purchase orders. The Petitioner has placed on record the details of purchase orders as Annexure-I Colly. The details of Purchase orders are tabulated as under:

Purchase Orders
SDPL/246/24-25/RM dated 06.09.2024
SDPL/273/24-25/RM dated 03.10.2024
SDPL/294/24-25/RM dated 23.10.2024
SDPL/321/24-25/RM dated 19.11.2024
SDPL/356/24-25/RM dated 18.12.2024

6.3 The Petitioner has detailed the purchase orders placed by the Respondent during the FY 2024-25. Against

these orders, the Operational Creditor has raised multiple invoices between September 2024 to January 2025, particulars of which have been annexed as under:

Invoices No.	Date
PPIPL/582/24-25	09-09-2024
PPIPL/605/24-25	13-09-2024
PPIPL/665/24-25	06-10-2024
PPIPL/684/24-25	10-10-2024
PPIPL/700/24-25	16-10-2024
PPIPL/707/24-25	18-10-2024
PPIPL/725/24-25	24-10-2024
PPIPL/750/24-25	05-11-2024
PPIPL/781/24-25	13-11-2024
PPIPL/807/24-25	22-11-2024
PPIPL/841/24-25	03-12-2024
PPIPL/842/24-25	03-12-2024
PPIPL/851/24-25	05-12-2024
PPIPL/852/24-25	05-12-2024
PPIPL/927/24-25	28-12-2024
PPIPL/928/24-25	28-12-2024
PPIPL/929/24-25	28-12-2024
PPIPL/968/24-25	08-01-2025

6.4 As submitted, the computation of default has been filed as Exhibit-D, and the ledger account of the Corporate Debtor maintained in the books of the Petitioner has

been filed as Exhibit-F. It is stated that these documents collectively establish the default in payment by the Respondent/ Corporate Debtor, and demonstrate that the debt has crystallized and remained unpaid beyond the stipulated period.

6.5 It is submitted that Respondent/ Corporate Debtor is liable to pay a principal sum of Rs. 5,50,04,143/- and interest of Rs. 36,04,684/- calculated at 18% per annum as on 23.06.2025, aggregating to a total outstanding of Rs. 5,86,08,827/-. The computation of this amount has been filed, and the claim is supported by invoices, ledger accounts and other documentary evidence.

6.6 The Petitioner submitted that the Respondent/ Corporate Debtor, through its email communications has admitted and acknowledged the liability of Rs. 5,86,08,827/-, subject to deduction of 0.1% towards TDS in accordance with applicable law. The said confirmation of debt has been filed as Exhibit-G.

6.7 On failure of the Respondent/ Corporate Debtor to discharge the outstanding dues, the Petitioner issued a statutory demand notice dated 24.06.2025 under Section 8 of the Code to the Corporate Debtor and its directors. A copy of the demand notice is filed as Exhibit-H.

6.8 It is stated that the demand notice was dispatched through registered Indian Post and the Petitioner has

filed postal receipts and tracking reports evidencing service of the notice, marked as Exhibit-I. The Petitioner submits that the notice was duly served, and despite service, no payment was made by the Respondent/ Corporate Debtor.

6.9 The Petitioner has filed the certified copies of its bank account maintained with DBS Bank India Ltd., Somajiguda Branch, which reflects that no payment has been received from the Corporate Debtor after issuance of the demand notice. The statement of account is filed as Exhibit-J.

6.10 It is submitted that despite service of the statutory demand notice and despite admission of liability by the Corporate Debtor, the outstanding dues remain unpaid till date. The Petitioner therefore contends that default has occurred within the meaning of Section 3(12) of the Insolvency and Bankruptcy Code, 2016.

6.11 The Petitioner submits that it has complied with all mandatory requirements under Section 9(3)(a), (b) and (c) of the Insolvency and Bankruptcy Code, 2016, by filing the requisite documents including invoices, ledger accounts, bank statements and demand notice. The Petitioner submits that the debt is due and payable, default has occurred, and all statutory pre-conditions have been satisfied, thereby entitling the Petitioner to relief under the Code.

7. That on issuance of the notice in the Company Petition and after due service of notice, the Corporate Debtor has appeared and filed reply to the Company Petition on 11.12.2025 vide inward diary no. D-8378, denying various averments made in the Company Petition. The contentions of the Corporate Debtor are mentioned hereunder: -

7.1 The Corporate Debtor submitted that it is engaged in manufacture of pigment intermediates and dyes basic chemicals. The audited financial statements for FY 2024-25 and provisional financials upto 30.09.2025 are annexed as Annexure-R2. The records show sales of Rs.68,47,60,000, total income of Rs.69,20,31,000 and total expenses of Rs.11,74,63,000.

7.2 The Corporate Debtor stated that the Company continues its operations and the present Petition has been filed for recovery of alleged dues. Reliance has been placed on ***M/s S.S. Engineers v. Hindustan Petroleum Corporation Ltd., Civil Appeal No.4583 of 2022*** (Supreme Court of India). It was submitted that insolvency proceedings cannot be used as a recovery mechanism.

7.3 The Corporate Debtor further relied on ***Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd., (2018) 1 SCC 353***. It was submitted that where a dispute exists prior to the demand notice, an application under Section 9 of the Insolvency and Bankruptcy Code, 2016 cannot be admitted.

- 7.4 The Corporate Debtor submitted that the Petition is not maintainable due to non-compliance with Regulation 2B of the IBBI (CIRP) Regulations, 2016. It was stated that the Operational Creditor has not filed Form GSTR-1 and Form GSTR-3B returns along with the application.
- 7.5 Reliance has been placed on ***Farukhi Glass Industries v. Boutique Spirits Brands Pvt. Ltd., CP (IB) No.685/ND/2024***, NCLT New Delhi Bench and ***Shubham Enterprise v. Active Aluminium Pvt. Ltd., CP (IB) No.299/AHM/2024***, NCLT Ahmedabad Bench. Copies of the judgments are annexed as Annexure-R3 and Annexure-R4.
- 7.6 The Corporate Debtor submitted that the claim amount of Rs.5,86,08,827 does not consider payments made by the Corporate Debtor in July 2025 after issuance of the demand notice and prior to filing of the application. It was stated that the alleged claim amount has not been correctly adjusted.
- 7.7 Corporate Debtor further submitted that the Petition combines multiple purchase orders and invoices into a single claim though each purchase order represents a separate transaction. It was stated that consolidation of different transactions has resulted in dispute regarding the alleged default.
- 7.8 The Corporate Debtor stated that dispute exists regarding quality of Phthalic Anhydride supplied by the Operational Creditor under invoices PPIPL/927/24-25,

PPIPL/928/24-25, PPIPL/929/24-25 and PPIPL/968/24-25 totalling 102 MT.

7.9 The Corporate Debtor submitted that the defective material resulted in yield reduction and production stoppage causing losses of Rs.1,33,50,000, Rs.1,00,00,000 and Rs.2,50,00,000. Reports and correspondence relating to the dispute are annexed as Annexure-R5 and Annexure-R6.

7.10 Reliance has also been placed on ***Transmission Corporation of A.P. Ltd. v. Equipment Conductors and Cables Ltd., (2019) 12 SCC 697, R.A.J. Krishana Construction Company Pvt. Ltd. v. Newera Solutions Pvt. Ltd., Company Appeal (AT) No.83 of 2024 (NCLAT)*** and ***Shah Paper Mills Ltd. v. Shree Rama News Print and Papers Ltd., Company Appeal (AT) (Insolvency) No.1088 of 2022 (NCLAT)***.

7.11 The Corporate Debtor further submitted that the Applicant has relied upon electronic records without certificate under Section 63 of the Bharatiya Sakshya Adhinyam, 2023. In view of the above narrated facts, the Corporate Debtor has sought dismissal of the present Company Petition filed under Section 9 of the Insolvency and Bankruptcy Code, 2016.

8. The Operational Creditor has also filed a affidavit in rejoinder to reply filed by the Corporate Debtor, on 23.02.2026 vide inward diary no. D1397, denying

contentions raised by the Corporate Debtor in its reply. The contents of the Rejoinder are reproduced as follows: -

- 8.1 The Operational Creditor states that the reply filed by the Corporate Debtor is denied except those facts specifically admitted. It is submitted that the Corporate Debtor has not disclosed any dispute which existed prior to issuance of the statutory demand notice dated 24.06.2025 under Section 8 of the Insolvency and Bankruptcy Code, 2016.
- 8.2 The Operational Creditor states that an operational debt exceeding Rs. 1,00,00,000 is due and payable by the Corporate Debtor. An email dated 19.06.2025 confirming accounts for FY 2024-2025 shows acknowledgement of liability of Rs. 5,69,92,656 by the Corporate Debtor and the same is placed on record as Annexure-N.
- 8.3 The Operational Creditor states that the allegations relating to quality of goods are raised after issuance of the demand notice dated 24.06.2025. The alleged laboratory testing report relied upon by the Corporate Debtor in Annexure R-6 (Colly) was not communicated earlier and cannot constitute a dispute under Section 5(6) of the Code.
- 8.4 The Operational Creditor states that goods supplied were accepted and utilized by the Corporate Debtor without protest. Certificates of Analysis issued at the time of supply confirming specifications are placed on

record as Annexure-O and documents including invoices, delivery challans and e-way bills are filed as Annexure-P.

- 8.5 The Operational Creditor states that objections regarding non-filing of GSTR-1 and GSTR-3B are not relevant to maintainability of the application. However, copies of GSTR-1 and GSTR-3B returns for the relevant period have been placed on record as Annexure-Q.
- 8.6 The Operational Creditor states that ledger entries and payment records have been filed as Annexure-R showing payments received from the Corporate Debtor. The TDS TRACES Annual Tax Statement for FY 2024-2025 is filed as Annexure-S and the Balance Sheet as on 31.03.2025 with schedule of trade receivables is filed as Annexure-T.
- 8.7 The Operational Creditor states that the claim arises from continuous commercial transactions through purchase orders and running account dealings. Multiple invoices arising from the same course of business constitute one operational debt and aggregation of invoices is permissible under Section 9 of the Code.
- 8.8 The Operational Creditor states that subsequent payments made after issuance of demand notice do not extinguish the debt where default continues above the threshold prescribed under Section 4 of the Code. The affidavit filed under Section 9(3)(b) states that the

operational debt remained unpaid on the date of filing of the application.

8.9 The Operational Creditor states that the Corporate Debtor has relied upon certain judgments including *Mobilox Innovations Private Limited v. Kirusa Software Private Limited*, (2018) 1 SCC 353, *Transmission Corporation of Andhra Pradesh Limited v. Equipment Conductors and Cables Limited*, (2019) 12 SCC 697 and *S.S. Engineers v. Hindustan Petroleum Corporation Limited*, Civil Appeal No. 4583 of 2022. It is stated that these decisions concern cases where disputes existed prior to the demand notice and are distinguishable.

8.10 The Operational Creditor states reliance on *Mr. Prashant Agarwal v. Vikash Parasrampur & Anr.*, Company Appeal (AT) (Ins) No. 690 of 2022, and submits that principal debt together with contractual interest may be considered for threshold determination. Reliance placed by the Corporate Debtor on *SCL of India Shah Paper Mills Ltd. v. Shree Rama Newsprint & Papers Ltd.*, Company Appeal (AT) (Ins) No. 1088 of 2022 and *R.A.J. Krishna Construction Company Pvt. Ltd. v. Newera Solutions Pvt. Ltd.*, Company Appeal (AT) (Ins) No. 83 of 2024 is stated to be not applicable.

8.11 The Operational Creditor states that during pendency of proceedings, the Corporate Debtor addressed **emails dated 24.01.2026 and 26.01.2026** to the Operational Creditor, expressly conveying readiness to clear the

entire outstanding amount, thereby acknowledging the Operational Debt and default which are annexed Rejoinder as **Annexure-V (Pages 1038–1040)**. These communications constitute clear acknowledgement of subsisting debt and default. Having admitted liability during pendency, the Respondent is estopped from contending that no debt exists or that the claim is a moonshine dispute.

8.12 In view of the above facts the Operational Creditor has prayed that the Rejoinder be taken on record, the objections of the Corporate Debtor be rejected and the application under Section 9 of the Insolvency and Bankruptcy Code, 2016 be admitted and Corporate Insolvency Resolution Process be initiated against the Corporate Debtor.

9. We have heard the arguments of Ld. Counsel for the Applicant/Operational Creditor as well as Ld. Counsel for the Respondent/Corporate Debtor and perused the material available on record. The primary issues that arise for consideration before this Bench are as follows: -

- (a) Whether there exists an operational debt within the meaning of Section 5(21) of the Code.
- (b) Whether default has occurred in respect of the said operational debt.
- (c) Whether the present application satisfies the requirements under Sections 8 and 9 of the Code.

- (d) Whether there exists any pre-existing dispute between the parties prior to issuance of the demand notice under Section 8 of the Code.
- (e) Whether non-filing of GST returns affects maintainability of the application.
- (f) Whether electronic records relied upon by the Operational Creditor are admissible at the stage of admission.
- (g) Whether acknowledgement of liability by the Corporate Debtor during pendency of proceedings establishes existence of debt

10. Issue No.1: Existence of Operational Debt:

10.1 From the documents placed on record including purchase orders, tax invoices, ledger account and confirmation of accounts, it is evident that the Petitioner had supplied chemical products to the Corporate Debtor in the ordinary course of business.

10.2 The invoices placed on record demonstrate supply of goods between September 2024 and January 2025, pursuant to purchase orders issued by the Corporate Debtor. The Corporate Debtor has not denied issuance of the purchase orders or receipt of goods.

10.3 Annexure F to the Petition is a copy of ledger account of the Corporate Debtor as appearing in the books of account of the Petitioner for the period 01.04.2024 to 23.06.2025 which shows debits for sale made (IGST) and credits for payments received. The Corporate Debtor while making payments has also deducted tax at

source. The supplies of goods made and payments received are regular till 05.03. 2025. Last supply was made on 08.01.2025 and last payment was received on 08.04.2025. The amount receivable as on 02.06.2025 is of Rs 5,50,04,143.

10.4 In terms of Section 5(21) of the Insolvency and Bankruptcy Code, 2016, a claim arising out of supply of goods constitutes an operational debt. Therefore, this Bench is satisfied that the claim of the Petitioner arises out of supply of goods and falls within the definition of operational debt.

11. Issue No.2: Occurrence of Default:

11.1 The Petitioner has claimed that a sum of Rs. 5,86,08,827/- remains outstanding including interest.

11.2 Item No. 2 of Part IV of Form 5 contains a table showing date of default in respect of each unpaid invoice. It is a case of supply of goods and invoices have been raised in respect of each supply and dates of default for invoices fall in the period from 08.12.2024 to 08.04.2025. The Petition is filed on 3.12.2025 and is within limitation period.

11.3 The Corporate Debtor has contended that certain payments were made after issuance of the demand notice. However, even if such payments are taken into consideration, the Corporate Debtor has not disputed that a substantial amount remains unpaid.

11.4 It is well settled that partial payments do not extinguish the occurrence of default, so long as the outstanding amount remains above the threshold prescribed under Section 4 of the Code.

11.5 The material on record including the ledger account and bank statements reflects that the Corporate Debtor has failed to discharge the admitted dues within the stipulated credit period.

12. Issue No.3: Compliance with Section 8:

12.1 The Operational Creditor has placed on record a demand notice dated 24.06.2025 issued under Section 8 of the Code.

12.2 The postal receipts and tracking reports placed on record demonstrate that the said demand notice was duly served upon the Corporate Debtor.

12.3 The Corporate Debtor has not produced any material to demonstrate that a notice of dispute under Section 8(2)(a) of the Code was issued within the statutory period of ten days.

13. Issue No.4: Allegation of Pre-Existing Dispute:

13.1 The principal defence raised by the Corporate Debtor is that the goods supplied were allegedly defective and caused financial losses to the Corporate Debtor.

13.2 In this regard, the Corporate Debtor has relied upon certain internal test reports and correspondence annexed with its reply.

- 13.3 However, this Bench notes that no contemporaneous document has been produced to demonstrate that any dispute regarding quality of goods was raised prior to issuance of the demand notice dated 24.06.2025 under section 8 of the IBC, 2016.
- 13.4 The Hon'ble Supreme Court in ***Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd. (2018) 1 SCC 353*** has held that the Adjudicating Authority must determine whether the dispute is real and bona fide and must have existed prior to issuance of the demand notice.
- 13.5 At the stage of admission under Section 9, this Adjudicating Authority is only required to examine whether there exists a plausible contention requiring further investigation and that the dispute is not a patently feeble legal argument or an assertion unsupported by evidence.
- 13.6 In the present case, the alleged disputes (quality issues under invoices PPIPL/927/24-25 et al., causing claimed losses) have been raised for the first time in the reply filed before this Tribunal and are un-supported by contemporaneous correspondence prior to the Section 8 demand notice dated 24.06.2025.
- 13.7 The reliance placed by the Corporate Debtor on ***Sabarmati Gas Ltd. V. Shah Alloys Ltd. being Civil Appeal No.1669 of 2020, (2023) ibclaw.in 02 SC*** is misplaced. In the said case, disputes had arisen prior to

issuance of the demand notice and were supported by contemporaneous correspondence. In the present case, no such dispute has been demonstrated prior to the statutory demand notice dated 24.06.2025.

13.8 Annexure G (copy of email correspondence between parties) demonstrate that the Corporate Debtor promised to make payments. For example, email of 24.03.2025 from the Corporate Debtor (yogesh patel@nilkanthgroup.co.in) to the Petitioner notes that, “According to our discussion, your payment will be made at the end of this month.”

13.9 Therefore, this Bench is unable to accept the contention that a genuine pre-existing dispute exists.

14. Issue No.5: Objection regarding GST Returns:

14.1 The Corporate Debtor has further contended that the application is not maintainable due to non-filing of GSTR-1 and GSTR-3B returns.

14.2 In this regard, it is observed that the requirement under Regulation 2B of the IBBI (CIRP) Regulations, 2016 is procedural and directory in nature (not mandatory for admission per ***Farukhi Glass Industries v. Boutique Spirits Brands Pvt. Ltd., CP (IB) No.685/ND/2024***), and cannot override substantive documentary evidence establishing operational debt. Further, the Petitioner has filed copy of GSTR-1 and GSTR-3B for the relevant period on 14.02.2026.

14.3 The Operational Creditor has produced invoices, delivery documents, ledger accounts and bank statements which sufficiently establish the existence of operational debt and default.

14.4 Therefore, the objection raised on this ground is not sufficient to defeat the application.

15. Issue No.6: Objection regarding Electronic Evidence:

15.1 The Corporate Debtor has also contended that the electronic records relied upon by the Petitioner are inadmissible for want of certification under the Bharatiya Sakshya Adhiniyam, 2023.

15.2 This Adjudicating Authority notes that IBC proceedings are summary in nature (per Section 424, Companies Act, 2013). While Section 63 of the BSA, 2023 requires a certificate for electronic records' admissibility (including hash values and metadata preservation per 2026 NCLT guidelines), strict civil evidence rules are not rigidly applied at admission, especially where primary documents (purchase orders, invoices) suffice (***Arjun Panditrao Khotkar v. Kailash Kushanrao Gorantyal, (2020) 7 SCC 1***).

15.3 In any event, the claim of the Operational Creditor is primarily supported by purchase orders, invoices and ledger accounts, which are sufficient to establish the existence of debt and default.

16. Issue No.7: Evidence Acknowledgment of Liability:

- 16.1 During the course of hearing, the learned counsel for the Operational Creditor relied upon emails dated 24.01.2026 and 26.01.2026, wherein the Corporate Debtor expressed readiness to clear the outstanding amount.
- 16.2 The said emails have not been disputed by the Corporate Debtor during the course of hearing.
- 16.3 These communications further indicate acknowledgment of the outstanding liability and subsumes plea of any pre-existing dispute.
- 16.4 The Hon'ble Supreme Court in **Saraswati Wire and Cable Industries v. Mohammad Moinuddin Khan (Civil Appeal No.12261 of 2024** decided on 10.12.2025), held that payments or acknowledgments made after a Section 8 demand notice defeat the defence of a pre-existing dispute. The Court described such defences as "mere moonshine" when contradicted by the debtor's own ledger entries or subsequent payments, restoring the NCLT's admission order.
- 16.5 Further, per Section 18 of the Limitation Act, such acknowledgments extend limitation.

17. Finding of the Bench are as under :-

- 17.1 Upon consideration of the material placed on record, this Bench is satisfied that an operational debt exists.
- 17.2 The Corporate Debtor has committed default in payment of the said debt.

- 17.3 No pre-existing dispute has been established prior to issuance of the demand notice.
- 17.4 The application satisfies the requirements of Sections 8 and 9 of the Insolvency and Bankruptcy Code, 2016.
- 17.5 The petition is within limitation per Section 238A IBC read with Article 137 Limitation Act, 1963, as defaults occurred between 08.12.2024 and 08.04.2025, and acknowledgments (emails dated 19.06.2025, 24.01.2026, 26.01.2026) extend the period under Section 18 Limitation Act.
- 18.** Hence, in our view, the present Petition is complete in terms of Section 9 of the Code. The Operational Creditor is entitled to claim its dues, establishing the operational debt and default in payment of the Operational Debt beyond doubt. The outstanding Operational Debt and amount of default is of more than rupees one crore which meets the threshold limit as per section 4 of the Code and is well within the limitation for filing the present Petition. Accordingly, in terms of Section 9(5)(i) of the Insolvency and Bankruptcy Code, 2016, the present petition deserves to be admitted.
- 19.** Accordingly, in light of the above facts and circumstances, it is, **hereby ordered** as under:-
- (i) The Respondent/Corporate Debtor - **Shiva Dyestuff Private Limited** is **admitted** in Corporate Insolvency Resolution Process under section 9(5) of the Code.

(ii) As a consequence thereof, 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 Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
- d. *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.*
- e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor. The moratorium does not apply to transactions notified by the Central Government, as per Section 14(3)(a) of the IB Code, 2016.*

(iii) The order of moratorium under section 14 of the Code shall come to effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31

or passes an order for liquidation of the Corporate Debtor under Section 33 of the IBC 2016, as the case may be.

- (iv) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the Corporate Debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period.
- (v) Since, the Operational Creditor has not proposed the name of any IRP. Therefore, from the IBBI Panel List dated 16.01.2026, we appoint **Mr. Pankaj Khetan**, having Registration No. IBBI/IPA-002/IP-N00010/2016-2017/10014, E-mail ID ippankajkhaitan@gmail.com; Mobile No. 99998-83792 & 93102-01908 under section 13 (1)(c) of the Code to act as Interim Resolution Professional (**IRP**). He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder. He shall submit his consent Form-2 along-with Form-B and Registration Certificate within three days.
- (vi) The IRP so appointed shall make a public announcement (e.g., newspapers, websites) under Regulation 6(2) of IBBI Regulations, 2016, of the initiation of the Corporate Insolvency Resolution Process and call for submissions of claims under section 15 within three days of appointment as per

Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as required by Section 13(1)(b) of the Code.

- (vii) The IRP shall perform all his functions as contemplated, *inter-alia*, by sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its promoters, or any other person associated with the management of the Corporate Debtor are under legal obligation as per section 19 of the Code to extend every assistance and cooperation to the IRP. Where any personnel of the Corporate Debtor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.
- (viii) The IRP is expected to take full charge of the Corporate Debtor's assets and documents without any delay whatsoever within seven days of this order. The Interim Resolution Professional/ Resolution Professional may seek assistance of the local administration or police authorities, if required, for taking custody of the assets and records of the Corporate Debtor.
- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Debtor' and manage the operations of the Corporate Debtor as a

going concern as a part of the 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 a 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 exclusive of applicable taxes, within 7 days from the date of this order to meet the initial costs of the CIRP, including issuing public notice and inviting claims, as per Regulation 33(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This amount shall be adjustable against the IRP's fees and expenses as approved by the Committee of Creditors (CoC) under Regulation 33(3), with any excess refundable to the Operational Creditor or shortfall recoverable from the Corporate Debtor's estate as CIRP costs.
- (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 the Corporate Debtor's Master Data on the MCA portal to reflect its status as 'under Corporate Insolvency Resolution Process' within 7 working days of receiving this order and submit a compliance report to the Registrar, NCLT, within 14 working days.

(xiii) The public announcement under Regulation 6(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be published in at least one English (national edition) and one vernacular newspaper with wide circulation in the state of the Corporate Debtor's registered office (Gujarat) and on the Corporate Debtor's website, if any, as per Form A of the said Regulations.

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

20. Accordingly, this Petition being **CP(IB)/351/9/AHM/2025** is hereby **admitted**. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

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SANJEEV SHARMA
MEMBER (TECHNICAL)

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SHAMMI KHAN
MEMBER (JUDICIAL)