IN THE NATIONAL COMPANY LAW TRIBUNAL
ALLAHABAD BENCH, PRAYAGRAJ

CP (IB) NO.47/ALD/2025

(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:

MR. MANOJ KUMAR SINGHAL,
Proprietor of M/s Decowel Fabrication,
Situated at: G-1040, DSIIDC Industrial Area,
Narela, New Delhi - 110040
Email Id:-decowel.fabrication@gmail.com
PAN:-AAECS3637C

……. Operational Creditor

Versus

SVP INDUSTRIES LTD.
CIN U21011UP1961PLC002861
Mansurpur, Muzaffarnagar,
Muzaffarnagar-251203
Uttar Pradesh
Email: dilanshu@svpindustries.net

..........Corporate Debtor

Order pronounced on: 14.07.2026

Coram:

Sh. Praveen Gupta	:	Member (Judicial)
Sh. Ashish Verma	:	Member (Technical)

Appearances:

Sh. Krishna Dev Vyas, Adv.	:	For the Operational Creditor
Sh. Ritwiz Singh with Sh. Ashish Gupta, Advs.	:	For the Corporate Debtor

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ORDER

1. The present Application was filed on 14.04.2025 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 Mr. Manoj Kumar Singhal proprietor of M/s Decowel Fabrication (hereinafter referred as "Operational Creditor") to initiate the Corporate Insolvency Resolution Process (hereinafter referred as "CIRP") against M/s SVP Industries Limited (hereinafter referred as "Corporate Debtor/ Respondent") due to its failure to pay the total outstanding operational debt of Rs. 2,02,60,817.40/- to the Operational Creditor. The date of default, as stated in the application, is 24.10.2022, being the date of the first default when the Corporate Debtor defaulted in making payment.

2. It is submitted that the Corporate Debtor has been engaged in manufacturing and distribution of liquor since 2021. The Operational Creditor has been supplying PET bottles to the Corporate Debtor for which payments were also being made by the Corporate Debtor from time to time. It is further submitted that the Operational Creditor has raised several invoices with an express condition to clear the payment within 60 days for supplying the goods from the date of the said invoices issued by the Operational Creditor to the Corporate Debtor.

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3. Operational Creditor avers that the Corporate Debtor has not been complying with the terms of payment as decided between the parties, and payment for the invoices dated from 24.08.2022 to 05.07.2024 is still pending. It is also stated in the application that Corporate Debtor has sent ledger / Statement of Account by way of email dated 29.08.2024, whereby an amount of Rs. 2,26,63,192/- was shown payable to Operational Creditor as on 31.03.2024 and further supplies were also made by Operational Creditor as per purchase orders.

4. It is specifically stated in the Application that initially some payments were made by the Corporate Debtor, however, subsequently, no further payment has been made since the last payment of Rs.2,45,056 made on 09.09.2024. Details of bills due from 24.08.2022 to 05.07.2024, along with interest calculation, amounting to Rs. 2,33,99,600.59 are provided in tabulated format and attached to this present Application as Annexure 11 from page no. 184 to 185.

5. It is also submitted that the Operational Creditor is entitled to recover applicable interest @ 12% p.a. on the unpaid and delayed amounts to the tune of Rs. 31,38,783.72/-

6. Considering that no payments were being made by the Corporate Debtor, the Operational Creditor made multiple attempts to remind and request the Corporate Debtor to make the balance payment. However, the Corporate

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Debtor did not pay any heed to the constant requests made by the Operational Creditor.

7. On failure of the Corporate Debtor to pay the entire outstanding debt, the Operational Creditor issued a demand notice dated 16.11.2024 in Form 3 under Section 8 of the Code, demanding payment of the outstanding default amount of Rs. 2,02,60,817.40/- along with interest of Rs. 31,38,783,.72 and the date of default mentioned therein being 09.09.2024, i.e. the date when last payment of Rs. 2,45,056/- came to be received and aforesaid amount of Rs. 2,02,60,817.40/- remained outstanding.

8. The service of the said demand notice was refused by the Corporate Debtor on 20.11.2024. However, the Operational Creditor also served the Demand Notice under Form 3 by way of email dated 19.11.2024 on the registered email address of the Corporate Debtor.

9. It is further submitted that no reply has been received by the Operational Creditor pursuant to the service of the said demand notice on the registered email address of the Corporate Debtor. An affidavit under section 9(3)(b) has also been attached with the present application as Annexure 10, certifying that no notice of dispute has been received by the Applicant/ Operational Creditor.

10. Aggrieved by the delay in clearing the debt by the Corporate Debtor and his continued failure to clear the outstanding dues, the Operational Creditor

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filed the present Application under section 9 of the Code, praying for initiation of CIRP against the Corporate Debtor.

11. Consequent to filing of the present application u/s 9, notice was issued by this Tribunal to the Corporate Debtor calling for its response to the present application.

12. On issuance of the notice, the Respondent/Corporate Debtor filed its reply vide diary no. 2244 on 13.11.2025 countering the averments made by the Operational Creditor. Respondent/ Corporate Debtor vehemently denied all the averments made by Operational Creditor and contended that:

- **i.** The purpose of filing this present application is only for the recovery of dues and not for initiating the CIRP of the Corporate Debtor. Corporate Debtor submits that the purpose of IBC is not a recovery mechanism, and any attempt to use the same only for recovery of dues would amount to abuse of the process of law. Corporate Debtor also pleads that this application is merely a suit for recovery of money under the garb of initiating CIRP. In support of this contention Corporate Debtor has placed reliance upon the judgment of Hon'ble Apex Court in *M/s SS Engineers vs Hindustan Petroleum Corporation Ltd and Ors 2022 SCC OnLine SC 138, Transmission Corporation of Andhra Pradesh Limited vs. Equipment Conductors and Cables Limited (2018)SCC OnLine SC 2113 and Mobilox Innovations Pvt. Ltd. Vs. Kirusa Software Pvt. Ltd (2017) ibclaw.in 01 SC*.
- **ii.** Corporate Debtor submits that following the Covid-19 Pandemic, they have faced financial challenges which have severely impacted

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the Company's operation, and still the Corporate Debtor made payments from time to time to the Operational Creditor.

iii. It has been further pleaded that the interest charged by the Operational Creditor is unilateral and arbitrary since there is no contract or agreement between the parties for payment of interest, and the parties never agreed upon the levying of interest @12% p.a. as claimed by the Applicant/ Operational Creditor. The Corporate Debtor also contends that the term 'debt' under the Code does not include interest on operational debt unless the parties specifically agree on interest to be payable on any delayed payment. In support of his contention, reliance has been placed upon the judgment of Hon'ble NCLAT in *Mr. Maulik Kiritbhai Shah Vs United Telecoms Ltd. (Company Appeal (AT)(CH)(Ins)No. 268/2023) decided on 15.09.2023.*

iv. The Corporate Debtor submits that the Operational Creditor has relied on emails and computer-generated documents in the present application under section 9 of IBC, as these documents are not supported by a certificate as required under section 65B of the Indian Evidence Act, 1872 and Information Technology Act, 2000, and thus cannot be relied upon.

v. The Corporate Debtor in his reply denies the existence of the total amount of debt to Rs. 2,02,60,817.40/- and also denies the credit period to be 60 days as is evident from invoices dated 24.08.2022, 25.08.2022, 28.08.2022, 30.08.2022, 02.09.2022, 11.09.2022, 13.09.2022, 14.09.2022, 18.09.2022, 20.09.2022, 21.09.2022, 25.09.2022 and 07.10.2022.

vi. Corporate Debtor submits that the present application filed by the Operational Creditor under the code is not maintainable, and this

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Application under Section 9 of the IBC, 2016 has been filed with an ulterior motive to create pressure upon the Corporate Debtor.

13. The Applicant filed a rejoinder to the reply filed by the Corporate Debtor along with an affidavit vide diary no. 1667 dated 27.08.2025 and submitted as under: -

i. With respect to the averment of Corporate Debtor that this application has been filed merely for recovery of dues under the garb of initiating CIRP, the Operational Creditor vehemently denies the allegation that the captioned petition is merely a suit for recovery of money. Applicant submits that this is a fit case to initiate CIRP against the Corporate Debtor, as it is already admitted by the Respondent/ Corporate Debtor in its reply to the application, that it has faced financial challenges which have specifically impacted its operations, leading to financial constraints and difficulties in fulfilling its financial obligations.

ii. The Operational Creditor denies the allegation of the Corporate Debtor that the term debt under section 5(21) of IBC, 2016 does not include interest on the Operational Debt unless the parties specifically agree on the rate of interest payable. The Applicant submits that he has rightly charged interest on the unpaid and delayed paid invoices, and the Corporate Debtor is liable to pay such interest as the Operational Creditor has been deprived of its legitimate dues. In support of its contentions, reliance has been placed upon the judgement of Hon'ble NCLAT in *Mr. Prashat Agarwal vs. Vikash Parasrampuria* (2022) ibclaw.in 509 NCLAT. The relevant excerpt of the said judgement has been reproduced as follows:

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("vi) It is, therefore, clear from these facts that the total amount for maintainability of claim will include both principal debt amount as well as interest on delayed payment which was clearly stipulated in the invoice itself...."

iii. Further, Operational Creditor submits that the outstanding principal amount due to him is in itself above the threshold limit under Section 4 of the Code to initiate insolvency proceedings of the Respondent/ Corporate Debtor.

iv. Operational Creditor denies the contention of Corporate Debtor that emails/computer-generated documents cannot be relied upon without a certificate under section 65B of the Indian Evidence Act, 1872. However, Operational Creditor has further submitted an affidavit under section 65B of the Indian Evidence Act, 1872 as a matter of utmost caution.

v. Operational Creditor also denies the contention of Corporate Debtor that no credit period is mentioned in the invoices of the Operational Creditor.

WRITTEN SUBMISSIONS

14. Applicant and Respondents have filed their respective written submissions wherein submissions made earlier and already discussed in aforesaid paras, have been more or less reiterated and therefore, are not discussed again for the sake of brevity. However, the same have been taken care of while giving our findings in passing the order as below.

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FINDINGS AND ORDER

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

16. 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 as debt in default, which amounts to Rs. 2,02,60,817.40/-, with the first date of default as mentioned therein being 24.10.2022 when the Corporate Debtor failed to pay first time on the bill raised by the Operational Creditor became due for payment after 60 days. However, subsequently payments were made on raising of some more bills as reflected in the ledger account and last payment of Rs. 2,45,056/- was made on 09.09.2024. Thereafter, no payment was made. Therefore, date of default taken by the Operational Creditor is 09.09.2024 as mentioned in Section 8 notice.

17. On perusal of the records, exhibits/annexures and after considering the arguments advanced by respective Learned Counsels, we find that this application under Section 9 of the Code was filed before this Tribunal on 14.04.2025. The date of default as discussed above is 09.09.2024.

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Therefore, this application has been found to be filed well within the period of limitation of 3 years as provided under Article 137 of the Limitation Act.

18. The facts leading to the debt and default in the present application are that the Operational Creditor supplied PET bottles to the Corporate Debtor. The Corporate Debtor was in receipt of PET bottles and invoices for the supply of the same were duly raised by the Operational Creditor. The Corporate Debtor has also made part payments with respect to some invoices up to 09.09.2024.

19. On perusal of the record, it is noted that the Corporate Debtor made a last payment of Rs. 2,45,056/- on 09.09.2024 after the bill was raised on 05.07.2024, but thereafter, no further payment was received by the Operational Creditor. Thus, a total debt outstanding as on 09.09.2024 is of Rs. 2,02,60,817.40/-.

20. The Applicant sent a demand notice under Section 8 of IBC vide e-mail on 16.11.2024 mentioning the amount of debt in default as Rs. 2,02,60,817.40/- and the date of default as 09.09.2024, being the date on which the last payment was received by the Operational Creditor. However, no response to the said demand notice has been received by the Operational Creditor.

21. It is pertinent to note that although the Respondent Corporate Debtor has disputed the averments made by the Applicant Operational Creditor, it has

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failed to place any material on record to demonstrate that the subsequent payments made by it were towards the full and final settlement of the account of the Operational Creditor. Moreover, the Corporate Debtor did not raise any objection to the invoices issued by the Operational Creditor upon their receipt and also, there is no pre-existing dispute. Only allegation made is that the present application has been filed for recovery of dues and not for insolvency resolution. However, it is also stated at the same time by the Corporate Debtor about the difficulty in paying the dues because of financial challenges faced by it which have severely impacted the Company's operation. Such admission by the Corporate Debtor is itself sufficient to show that a resolution process for the Corporate Debtor is to be started to clear its debts and make it viable to run the business. This position of the Corporate Debtor is also evident from the fact that multiple applications under Section 9 have been filed against the Corporate Debtor.

22. In view of the aforesaid facts and circumstances, we are of the considered opinion that the outstanding balance reflected in the ledger account of the Corporate Debtor as on 31.03.2024, which was enclosed with the email dated 29.08.2024 sent by the Corporate Debtor to the Operational Creditor, constitutes a clear acknowledgment of the business transactions between the parties and the liability arising therefrom. Further, the continued supply of goods and the invoices raised by the Operational Creditor during the

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period from 01.04.2024 to 09.09.2024 establish the existence of a legally enforceable operational debt against the Corporate Debtor. The Corporate Debtor has also failed to place any material on record to show that the outstanding amount of **Rs. 2,02,60,817** was discharged by way of appropriate payments. Accordingly, the occurrence of default in payment of the operational debt stands established.

23. Thus, the present application was filed under section 9 of the Code with debt in default being more than the threshold limit of Rs. 1 crore on the date of filing of this application. Hence, it is evident that in the present case under consideration, there is a valid debt of more than the threshold limit of Rs. 1 crore on the date of default, which remained unpaid to the extent of more than Rs. 1 crore even on the date of filing of this present application, leading to default 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.

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.

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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 19.11.2024 issued under Section 8, as required under Section 8(2)(a). Since, there being no notice of dispute, the condition for admission of this application as provided under Section 9(5)(i)(d) of the Code is also fulfilled.

26. While the Corporate Debtor has not annexed any documents in their reply to establish any pre-existing dispute therefore the averments made by him, serve merely as a moonshine defence and no substantial dispute is there on the material supplied or the invoices raised.

27. On perusal of the record, it has been observed that the Corporate Debtor, whilst simultaneously acknowledging the debt, had made part payments for settling the debt, but the outstanding debt as on 09.09.2024 still remains unpaid. Therefore, no pre-existing dispute has been found in existence in the present case.

28. We find that the present Application is filed within the limitation period and there is debt of more than the threshold limit of Rs. 1 crore on the date of default as well as on the date when the present application under section 9 has been filed. It is also noted that there is no pre-existing dispute with respect to this debt. Further, all other conditions for admission of

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

29. We note that the Operational Creditor has proposed the name of Mr. Pawan Garg, the Insolvency Professional, to be appointed as Interim Resolution Professional ('IRP'), having Registration No. IBBI/IPA-002/IP-N01011/2020-21/13267, having address: 14054, ATS One Hamlet, Sector-104, Noida-201304 and email id: cspawan.garg@gmail.com . The verification of the said IRP has been carried out by the Law Research Associate of this Tribunal, Mr. Prayash Mishra, and it is found that there is no proceeding pending against the proposed IRP, and it is also found that this Insolvency professional holds a valid authorization till 31.12.2026.

30. Accordingly, this application is admitted under section 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. SVP Industries Limited, is hereby admitted.

ii. We hereby declare a moratorium and public announcement in accordance with Sections 13 and 15 of the Code, 2016.

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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 28 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 has commenced from the date of this order prohibiting 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.

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vi. Apart from the 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, 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.

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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

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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

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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 Operational 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.

31. 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

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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.

32. List the **CP (IB) 47/ALD/2025** on 17.08.2026 for filing of the progress report/further proceedings.

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(Ashish Verma)	**(Praveen Gupta)**
Member (Technical)	**Member (Judicial)**

Date: 14.07.2026