



**NATIONAL COMPANY LAW TRIBUNAL**  
**MUMBAI BENCH COURT VI**

Item No. P2.

C.P. (IB)/40(MB)2025

CORAM:

**SHRI SAMEER KAKAR**  
**HON'BLE MEMBER (TECHNICAL)**

**SHRI NILESH SHARMA**  
**HON'BLE MEMBER (JUDICIAL)**

ORDER SHEET OF HEARING (HYBRID) DATED **26.06.2025**

NAME OF THE PARTIES:     **Stanco Solutions Private Limited**

**Vs**

**Peel Works Private Limited**

**Under Section 9 of the IBC.**

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**ORDER**

The case is fixed for pronouncement of the order. The order is pronounced in the open court, *vide* separate order. Detailed order is being uploaded on the NCLT portal today.

**Sd/-**  
**SAMEER KAKAR**  
**MEMBER (TECHNICAL)**

//VM//

**Sd/-**  
**NILESH SHARMA**  
**MEMBER (JUDICIAL)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI TRIBUNAL-VI**

**CP (IB) No.40/MB/2025**

*[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:

**STANCO SOLUTIONS PRIVATE LIMITED**

[CIN: U74999TN2022PTC153023]

No.12, Poonthamallee Road Ekkatuthangal

Chennai – 600032, Tamil Nadu.

**...Operational Creditor/Applicant**

*VERSUS*

**PEEL WORKS PRIVATE LIMITED**

[CIN: U74990MH2010PTC207510]

1<sup>st</sup> & 2<sup>nd</sup> Floor, Kagalwala House

Plot No.175, CST Road, Kalina

Bandra-Kurla, Santacruz East

Mumbai- 400098, Maharashtra.

**...Corporate Debtor**

**Pronounced: 26.06.2025**

**CORAM:**

**HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)**

**HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)**

**Appearances: Hybrid**

Operational Creditor: Adv. Ms. Disha Mehta i/b King Stubb & Kasiva

Corporate Debtor: Adv. Mr. Aman Marwah i/b Indus Law



**ORDER**  
**[PER: BENCH]**

**1. BACKGROUND**

- 1.1 This Application bearing C.P.(IB) No.40/MB/2025 was filed by Stanco Solutions Private Limited, the Applicant (Operational Creditor) on 16.10.2024 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 through Ms. Usha Gurunathan – Director and Authorised Representative of the Applicant authorised *vide* Board Resolution dated 15.06.2022 for initiating Corporate Insolvency Resolution Process (hereinafter referred to as “CIRP”) in respect of Peel Works Private Limited, the Corporate Debtor (CD).
- 1.2 The Applicant is engaged in providing staffing service/workforce, human capital and payroll management, besides other related services. The CD is engaged in the business of Retailing and 3PL Management and is operating in various locations all over the country.
- 1.3 As per Part-IV of the Application, the default amount claimed by the Applicant is Rs. 1,27,38,722/- (One Crore Twenty-Seven Lakh Thirty-Eight Thousand Seven Hundred and Twenty-Two Rupees) as on 10.07.2024 inclusive of interest at 1.5% per month with further interest at 1.5% per month till the date of payment. The said amount is claimed in respect of contract payroll services provided by the Applicant to the CD pursuant to the Service Agreement dated 01.09.2023, executed between the Applicant and the CD.
- 1.4 The CD has failed to make payment of the aforesaid outstanding amount due to the Applicant despite various payment requests. This led to the filing of the present Application by the Applicant seeking initiation of CIRP in respect of the CD.

**2. AVERMENTS OF THE OPERATIONAL CREDITOR**

- 2.1 The CD approached the Applicant to avail the contract pay roll services i.e. for engaging the staffing services. The Applicant and the CD entered into a Service Agreement dated 01.09.2023 as per the agreed terms between the parties.
- 2.2 The Applicant provided its contract pay roll services in furtherance of the CD's requirements, pursuant to which, the Applicant raised the requisite invoices against the CD as per the terms and conditions of the Service Agreement. As on 10.07.2024, there were a total of 06 Invoices that were outstanding and payable by the CD. The following are the details of the said invoices:

Invoice Date	Invoice No.	Invoice Amount (Rs.)
13-02-2024	232110206	1,55,323
13-02-2024	232170207	77,331
13-02-2024	232110208	89,479
13-02-2024	232110209	44,05,793
14-02-2024	232110211	13,17,996
08-03-2024	232110225	59,19,015
<b>Total</b>		<b>1,19,64,937</b>

- 2.3 Further, there were 12 invoices raised earlier to the aforementioned 6 invoices for which invoice amounts were received belatedly, but interest amount payable by the CD for delayed payments at 1.5% p.m. was not paid till 10.07.2024 amounting to Rs. 67,853.39/-. In addition, interest payable for the unpaid and overdue Invoices, from the day they became due till 10.07.2024 @ 1.50% per month amounts to Rs.7,05,931/-



- 2.4 The payment of the invoice amounts was governed by the terms set out in the Clause 2(iii) of the Service Agreement dated 01.09.2023 and in tax invoices. As per Clause 2(iii) of the Service Agreement, the invoice amount was to be paid within 30 days from the date of receipt of invoice. In case of failure to pay the invoice amount when due, the parties had agreed that 1.5% per month interest would be payable on invoice value. Further, the tax invoices clearly specified that the payment terms were 30 days.
- 2.5 The CD had to clear the outstanding debt amount as was agreed, but even the subsequent undertakings of the CD *vide* email dated 19.02.2024, 29.02.2024, 06.03.2024, 08.04.2024, 16.04.2024, 06.05.2024 and 30.05.2024 were not adhered to by the CD. The CD caused a critical breach of terms of the agreed terms as per the Service Agreement between the parties and as per the invoices.
- 2.6 The default of the CD first arose on 13.03.2024 with respect to the aforementioned 6 invoices and the same is recurring. Further, the default also arose earlier with respect to the non-payment of delayed interest charged by the Applicant as per the Service Agreement for non-receipt of the invoice payments within 30 days on the earlier invoices from 09.11.2023 to 11.12.2023.
- 2.7 The Applicant *vide* various email communications, in addition to the emails dated 20.02.2024, 01.03.2024 and 06.05.2024, followed up with the CD to clear the undisputed and admitted operational debt in accordance with the Service Agreement and Tax Invoices. Despite the above correspondence for payment, the CD has till date failed to pay the outstanding amount due to the Applicant against the Invoices raised for the services rendered. That the CD neither disputed the services rendered nor the invoices raised by the Applicant till the date of issuance of the Demand Notice.



- 2.8 The Applicant issued a Demand Notice dated 10.07.2024 to the CD as required under the Code and called upon the CD to pay the outstanding amount. The Demand Notice was sent through an email on 10.07.2024 and by Registered Post Acknowledgment Due (RPAD) on 11.07.2024 to the registered office address as well as to the corporate office address of the CD, which was duly delivered on 15.07.2024. The Demand Notice was also sent to the regional office of the CD through RPAD on 11.07.2024 which was returned on 19.07.2024 with remarks “Addressee Left without instructions”. The CD failed to respond to the Demand Notice. Hence, this Application was filed by the Applicant under Section 9 of the Code.
- 2.9 The first date of default towards the interest amount remaining unpaid for the tax invoices, for which payments were not made within the time specified in the Service Agreement, has been mentioned as 09.12.2023 and towards the principal amount/invoice value for which payments were not made within the time specified in the Service Agreement and till the filing of the Application, the first date of default is stated as 13.03.2024. With respect to the default, the Applicant has attached NeSL record of default, which states that the status of authentication of default is “deemed to be authenticated”. The same is attached on page no. 383 of the Application
- 2.10 The Applicant has relied upon the following documents, which are attached to the Application as Annexures:
- a. Service Agreement dated 01.09.2023 as **Annexure-4**.
  - b. Email communications sent by the CD to the Applicant requesting for services as **Annexure-5**.



- c. Email communications, reminders, requests and follow-ups by the Applicant and response by the CD as **Annexure-6**.
- d. 18 tax invoices dated between 09.11.2023 to 08.03.2024 as **Annexure-7**.
- e. Bank Certificate and account statements of the Applicant as **Annexure-8**.
- f. Demand Notice dated 10.07.2024 along with service emails and proof of despatch of the hard copy of the Demand Notice as **Annexure-9**.
- g. Financial Statement of CD as reflected on the MCA's website as **Annexure-11**.
- h. NeSL record of default in Form-D as **Annexure-13**.

2.11 Notice was issued by this Tribunal to the CD vide order dated 14.01.2025 and again vide another order dated 06.03.2025. The service of the notice was effected upon the CD through speed post on 17.03.2025 and for which a track consignment report was placed by the Applicant before this Tribunal vide an affidavit of service.

2.12 The CD filed its reply vide affidavit dated 02.04.2025 and a copy of the same was served on the Applicant. At the hearing held on 21.04.2025, the Applicant's Counsel submitted that the Applicant did not wish to file rejoinder in the matter and accordingly the right of the Applicant to file rejoinder was closed at the said hearing.

2.13 Both the Counsels were heard by this Tribunal on 21.04.2025 and the matter was reserved for order.

2.14 On perusal of the Application and other record, this Tribunal was of the opinion that with respect to the Application certain clarification was required and for the said purpose a hearing in the matter was fixed for 05.05.2025 whereat the clarification required was brought to the notice of the Applicant and the matter was de-reserved. The Tribunal *vide* order dated 05.05.2025 gave an opportunity to the Applicant in terms of proviso to Section 9(5) of the Code to remove the defect in the



Application/offer the clarification with regard to the date of default. The Applicant complied with the said order and modified the Application which was taken on record *vide* order dated 27.05.2025. The CD did not wish to file any reply to this amended Application but pleaded that the dispute is an arbitrable dispute and the Applicant had not invoked the arbitration clause till now.

2.15 The Applicant carried out amendments in the Application as per the order of this Tribunal dated 05.05.2025. As per Part-IV of the Application, the Applicant has mentioned date of default as 09.12.2023. The invoice dated 09.11.2023 was due on 09.12.2023 as per Clause 2(iii) of the Service Agreement dated 01.09.2023. The CD failed to pay the due amount on the said date and delayed the payment for 18 days i.e. the CD paid the principal amount on 27.12.2023. The clause provides for interest for delayed payment at 1.5% p.m. The CD defaulted in making payment towards the interest amount in respect of the amount as per tax invoices, for which payments were not made within specified time, and therefore, the Applicant has mentioned first date of default as 09.12.2023 and the same is not disputed by the CD.

2.16 At the hearing held on 27.05.2025, after further hearing the Ld. Counsels for the Applicant as well as the Respondent, this Tribunal again reserved the matter for order.

### **3. CONTENTIONS OF THE CORPORATE DEBTOR**

3.1 The CD filed Affidavit-in-Reply on 02.04.2025, which was affirmed by Mr. Pushkar Raj, authorized signatory of the CD *vide* Board Resolution dated 22.03.2025.

3.2 In reply, the CD admits that the Applicant and the CD entered into a Service Agreement dated 01.09.2023. The CD had engaged the services of the Applicant for providing professional services with respect to human capital supply and payroll



management, joining formalities, candidate's background verification, which have been set out in detail in the said Agreement.

- 3.3 The Service Agreement was valid for a period of 3 years from 01.09.2023 until 31.08.2026 with a further extension of 2 years with mutual consent of the parties, in writing. The CD states that the Service Agreement also provided that it could be terminated at any time by any party to the said Service Agreement in writing by serving a 30-days advance notice to the other party.
- 3.4 The Service Agreement also contains an Arbitration clause providing for a mechanism to resolve disputes that may arise between the parties, however, the Applicant had feigned ignorance to the subsisting contract between the parties and has preferred this Application in order to exert pressure on the CD.
- 3.5 The Application appears as a manner to recover the debt from the CD. The settled provisions of the Code must not be misused by the Applicant for recovery of debt and therefore, the Applicant is strictly precluded from agitating any claims before this Tribunal for the recovery of alleged operational dues.
- 3.6 The CD faced certain unprecedented and unforeseen delays in payment processing from their clients. The CD prays for a fair and just adjudication of the said Application in accordance with provisions of the Code.

#### **4. REJOINDER**

- 4.1 As stated earlier, no rejoinder was filed by the Applicant and opportunity to file rejoinder was closed *vide* order dated 21.04.2025.

#### **5. ANALYSIS AND FINDINGS**

- 5.1 We have heard the Ld. Counsels for both the parties and perused the records as placed before us. Our findings in the matter are contained in the following paragraphs.



5.2 The Applicant has placed on record copies of relevant tax invoices, email communications with the CD in regard to requesting for services and reminders/follow-ups made with the CD in order to substantiate the claim of the operational debt due and payable by the CD but remaining unpaid, Bank Certificate dated 03.08.2024 giving evidence that no amount has been received from the CD during 07.03.2024 to 01.08.2024 (which covers the period during which the unpaid invoices became due for payment and till the date the Applicant has claimed its dues in the Application), NeSL record in Form-D and Service Agreement dated 01.09.2023. Pursuant to the Service Agreement dated 01.09.2023, the Applicant had raised 18 invoices out of which 12 invoices dated 09.11.2023 (two invoices), 14.11.2023 (two invoices), 18.11.2023, 25.11.2023, 18.01.2024, 30.11.2023, 06.12.2023 (three invoices) and 11.12.2023, whose amounts were paid but the delay interest amount was pending amounting to Rs. 67,853.39/- and 6 invoices dated 13.02.2024 (four invoices), 14.02.2024 and 08.03.2024 were due and payable by the CD amounting to Rs.1,26,70,868/- inclusive of interest at 1.5% p.m. Thus, the amount of Rs.1,27,38,722/- due and payable on account of services provided by the Applicant to the CD clearly represents an 'operational debt' within the meaning of Section 5(21) of the Code.

5.3 The Applicant has submitted that the Demand Notice dated 10.07.2024 under Section 8 of the Code was sent to the CD through email and RPAD to which the CD has not replied and, therefore, no pre-existing dispute or payment of the dues claimed was brought to the notice of the Applicant. The Applicant has also attached Affidavit in compliance of Section 9(3)(b) of the Code stating that there was no notice of pre-existing dispute raised by the CD in respect of the unpaid operational debt.



- 5.4 It is contended by the Respondent that there is an Arbitration Clause, which had to be used by the parties, if there was any dispute. It is settled law that even if there is an Arbitration Clause, Application for initiation of insolvency under the provisions of the Code is maintainable and can be proceeded with by the NCLT in view of the overriding effect of provisions of the Code. The Hon'ble NCLAT, Principal Bench, New Delhi in [**Company Appeal (AT) (Insolvency) No. 802 of 2020, Hasan Shafiq Vs. CT-Technologies ApS and Anr.**], (2022) *ibclaw.in 157 NCLAT* it was held that *"Despite there being clause of arbitration in Agreement, Application under Section 9 was fully maintainable and could be proceeded with by Adjudicating Authority. The proceedings under Code having been given overriding effect, the right to initiate Application under Section 9 shall not be taken away by the Operational Creditor by any Agreement of arbitration in the contract, when Operational Creditor elect to initiate proceedings under Section 9, it cannot be rejected on the aforesaid ground"*. Therefore, this issue raised by the CD does not hold any water and that the Application for initiation of CIRP under Section 9 of the Code is maintainable.
- 5.5 The emails dated 19.02.2024, 29.02.2024, 06.03.2024, 08.04.2024, 16.04.2024, 06.05.2024 and 30.05.2024 were sent by the CD assuring to clear the outstanding amount payable by the CD by requesting to extend timelines for payment. The same was followed up by the Applicant *vide* emails dated 20.02.2024, 01.03.2024 and 06.05.2024. This is deemed to be admission of debt by the CD. It is observed from these emails that the CD had not paid the outstanding amount. The Service Agreement dated 01.09.2023 having been signed by both the parties shows that the CD was aware of the terms of payment of the invoice amount and having failed to do so, the Applicant has filed this Application under Section 9 of the Code, which is clearly not for recovery purposes but for initiation of a resolution process through



which the CD can revive and come out of the insolvency situation by way of a resolution plan.

- 5.6 The inability to pay a debt does not constitute a valid defence in proceedings under Section 9 of the Code. With the introduction of the Code, the legislative approach shifted from assessing a debtor's *inability to pay* to simply identifying whether a *default* has occurred. A CD cannot avoid liability by merely stating that it lacks the funds to pay an operational debt and that it must face the consequences of having defaulted on an undisputed operational debt as outlined in Section 9 of the Code. In our view the financial difficulties can be resolved through the process of CIRP.
- 5.7 From the above discussions, it is evident that there is proof of existence of debt and default on the part of the CD in the payment of said undisputed operational debt to the Operational Creditor exceeding Rs.1,00,00,000/- (One Crore Rupees), being the threshold monetary limit under Section 4 of the Code prevailing on the date of filing of the present Application. The Applicant has also attached a Record of Default in respect of the amount claimed issued by NeSL in Form-D, which states the status of default as "Deemed to be authenticated". Moreover, the Respondent has failed to raise any pre-existing dispute with respect to the amount claimed by the Applicant. Thus, this Application under Section 9 of the Code preferred by the Applicant is found to be maintainable. The Application is complete and has been filed in the prescribed form. In view of the above, we find that requisite conditions necessary to trigger CIRP in respect of the CD are fulfilled and therefore the Application filed by the Applicant in respect of the CD needs to be admitted under Section 9(5)(i) of the Code.

**ORDER**

In view of the aforesaid findings, this Application bearing C.P.(IB) No.40/MB/2025 filed under Section 9 of the Code by M/s Stanco Solutions Pvt. Ltd. the Operational Creditor, for initiating CIRP in respect of **M/s Peel Works Pvt. Ltd.**, the CD is **admitted**.

We further declare moratorium under Section 14 of the Code with consequential directions as mentioned below: -

- I. We prohibit-
  - a) the institution of suits or continuation of pending suits or proceedings against the CD 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 CD 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 CD 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 possession of the CD.
- II. That the supply of essential goods or services to the CD, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
- III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under



Section 31(1) of the Code or passes an order for the liquidation of the CD under Section 33 thereof, as the case may be.

- IV. That the public announcement of the CIRP shall be made in immediately as specified under Section 13 of the Code read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.
- V. That this Tribunal hereby appoints **Mr. Sunil Kumar Agarwal**, a registered Insolvency Professional having Registration Number **IBBI/IPA-001/IP-P01390/2018-2019/12178** and e-mail address **anil91111@hotmail.com** having valid Authorisation for Assignment up to 31.12.2025 as the IRP to carry out the functions under the Code.
- VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the IBBI.
- VII. That during the CIRP Period, the management of the CD shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of the Code. The officers and managers of the CD the CD are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the CD. The officers and managers of the CD shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP within a period of one week from the date of receipt of this Order and shall not commit any offence punishable under Chapter VII of Part II of the Code. Strict steps will follow against them under the provisions of the Code read with Rule 11 of the NCLT Rules for any violation of law.



- VIII. That the IRP/IP shall submit to this Tribunal periodical reports with regard to the progress of the CIRP in respect of the CD.
- IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Applicant is directed to deposit a sum of Rs.3,00,000/- (Rupees Three Lakh) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid back to the Applicant on priority upon the funds available with IRP/RP from the Committee of Creditors (CoC). The expenses incurred by IRP out of this fund are subject to approval by the CoC.
- X. A copy of this Order be sent to the Registrar of Companies, Maharashtra, Mumbai for updating the Master Data of the CD.
- XI. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.
- XII. The Registry is directed to immediately communicate this Order to the Applicant, the CD and the IRP by way of Speed Post, e-mail and WhatsApp.
- XIII. **Compliance report of the order by Designated Registrar is to be submitted today.**

**Sd/-**  
**SAMEER KAKAR**  
**MEMBER (TECHNICAL)**  
*/NM/*

**Sd/-**  
**NILESH SHARMA**  
**MEMBER (JUDICIAL)**