

**IN THE NATIONAL COMPANY LAW TRIBUNAL  
ALLAHABAD BENCH, PRAYAGRAJ**

**CP (IB) NO.153/ALD/2024**

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

**IN THE MATTER OF:**

**M/S SHIV GRAMOUDYOG SANSTHAN**

Add: 117/H-2/145, Flat No. 204,  
Pandu Nagar, Kanpur, Uttar Pradesh-208005  
Email Id: moredetegents@gmail.com

**.... Operational Creditor**

**Versus**

**M/S SAGAR DETERGENTS PRIVATE LIMITED**

Add: 117/C 8/100, Sarvodaya Nagar,  
Kanpur, Uttar Pradesh-208005  
Email Id: sagardetergents91@gamil.com

**.....Corporate Debtor**

**Order Pronounced On: 02.04.2025**

**Coram:**

Mr. Praveen Gupta : *Member (Judicial)*  
Mr. Ashish Verma : *Member (Technical)*

**Appearances:**

Sh. Vipin Kumar : *For the Operational Creditor*  
Kushwaha, Adv.  
Sh. Yash Mishra, CS : *For the Corporate Debtor*

**CP (IB) NO.153/ALD/2024**  
IN THE NATIONAL COMPANY LAW TRIBUNAL  
ALLAHABAD BENCH, PRAYAGRAJ

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## ORDER

1. The present Application was filed on 22.11.2024 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred as "the Code/IBC") read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred as "the Rules") by M/s Shiv Gramoudyog Sansthan (hereinafter referred as "Applicant/Operational Creditor") to initiate the Corporate Insolvency Resolution Process (hereinafter referred as "CIRP") against M/s Sagar Detergents Private Limited (hereinafter referred as "Corporate Debtor") due to its failure to pay the total outstanding operational debt of Rs. 5,58,61,981/- to the Operational Creditor. The date of default, as stated in the application, is 20.12.2019.

2. The Operational Creditor, engaged in the business of manufacturing and trading of detergents powder and cakes, was approached by the Corporate Debtor for periodic supplies of the materials as required by them. As per the details provided in the application, the Operational Creditor issued various invoices from 15.11.2018 till 18.03.2020 for

the materials supplied, fastening the liability on the Corporate Debtor to make payments to the Operational Creditor for the material supplied.

3. It is further submitted that the Corporate Debtor failed to make any payments against the invoices issued by the Operational Creditor. In an effort to recover the outstanding dues, the Operational Creditor sent multiple emails dated 29.07.2024, 31.07.2024, and 14.08.2024, and also a letter dated 13.08.2024, and then followed up with the Corporate Debtor regularly. However, no payments were received from the Corporate Debtor.

4. As the Corporate Debtor did not address the repeated requests of the Operational Creditor for payment, the Operational Creditor issued a demand notice in Form 3 under Section 8 of the Code dated 08.10.2024, demanding payment of the outstanding amount of Rs. 5,58,61,981/-. The said notice was duly served upon the Corporate Debtor on 15.10.2024. However, neither any response to the said notice nor any payment towards the outstanding dues was made by the Corporate Debtor.



5. Aggrieved by the delay in clearing of the debt by the Corporate Debtor and its continued failure to clear the outstanding payments, the Operational Creditor filed the present Application seeking for initiation of CIRP against the Corporate Debtor.

**REPLY ON BEHALF OF THE CORPORATE DEBTOR**

6. The Respondent/Corporate Debtor filed its reply, vide Diary No. 130 dated 22.03.2025, wherein it acknowledged the outstanding amount of Rs. 5,58,61,981/- pending for payment to the Operational Creditor and also asserted that a part payment of the outstanding dues amounting to Rs. 2,90,24,132/- have already been made.

7. The Corporate Debtor states that it had entered into a verbal agreement with the Operational Creditor to procure goods on credit, with payments due one month after a one-year period. However, due to the severe impact of COVID-19 on its business and financial position, it was unable to meet its payment obligations.

8. The Corporate Debtor also submits that it had requested additional time from the Operational Creditor for payment of the outstanding dues while continuing to receive supplies for



another year. Despite this extension, the Corporate Debtor was unable to clear the outstanding debt due to financial difficulties.

9. During the course of the hearing held on 26.03.2025, the Ld. Counsel representing the Operational Creditor while arguing the matter, referred to the reply filed by the Corporate Debtor, particularly para nos. 6 and 7 of the reply, where the Corporate Debtor had acknowledged the outstanding amount and had shown its inability to pay the debt on account of the financial constraints. Ld. Authorized Representative representing the Corporate Debtor also appeared and submitted that due to financial constraints, it is not possible to repay the debt, however, he seeks time for making the payment.

#### **FINDINGS AND ORDER**

10. We have heard the arguments of the Learned Counsels appearing for both parties, Applicant/Operational Creditor and Respondent/Corporate Debtor and perused the pleadings, records, and exhibits/annexures marked thereto. Having heard the Learned Counsels appearing for the parties, and on perusal of the records, exhibits/annexures and after



considering the arguments advanced by respective Learned Counsels, we find that the following issues are for consideration to be decided for admissibility or otherwise of this Application u/s 9 of the Code.

- a. Whether the Application filed is within the limitation
- b. Whether there is a Debt and Default
- c. Whether there is a Pre-Existing Dispute

a. **Limitation**

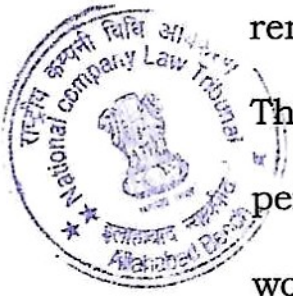
11. It has been observed that the present application was filed under Section 9 of the Code on 22.11.2024 before this Tribunal, with the date of default being declared as 20.12.2019. Regarding the limitation of the application, we refer to the exclusion period provided in the judgment passed by the Hon'ble Supreme Court in SUO MOTU WRIT PETITION (C) NO. 3 OF 2020 titled *In Re: Cognizance for Extension of Limitation* for the purpose of calculating the limitation. The Hon'ble Supreme Court directed that the period from 15.03.2020 to 28.02.2022 shall be excluded for the purpose of limitation. The relevant paragraph is reproduced below:

“... ”



- (I) *The order dated 23.03.2020 is restored and in continuation of the subsequent orders dated 08.03.2021, 27.04.2021 and 23.09.2021, it is directed that the period from 15.03.2020 till 28.02.2020 shall stand excluded for the purposes of limitation as may be prescribed under any general or special laws in respect of all judicial or quasi-judicial proceedings.*
- (II) *Consequently, the balance period of limitation remaining as on 03.10.2021, if any, shall become available with effect from 01.03.2022. ”*

12. Keeping in view on the above details regarding the exclusion/extension of the limitation period as ordered in the Suo Moto Order by the Hon'ble Supreme Court, if the limitation is calculated from 20.12.2019, a total of 87 days would have elapsed by 15.03.2020, leaving 1009 days remaining from the total period of 3 years i.e., 1096 days. Thus, as per Clause (II) of the Suo Moto Order, the limitation period would be extended by 1009 days. The limitation period would then recommence from 01.03.2022 and continue until 04.12.2024 for filing the application under Section 9 of the Code. Therefore, the application filed on 22.11.2024 is within the prescribed limitation period.



13. Moreover, the Corporate Debtor has not raised any objection in its reply to the present Application with regard to the maintainability of the present application or its not being filed within the limitation period.

**b. Debt and Default**

14. After having dealt with the issue of limitation and finding that the present Application has been filed within the limitation period, we have then examined the issues relating to debt and default

15. As per the present Application filed by the Operational Creditor in Form 5, seeking initiation of CIRP against the Corporate Debtor is based on the outstanding dues mentioned in Part-IV of the Application amounting to Rs. 5,58,61,981/-, with the date of default as mentioned therein being 20.12.2019 but as has already been discussed in previous para that the Application has been found to have been filed within limitation period in view of the suo moto order of the Hon'ble Supreme Court.

16. The facts leading to the above debt and default are that the Corporate Debtor had approached the Applicant/Operational



Creditor for the supply of detergent powder and cakes and entered into a verbal agreement to procure the said goods/materials on credit, with payments due one month after a one-year period of delivered goods/materials.

17. In compliance with the verbal agreement, the Operational Creditor duly supplied the materials and issued various invoices from 15.11.2018 till 18.03.2020 (attached as Annexure 4 with the present application).

18. As per the invoices, it has been seen that the last invoice issued by the Operational Creditor was dated 18.03.2020. As per the agreed verbal payment terms, the Corporate Debtor was required to make the payment within one month after a one-year period of delivered materials. However, the Corporate Debtor failed to fulfill the obligation of paying within the said time period and defaulted on 20.12.2019 for the first time and then default continued due to further nonpayment of the outstanding amount. Further, the Operational Creditor persistently sought payment of the dues by sending emails dated 29.07.2024, 31.07.2024, and 14.08.2024, along with a letter dated 13.08.2024.



19. We also noted that in response to the Operational Creditor's email dated 24.07.2024, the Corporate Debtor acknowledged its debt and stated as follows:

“ *Date: 31.07.2024 14:05:27 (+02:00)*  
*SUB: Acknowledgment of Payment Receipt u/s 9 of IBC, 2016.*  
*Respected sir,*  
*REF: E-Mail Dated 24-07-2024*

*I, Vinesh Kumar Rohra Director of Sagar Detergents Private Limited is writing to acknowledge the receipt of your payment of Rs 5,58,61,981 (Five Crore Fifty Eight lakh Sixty one thousand Nine hundred and Eighty ne) in relation to our outstanding balance.*

*We want to inform you that, due to the current financial constraints and the company not engaging in profitable operations, we assure you that the remaining balance will be settled in a few days' time. We are actively working to address these challenges and ensure that all obligations are met as soon as possible.*

*We appreciate your patience and understanding during this period.*

*Thanks and Regards.*  
*Vinesh Kumar Rohra*  
*[Director]*  
*[Sagar Detergents Private Limited]* ”

20. Subsequently, the Operational Creditor issued a demand notice dated 08.10.2024 under section 8 of the Code demanding the payment of the outstanding amount of Rs. 5,58,61,981/- within 10 days of the receipt of the notice.



However, neither any payment was made by the Corporate Debtor nor any notice of dispute was given, leading to filing of the present application by the Operational Creditor on 22.11.2024, which falls within the prescribed limitation period.

- 21.** Further, it is also observed that in the reply filed by the Corporate Debtor on 06.02.2025, the Corporate Debtor has admitted its liability and acknowledged the outstanding payment towards the Operational Creditor, stating that due to financial difficulties, it was unable to clear the outstanding dues. The relevant excerpt of the reply dated 22.03.2025 having Diary No. 130 is reproduced below:

*"4. In the financial year 2019-20, the CD entered into a verbal agreement with the Operational Creditor to procure goods on a credit basis for a continuous period of one year. As per the terms of the agreement, the CD was required to settle the payment within one month after the completion of the one-year period. Goods were supplied under this agreement until October 2020. Further the CD was unable to fulfil its payment obligations due to the adverse impact of the COVID-19 pandemic, which severely affected its business operations and financial position.*

*6. The Operational Creditor supplied goods worth a total of Rs. 8,48,86,116/- (Rupees Eight Crore Forty-*



*Eight Lakh Eighty-Six Thousand One Hundred and Sixteen Only) from the year 2019 onward. Out of this amount, the CD managed to pay Rs. 2,90,24,132/- (Rupees Two Crore Ninety Lakh-Twenty-Four Thousand One Hundred and Thirty-Two Only) during the financial year 2022-23, as evidenced by the ledger of the Operational Creditor (attached as Annexure A7 to the main petition).*

*7. The CD acknowledges that the outstanding amount of Rs. 5,58,61,981/- (Rupees Five Crore Fifty-Eight Lakh Sixty-One Thousand Nine Hundred and Eighty-One Only) remains unpaid to the Operational Creditor. However, due to the financial strain, the CD is currently unable to settle this liability in full.”*

**22.** Further, during the hearing of the present matter on 26.03.2025, the Ld. Counsel representing on behalf of the Corporate Debtor acknowledged the outstanding debt but showed the inability of the Corporate Debtor to pay the debt immediately due to financial difficulties and requested for some more time to be granted to clear the debt but no definite time schedule could be presented for repayment, On the other hand, the Ld. Counsel for the Operational Creditor did not agree for any further time to be given to the Corporate Debtor to pay the outstanding debt, as the same has been pending to be paid for a long time.



**23.** After considering the above facts and circumstances of the case, we are of the view that the acknowledgment made by the Corporate Debtor through its email dated 31.07.2024, as well as the submissions made through its reply before this Tribunal, unequivocally establishes the existence of a legally enforceable debt. The Corporate Debtor's failure to make payments towards the invoices raised by the Operational Creditor confirms the occurrence of default. It is also observed that the admission by the Corporate Debtor, wherein it cited financial distress as the reason for non-payment, reinforces the fact that the outstanding dues remain unpaid. Thus, it is evident that a valid debt has been incurred and remains unpaid, leading to a default on the part of the Corporate Debtor.

**24.** As per section 4 of the Code, the minimum threshold for initiating a CIRP application is Rs. 1 Crore. In the present case, the Applicant has placed sufficient documents to show that a debt of more than Rs. 1 crore, as also mentioned in Part IV of the Application, is due and that there has been a default in payment on the part of the Corporate Debtor.



Therefore, we are satisfied that there is a debt of more than Rs. 1 Crore and also a default has occurred on the part of the Respondent to pay this debt.

**c. Whether there is a Pre-Existing Dispute**

25. As regards there being any pre-existing dispute in respect of the claim made by the Operational Creditor as discussed above, we find that no notice of dispute was raised by the Corporate Debtor against the demand notice dated 08.10.2024 as required under Section 9(5)(i)(d) of the Code. Additionally, the email dated 31.07.2024, as well as the submissions made by the Corporate Debtor through its reply, confirm the Corporate Debtor's admission of default as against the payment of dues for the materials supplied by the Operational Creditor. Therefore, no pre-existing dispute has been found in existence in the present case.

26. After finding that in the present case, the present Application is filed within limitation period, there is debt more than the threshold limit of Rs. 1 crore, there is a default in repayment of the said debt and there is no pre-existing dispute with respect to this debt, further, all other conditions for



admission of application under Section 9(5)(i) of the I & B Code 2016 against the Corporate Debtor, have also been found to be fulfilled, we find this application as being fit for admission under Section 9(5)(i) of the I & B Code, 2016 for starting CIRP against the Corporate Debtor.

- 27.** We note that the Operational Creditor has proposed the name of Mr. Ankit Misra, the Insolvency Professional, to be appointed as Interim Resolution Professional (IRP), having Registration No. IBBI/IPA-002/IP-N01268/2023-2024/14294. Upon verification from the website of IBBI, it is found that this Insolvency Professional does not hold any valid authorization. Therefore, since the proposed IRP does not hold a valid AFA, this Tribunal appoints Mr. Pawan Garg from the panel provided by the IBBI, having Registration No. IBBI/IPA-002/IP-N01011/2020-2021/13267, R/o 14054, ATS One Hamlet, Sector 104, Noida, Uttar Pradesh-201304; Email: cspawan.garg@gmail.com, as IRP. The verification of the said IRP has been carried out by the Law Research Associate of this Tribunal, Ms. Kriti Kaushal, and it is found that there is no proceeding pending against the appointed



IRP, and it is also found that this insolvency professional holds valid authorization till 31.12.2025.

**28.** Accordingly, this application is admitted u/s 9 of the Code, 2016, under the following terms and conditions.

- i.** The application filed by the Operational Creditor under Section 9 of the Insolvency & Bankruptcy Code, 2016 for initiating the Corporate Insolvency Resolution Process against the Corporate Debtor i.e., **M/s Sagar Detergents Private Limited** is hereby admitted.
- ii.** We hereby declare a moratorium and public announcement in accordance with Sections 13 and 15 of the I & B Code, 2016.
- iii.** This Adjudicating Authority hereby appoints Mr. Pawan Garg to act as the IRP under Section 13(1)(c) of the Code as decided by us in para 27 above.
- iv.** The IRP shall cause a public announcement for the initiation of the Corporate Insolvency Resolution Process against the Corporate Debtor and call for the submission of claims under Section 15. The public announcement referred to in clause (b) of sub-section



(1) of Section 15 of the Insolvency & Bankruptcy Code, 2016 shall be made immediately.

**v.** Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016 prohibits the following: -

- a)** The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
- b)** Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
- c)** Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 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.



**vi.** Apart from above prohibitions in respect of the corporate debtor, it is further directed that the supply of essential goods or services to the corporate debtor as

may be specified, shall not be terminated or suspended or interrupted during the moratorium period.

- vii.** The provisions of Section 14(3) shall, however, not apply to such transactions 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.
- viii.** The order of moratorium shall have effect from the date of this order till completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the corporate debtor under Section 33 as the case may be.
- ix.** The IRP is directed to take steps as mandated under section 13 and 15 of the IBC for making public announcement about the commencement of CIRP against the Corporate Debtor and moratorium against it u/s 14, and also take necessary actions as per sections 17, 18, 20 and 21 of IBC, 2016.



x. The IRP shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor and to constitute a Committee of Creditors ( hereinafter referred as “**COC**”) and shall file a report certifying the constitution of the COC to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene the first meeting of the COC within seven days of filing the report of the constitution of the COC.

xi. The COC in its first meeting shall appoint a Resolution Professional (hereinafter referred as “**RP**”) as per the provision of section 22(2) and file an application before this Tribunal for confirmation of the appointment of the RP.



xii. The Suspended Board of Directors of the corporate debtor is directed to give to IRP/RP complete access to the Books of Accounts of the corporate debtor maintained under section 128 of the Companies Act. In case, the books are maintained in the electronic mode,

the Suspended Board of Directors are to share with the IRP/RP all the information regarding maintaining the Backup and regarding service provider kept under Rule 3(5) and Rule 3(6) of the Companies Accounts Rules, 2014 respectively as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the service provider and its location, and also address of the location of the Books of Accounts maintained in the cloud. In case, accounting software for maintaining the books of accounts is used by the corporate debtor, then IRP/RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs.

- xiii.** The Statutory Auditor is directed to share with the Resolution Professional the audit documentation and the audit trails, which they are mandated to retain pursuant to SA-230 (Audit Documentation) prescribed by the Auditing and Assurance Standards Board ICAI.



- xiv.** The IRP/RP is directed to take custody and control of all the records of information relating to assets of the Corporate Debtor, its Books of Account in physical form or the computer systems storing the electronic records at the earliest in accordance with the provision of Regulation 3A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as "CIRP Regulations, 2016").
- xv.** The Operational Creditor shall also provide necessary assistance to IRP/RP in obtaining the necessary information about the Corporate Debtor as envisaged in Regulation 4(3) of the CIRP Regulations, 2016.
- xvi.** In case of any non-cooperation by the Suspended Board of Directors or the Statutory Auditors, IRP/RP may take the help of the police authorities to enforce this order. The concerned police authorities are directed to extend help to the IRP/RP in implementing this order for the retrieval of relevant information from the systems of the corporate debtor.



**xvii.** The IRP/RP may take the assistance of Digital Forensic Experts empaneled with this Bench/IBBI/MCA for this purpose.

**xviii.** The Suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the corporate debtor, particularly for government portals, for various compliances.

**xix.** The IRP/RP is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.

**xx.** The IRP/RP is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with requests for information/documents available with those authorities'/institutions/ others pertaining to the Corporate Debtor which would be relevant in the CIR proceedings.

**xxi.** The IRP/RP is directed to approach all the concerned Government Departments and authorities as discernible from the books of account of the Corporate



Debtor requesting them to file claims if any amount is outstanding against the Corporate Debtor.

**xxii.** The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the IRP/RP to enable him to conduct the CIR Proceedings as per law.

**xxiii.** The IRP/RP shall collate the data obtained from (a) the claim(s) made before it and (b) information gathered from the records including those maintained by the Corporate Debtor.

**xxiv.** The IRP/RP is further directed to send regular progress reports to this Tribunal every month.

**xxv.** We direct the Financial Creditor to deposit a sum of Rs.1,00,000/- with the Interim Resolution Professional, 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 Person) Regulations, 2016. The amount, however, is subject to adjustment by the Committee of Creditors as accounted for by the



Interim Resolution Professional on the conclusion of CIRP.

29. A certified copy of the order shall be communicated to both the Applicant Operational Creditor and the Respondent Corporate Debtor. The learned counsel for the Applicant Operational Creditor shall deliver a certified copy of this order to the IRP forthwith. The Registry is also directed to send a certified copy of this order to the IRP at his e-mail address forthwith.
30. List the CP (IB) 153/ALD/2024 on 05.05.2025 for filing of the progress report/further proceedings.



**-Sd-**  
**(ASHISH VERMA)**  
**Member (Technical)**

**-Sd-**  
**(PRAVEEN GUPTA)**  
**Member (Judicial)**

**Date: 2<sup>nd</sup> April, 2025**

Compared by Me  
Mahesh Sahai  
07/04/2025

CERTIFIED TO BE TRUE COPY  
OF THE ORIGINAL

**FREE OF COST**

*V. K. Asthana*  
07.04.2025  
V. K. Asthana  
Deputy Registrar  
National Company Law Tribunal  
Allahabad Bench, Prayagraj (U.P.)