



IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.301
C.P.(IB)/422(AHM)2025

Proceedings under Section 9 IBC

IN THE MATTER OF:

Mr.Rajendra Dhirajlal Thumar (Proprietor of Jalaram
Enterprise)

V/s

Axle Paper Private Limited

.....Applicant

.....Respondent

Order delivered on: 02/07/2026

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)

Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

This case is fixed for pronouncement of order

The order is pronounced in open court vide separate sheet.

Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)



**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH (COURT-II)**

CP (IB) No. 422 of 2025

*(Under 9 of the Insolvency and Bankruptcy Code, 2016 read
with rule 6 of the Insolvency and Bankruptcy Code (Application
to Adjudicating Authority) Rules. 2016)*

IN THE MATTER OF:

Mr. Rajendra Dhirajlal Thumar

Sole Proprietor of Jalaram Enterprise

Having address at:

3-Avadh Tower, Near Fortune Hotel,

Near Umiya Chowk BRTS Station,

150 Feet Ring Road,

Rajkot - 360003

...Applicant

Versus

Axle Paper Private Limited

(CIN: U21016GJ2016PTC086375)

A Company incorporated under the Companies Act, 1956

Having Registered Office at:

Survey No. 56p1, Near Jamsar Chokdi,

Bhimguda Road, Village: Jamsar,

Tal: WanKaner, Rajkot, Morbi, Gujarat, India, 363622

Respondents

Order pronounced on 02.07.2026

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Coram:

MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)

MR. VELAMUR G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)

Appearance:

For the Applicant : Mr. Arpit Singhvi, & Mr. Vivek Singh,
Adv.
For Respondent : Mr. Atul Sharma, Adv.

JUDGEMENT

1. This petition has been filed under Section 9 of the Insolvency and Bankruptcy code, 2016 ("IBC") read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by operational creditor seeking initiation of Corporate Insolvency Resolution Process against Axle Paper Private Limited (hereinafter referred to as 'Corporate Debtor').
2. It is averred that the Operational Creditor is classified as a small industry having its Udyam Registration No. UDYAM-GJ-20-0044819 and is engaged in the business of trading in waste paper and finished material with respect to paper product. The Corporate Debtor is a Private Limited

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Company engaged in the business of manufacturing of paper, Kraft Papers, Duplex etc.

3. As per Part IV of the application, the total outstanding Debt is Rs.2,27,97,636/- along with interest @ of 18% per annum. It is submitted that the debt has fallen due on 20.06.2025 i.e. after 15 days of first invoice dated 04.06.2025 and continuously after 15 days of each and every invoice raised thereafter. The applicant stated the Corporate Debtor placed various purchase orders bearing PO No. 007 dated 01.06.2025, PO No. 009 dated 15.06.2025, PO No. 012 dated 01.07.2025, PO No. 015 dated 15.07.2025, PO No. 017 dated 01.08.2025 and PO No. 018 dated 15.08.2025 for the supply of various goods and materials. It is submitted that in terms of the purchase orders, the CD agreed to make payment 15 days after the invoice generation and the goods have to deliver within a period of 15 days from the date of the purchase order. Pursuant to that operational creditor agreed to supplied goods and raised various invoices which has been received by the CD and no dispute has been raised regarding the quality and quantity of the goods supplied. The CD has also

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acknowledged its liability by confirming the ledger maintained by the OC. It is stated that the debt has fallen due on 20.06.2025 as per first invoice dated 04.06.2025 and has been continuously defaulted in making payments of the invoices raised thereafter. It is submitted that the OC made various oral reminders to the CD to pay the outstanding sum of Rs.2,27,97,636/-.

4. The applicant issued a demand notice in Form-3 dated 17.09.2025 under Section 8 of the IBC, 2016 calling upon the CD to pay the outstanding debt of Rs.2,27,97,636/- along with interest @ 18% per annum and the same was received by the CD on 23.09.2025. The applicant has filed NeSL Form-C submitting the record of default. The Operational Creditor has not proposed the name of any Insolvency Professional to act as a Resolution Professional.
5. The Respondent has filed its reply and stated that the default in payment was not wilful but was due to a fire incident occurred at its factory premises on 31.08.2025, causing the destruction of approximately 4,000 tons of waste material. It is submitted that the incident caused severe financial distress, on account of which the

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Respondent was unable to discharge its outstanding liabilities, including the operational debt owed to the petitioner. The Respondent further submitted that the incident was promptly reported to the concerned police station and examined by the Directorate of Forensic Science, Gandhinagar. The respondent contended that the default was a consequence of the unforeseen calamity and financial distress, and not due to any wilful or mala fide conduct.

6. The Operational creditor, in its Rejoinder, submitted that the corporate debtor has acknowledged the goods supplied and the outstanding operational debt. It is submitted that fire incident does not constitute a pre-existing dispute under the Code. It is also submitted that several invoices had become due even prior to the fire incident and that no dispute regarding the quality, quantity or existence of the goods was raised.
7. We have heard the learned Counsels for both the parties and perused the documents on record along with written submissions of the parties.
8. From the documents placed on record, it is observed that

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pursuant to various Purchase Orders placed by the Corporate Debtor, the Operational Creditor supplied goods and raised invoices in terms of the agreed payment period of 15 days. The first invoice dated 04.06.2025 became due for payment on 20.06.2025. The corporate debtor has neither disputed the supply of goods nor the invoices raised by the operational creditor. The operational creditor has issued the demand notice under Section 8 of the Code, which was served upon the corporate debtor. It is noted that despite receipt of the said notice, the Corporate Debtor neither replied to the demand notice nor raised any dispute within the statutory period. The defence raised by the corporate debtor regarding financial distress caused by the fire incident does not constitute a pre-existing dispute within the meaning of Sections 8 and 9 of the Code. It is also pertinent to note that certain invoices had fallen due even prior to the alleged fire incident.

9. The date of default being 20.06.2025, the present application filed on 06.11.2025 is well within the period of limitation. Further, the amount of default Rs.2,27,97,636/-, is above the minimum threshold prescribed under Section 4

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of the Code.

10. In view of the foregoing, we are satisfied that the operational creditor has established the existence of an operational debt, the occurrence of default, compliance with the mandatory requirements under Sections 8 and 9 of the Code, and that there exists no pre-existing dispute between the parties. Accordingly, the present Application deserves to be admitted under Section 9 of the Insolvency and Bankruptcy Code, 2016. Hence, we pass the orders as follows:

ORDER

- I. CP (IB) 422 of 2025 is allowed.
- II. The Corporate Debtor - Axle Paper Private Limited is admitted into Corporate Insolvency Resolution Process under section 9(5) of the Code.
- 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

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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. We hereby appoint Mr. Kailash Shah, Registered Insolvency Professional having IBBI Registration No. IBBI/IPA-001/IP-P00267/2017-18/10511, Email- ipktshah@gmail.com, 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.
- VI. The IRP so appointed shall make a public announcement of the initiation of Corporate Insolvency Resolution Process and call for submissions of claims under section 15, as required by Section 13(1)(b) of the Code.
- VII. The IRP shall perform all his functions as

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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. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.

IX. The IRP shall be under a duty to protect and preserve the value of the property of the 'corporate debtor

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company' and manage the operations of the corporate debtor company as a going concern as a part of 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 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.2,00,000/- (Rupees Two Lakh Only) in advance within a period of 7 days from the date of this order to meet the cost of CIRP arising out of issuing public notice and inviting claims till the CoC decides about his fees/expenses.
- 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

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Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specific mention regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

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

Sd/-

DR. V.G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

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