**IN THE NATIONAL COMPANY LAW TRIBUNAL**
**MUMBAI BENCH COURT-I**

**CP (IB) 771(MB) 2025**

*In the matter of Insolvency and Bankruptcy Code, 2016; and*

*An application under section 9 of the Insolvency and Bankruptcy Code, 2016; and*

*In the matter of;*

**M/s Bhagyashri Textiles Private Limited**

29/31, Khadak Street, 18/19/20, Kanji Jadhavji Bldg,

Near Satkar Hotel, Masjid, West, Mumbai, Maharashtra,

India - 400009

…Operational Creditor/Petitioner

Versus

**Samrat Gems Impex Private Limited**

Unit No. 13, Plot No. 17, Marol Co.op.

Ind. Estate, M.V Road, Marol, Andheri (East),

Mumbai, Maharashtra, India - 400059

…Corporate Debtor/Respondent

**Order Pronounced on 06.11.2026**

***Coram:***

**Sh. Prabhat Kumar** — Hon'ble Member (Technical)

**Sh. Sushil Mahadeorao Kochey** — Hon'ble Member (Judicial)

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***Appearances:***

For the Operational Creditor : Mr. Shashwat Aggarwal

For the Corporate Debtor : Mr. Bhupendra Dave

**ORDER**

**Brief Facts of the case**

1. This Company Petition is filed on 30.07.2025 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (“IBC”) by **M/s. Bhagyashri Textiles Private Limited** ("hereinafter referred to as the Operational Creditor /Petitioner") seeking to initiate Corporate Insolvency Resolution Process (CIRP) against **M/s. Samrat Gems Impex Private Limited** (CIN: U51398MH1984PTC034823) ("hereinafter referred to as the Corporate Debtor/Respondent").
2. M/s. Bhagyashri Textiles Private Limited, the Operational Creditor herein, is a company incorporated under the Companies Act, 1956, and is engaged in the manufacture of wearing apparel, except fur apparel, including the manufacture of wearing apparel made from material not produced in the same unit, encompassing both regular and contract-based activities. The Operational Creditor entered into a business arrangement with the Corporate Debtor for the supply of cotton Purchase cloth, pursuant to Orders dated 08.02.2025 and 10.02.2025.

3. M/s. Samrat Gems Impex Private Limited is a company, having Corporate Identification Number as U51398MH1984PTC034823, situated at Unit No. 13, Plot no. 17, Marol Co.Op Ind Estate, M.V Road, Marol, Andheri (East), Mumbai, Maharashtra, India – 400059. The Company was incorporated on 17.12.1984 under the Companies Act, 1956. It is a Limited Company having authorised capital of Rs. 13,00,00,000/- (Rupees Thirteen Crores only) and Paid-up share capital of Rs. 12,50,10,000/- (Rupees Twelve Crores Fifty lakhs and ten Thousand only).

4. The Petitioner claims that the principal amount of Rs.1,30,71,781/- remained unpaid towards the goods supplied to the Corporate Debtor. In addition, the Petitioner has claimed interest of Rs. 6,54,963/-, bringing the total amount claimed to Rs. 1,37,26,744/-, and the date of default is 11.03.2025.

**Submissions of the Petitioner:**

5. According to the Petitioner, the Corporate Debtor placed purchase orders dated 08.02.2025 and 10.02.2025 upon the Petitioner; accordingly, they supplied goods pursuant to these purchase orders and raised invoices in March 2025.

6. The Operational Creditor supplied the goods and raised as multiple invoices for the said supplies on various dates viz. 03.03.2025, 04.03.2025, 10.03.2025. 08.03.2025. Despite the issuance of the aforementioned Invoices, the Corporate Debtor has failed and neglected to make payments for the goods supplied. The outstanding amount represents the unadjusted portion of such advances and thus constitutes an operational debt within the meaning of Section 5(21) of the Insolvency and Bankruptcy Code, 2016.

7. It is submitted by the Petitioner that the Operational Creditor agreed to supply goods and raised multiple invoices on various dates viz. 03.03.2025, 04.03.2025, 08.03.2025 and 10.03.2025. The Tribunal's order dated 29.04.2026 records the Petitioner's submission that a total of 11 invoices remained unpaid. The invoices form the basis of the operational debt claimed in the petition. As per the terms and conditions of the sale, payment was to be made within 7 days from the date of each respective invoice. The Petitioner alleges that the Corporate Debtor has failed and neglected to make payments for the goods supplied and states that it is also liable to pay interest at 24% per annum on delayed payments.

8. It is further submitted by the Petitioner that the first invoice dated 03.03.2025 became due for payment on 10.03.2025, accordingly, the first date of default is 11.03.2025. The last invoice was raised on 10.03.2025 and became due on

17.03.2025, making the last date of default as 18.03.2025. The Petitioner issued a demand notice dated 23.05.2025 seeking payment of the alleged outstanding operational debt. The Corporate Debtor replied to the demand notice through a communication dated 02.06.2025. The existence of this reply is specifically recorded in the Tribunal's order dated 29.04.2026. Accordingly, the demand notice was not left unanswered, and the contents of the Corporate Debtor's response are relevant to determining whether a dispute existed before the filing of the Section 9 petition. It is submitted by the Petitioner that there is no evidence of payment made either by the Corporate Debtor or any third party on its behalf.

**Submissions of the Corporate Debtor:**

9. The Corporate Debtor acknowledges that the proceedings arise from a commercial arrangement between the parties concerning the supply of cotton cloth. It states that it has been making bona fide efforts to resolve the Petitioner's claim and has no intention of avoiding its legitimate commercial obligations. However, it submits that it has been unable to settle the claim because of financial difficulties.

10. The Corporate Debtor submits that it was expecting to receive a significant amount of money from a substantial business order. However, the concerned buyer cancelled the order and this cancellation was unexpected and resulted in a shortage of funds that it had anticipated receiving. Consequently, the Corporate Debtor states that it was unable to arrange sufficient money to discharge its commercial liabilities, including the Petitioner's claim.

11. The Corporate Debtor further submits that the domestic textile and apparel manufacturing and export sector was experiencing difficulties during the relevant period. These included reduced global demand, disruptions in supply chains and increased input costs. According to the Corporate Debtor, the proposed infusion of funds would help stabilize its business operations and

enable it to address its outstanding commercial liabilities, including the amount claimed by the Petitioner.

**Findings:**

12. The Tribunal heard the learned counsel appearing for both the parties and perused the material available on record.

13. The Applicant and the Corporate Debtor had entered into a commercial arrangement for the supply of cotton cloth. The Corporate Debtor placed purchase orders dated 08.02.2025 and 10.02.2025, pursuant to which the Applicant supplied cotton cloth and raised tax invoices dated 03.03.2025, 04.03.2025, 08.03.2025 and 10.03.2025.

14. This Tribunal notes that the Applicant issued a demand notice dated 23.05.2025 under Section 8 of the Code, calling upon the Corporate Debtor to pay the outstanding operational debt. The Corporate Debtor replied to the said notice on 02.06.2025. Upon examining the reply and the subsequent Affidavit in Reply, this Tribunal finds that the Corporate Debtor has not raised any specific dispute regarding the purchase orders.

15. The Tribunal directed the Petitioner to produce the Corporate Debtor's ledger account as appearing in the Petitioner's books, GST returns covering the period of the invoices, disclosure of relationships between the two companies and their directors and shareholders, audited financial statements for the previous three financial years, and the NeSL Record of Default in Form D. The Tribunal also directed the Corporate Debtor to file its audited balance sheets for FY 2023-24 to FY 2025-26 and the relevant GST returns.

16. The Petitioner also produced the ledger account for the period 01.04.2025 to 31.03.2025 and the ledger entries recording the invoices from 01.04.2025 to 12.05.2025 aggregating to Rs.2,25,795/-. After accounting for all these credit notes, the ledger reflects a closing outstanding balance of Rs.1,29,12,264.10/-. The principal amount claimed in the original petition is Rs.1,30,71,781/-,

whereas the later ledger balance is Rs.1,29,12,264.10/-. The difference between the two figures is Rs.1,59,516.90/-. The difference between the balance as on 31.03.2025 and the subsequent closing balance is Rs.2,25,795/-, corresponding to the credit notes disclosed by the Petitioner.

17. There is no overlapping directorship or shareholding between the two companies. It further states that there are no personal or family relationships between their respective directors or shareholders. The order dated 29.04.2026 records the Petitioner's submission that 11 invoices remained unpaid. However, the original petition's chronology lists a larger series of invoices issued during March 2025. It is therefore necessary to distinguish the total invoices raised from the invoices forming the outstanding claim and identify which invoices, if any, were settled or adjusted.

18. The Corporate Debtor has attributed its non-payment to financial difficulties arising from cancellation of a business order, reduced demand, increased costs and shortage of funds. These circumstances explain its stated inability to pay but do not, by themselves, establish a pre-existing dispute regarding the quality, quantity or supply of goods. The Tribunal must nevertheless examine the reply dated 02.06.2025 and the other material on record before determining whether any legally relevant dispute existed prior to the receipt of the demand notice.

19. Accordingly, this Tribunal is of the considered view that the Applicant has established the existence of an operational debt and continued default exceeding the minimum threshold prescribed under Section 4 of the Code.

20. Therefore, the default stands established and there is no reason to deny the admission of the Petition. In view of this, this Adjudicating Authority admits this Petition and orders initiation of CIRP against the Corporate Applicant.

**ORDER**

21. The Petition bearing **CP(IB)/771(MB)/2025** filed by **M/s Bhagyashri Textiles Private Limited**, the Operational Creditor, under **section 9** of the IBC read with

relevant provisions of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against **Samrat Gems Impex Private Limited** is **allowed**.

22. **Mr. Vinit Gangwal,** bearing Registration No. IBBI/IPA-002/IP-N00091/2017-2018/10235, having registered Office No.503, Varun capital, CTS No.364+365/13, Off. J. M. Road, Bharat Petroleum Lane, Next to Citiotel, Shivajinagar, Pune, Maharashtra, 411005, email address as ip.vinitgangwal@sudharman.in ,Contact Number as 9850823110, is hereby appointed as the IRP of the Corporate Applicant to carry out the functions as mentioned under IBC. The IRP shall carry out functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC. The fee payable to IRP/RP shall be compliant with Regulations, Circulars and Directions issued by the Insolvency & Bankruptcy Board of India (IBBI) as may be applicable.

23. There shall be a moratorium under Section 14 of the IBC, in regard to the following:

    i. The institution of suits or continuation of pending suits or proceedings against the Corporate Applicant including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

    ii. Transferring, encumbering, alienating or disposing of by the Corporate Applicant any of its assets or any legal right or beneficial interest therein;

    iii. Any action to foreclose, recover or enforce any security interest created by the Corporate Applicant in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;

iv. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Applicant.

24. Notwithstanding the above, during the period of moratorium: -
    i. The supply of essential goods or services to the corporate Applicant, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;
    ii. That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;
25. The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Applicant under section 33 of the IBC, as the case may be.

26. Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

27. During the CIRP Period, the management of the Corporate Applicant shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Applicant shall provide all documents in their possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.

28. The Board of Directors of the Corporate Applicant shall make available requisite funds with the IRP/RP to meet the expenses arising out of issuing public notice and inviting claims till the formation of Committee of Creditors plus out of pocket expenses as well as to meet further process cost, in case the fund is not available with the Corporate Applicant at request of IRP/RP.

Needless to say, these expenses shall be subject to rectification by the Committee of Creditors (CoC) and the amount so contributed by the Board of Directors from their personal sources shall be treated as interim finance and dealt with accordingly.

29. The Board of Directors of the Corporate Applicant shall furnish the complete names, addresses, and contact details of the persons/entities from whom the amounts reflected under the head "Current Assets" in the provisional financial statement as on 10th March 2026 were receivable.

30. The Petitioner is directed to deposit **INR 3,00,000/-** (Indian Rupees Three Lakhs only), to the bank account of the Resolution Professional within one week, adjustable against his fees and out-of-pocket expenses, which shall be such as is agreed by the Petitioner herein and subsequently confirmed by the Creditors. Needless to say, this shall be subject to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.

31. The Registry is directed to communicate this Order to the Corporate Applicant and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.

32. A copy of this Order be sent to the Registrar of Companies, Mumbai, Maharashtra, for updating the Master Data of the Corporate Applicant. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within **seven days** from the date of receipt of a copy of this order.

33. Ordered accordingly.

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| **Sd/-** | **Sd/-** |
| **Prabhat Kumar** | **Sushil Mahadeorao Kochey** |
| Member (Technical) | Member (Judicial) |

*Vaishnavi B*