IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR
HON'BLE TECHNICAL MEMBER

CP No. (IB)- 39/9/JPR/2026

(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:

M/S SAI KRIPA INDENTING

...Operational Creditor/ Petitioner

VERSUS

SNEH OLEFINS PRIVATE LIMITED

...Corporate Debtor/ Respondent

MEMO OF PARTIES

M/S SAI KRIPA INDENTING
Proprietor, *Mrs. Deepali Wadhwani*
R/o: - 11th Floor, Flat No. B- 1103, Mahima Florenza, Village Dholai, Teh. Sanganer, Jaipur, Rajasthan.

... Operational Creditor/ Petitioner

VERSUS

SNEH OLEFINS PRIVATE LTD.
R/o: 424- 425, 4th Floor, Ganpati Plaza, MI Road, Jaipur, Rajasthan.

... Corporate Debtor/ Respondent

For the Petitioner : Abhirup Das Gupta, Adv.
Sanket Jain, Adv.

Sd/-

Sd/-

For the Respondent	:	Vagisha Tiwari, Adv. Surbhi Sachdeva, Adv. Azeem Tariq Khan, CS

Order Pronounced On: 01.09.2026

ORDER

Per: Ms. Kavita Bhatnagar, Technical Member

1. The present Petition has been filed by *M/s Sai Kripa Indenting* ('Operational Creditor'/ 'Petitioner') seeking to initiate Corporate Insolvency Resolution Process ('CIRP') against *Sneh Olefins Private Limited* ('Corporate Debtor'/ 'Respondent') under Section 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC' / 'Code') read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 ('Rules') on account of alleged non-payment of operational dues amounting to Rs. 38,28,15,122.64/- (Rupees Thirty-Eight Crore Twenty-Eight Lacs Fifteen Thousand One Hundred and Twenty-Two and Sixty-Four Paisa Only) as on 17.03.2026.

2. **Brief Facts and Submission of the Operational Creditor**

2.1. It is submitted that the Petitioner is a proprietary trading firm carrying on the business of supply and trade of polymer products, including *plastic granules, PP granules, HDPE granules* and *PP woven fabric.* The Respondent is a company incorporated under the Companies Act

Sd/-

Sd/-

engaged in the business of wholesale trading of plastic granules, polymers, petrochemicals and allied polymer products.

2.2. It is stated that the Petitioner commenced supply of polymer products to the Respondent from December 2024 onwards on agreed credit terms of 45 days from the date of invoice. During the period 20.12.2024 to 30.09.2025, the Petitioner raised 116 tax invoices against the Respondent for an aggregate invoice value of Rs. 38,44,70,545/-.

2.3. The Respondent made partial adjustments through reverse supplies, TDS deductions and certain payments; the ledger closing balance as on 29.10.2025 stands at Rs. 38,28,15,122.64, being the net amount due after full credit for all such adjustments. The Corporate Debtor says that Rs. 27,80,90,626.85/- had already been given comprising cash payment of Rs. 7,31,55,85/-, supply of granules worth Rs. 20,45,02,809/- and TDS round off adjustment of Rs. 4,31,966/-. Now Rs. 38,28,15,122.64/- is the amount ultimately claimed is the net reconciled outstanding amount after adjustment. The Ledger Account along with an extract of GSTR-3B of the Petitioner is annexed Annexure -D (Colly.) of the instant Petition.

2.4. It is stated that on the date of Demand Notice i.e. 15.02.2026 all 116 invoices had matured and remained wholly unpaid. The default on the earliest invoice *(SKI/24-25/494 dated 20.12.2024)* fell due on 03.02.2025 (45 days) and default commenced on 04.02.2025, all 116

Sd/- Sd/-

invoices had fallen in default and the total default amount stood at Rs. 38,28,15,122.64/-.

2.5. The Petitioner had issued Demand Notice in prescribed Form 3 and Form 4 under Section 8 of the Code, 2016 and served by hand delivery upon the Respondent on 15.02.2026. It is submitted that the statutory 10 days period under Section 8(2) of the Code, 2016 expired on 25.02.2026 and the Respondent failed to reply to the aforementioned Demand Notice or repay the operational Debt amount.

2.6. Subsequently, it is submitted by the Petitioner that a Reminder Notice dated 28.02.2026 was hand delivered to *Mr. Vishal Bansal*, Director of the Respondent, who signed the receipt of the Reminder Notice and expressly stated that the Respondent is unable to make any payments for six months. Further, a final Reminder Notice dated 17.03.2026 was also issued and hand delivered to the Respondent. It is submitted that despite the aforesaid notices no payment towards outstanding amount was made.

2.7. The Petitioner has filed its written submission in the instant Petition, wherein it reiterated its earlier submissions and additionally mentioned that a Settlement Proposal dated 04.07.2026 of the Respondent offered repayment of the admitted dues over eighteen (18) months, without any upfront payment, without any personal guarantee or security of any

Sd/-

Sd/-

kind, and with discharge permissible in kind, at the sole option of the Respondent.

2.8. The Operational Creditor, *vide* its considered reply dated 05.07.2026, declined the aforementioned proposal in its present form, having recorded in detail why an unsecured, deferred and receivables-contingent schedule failed to safeguard its legitimate commercial interest.

3. **<u>Submission of the Respondent-</u>**

3.1. The Respondent acknowledges that it has received supplies of polymer products from the Operational Creditor and that the operational dues, to the extent reflected in its reconciled books of account, are owing and payable, subject only to a reconciliation of the precise quantum on account of reverse supplies, sales returns, TDS deductions, debit/credit notes and bank payments.

3.2. It is submitted that the Respondents inability to discharge the Petitioner's dues within time is due to enforcement action initiated by its secured lender against the Respondent, its guarantors. In particular, the *State Bank of India, SME Branch, M.I. Road, Jaipur*, issued a Demand Notice dated 29.01.2026 under Section 13(2) of the SARFAESI Act, classifying the account as a Non-Performing Asset (NPA) with effect from 26.01.2026 and demanding Rs. 15,23,44,358.63/- as on 26.01.2026.

Sd/- Sd/-

3.3. It is further stated that the Demand Notice under Section 13(2) of the SARFAESI Act restrains the Respondent from transferring, alienating, or otherwise dealing with its secured assets, including its current assets, inventory, stock-in-trade, and book debts/receivables. Consequently, the aforementioned notice freezes the Respondent's working capital cycle and prevents it from meeting its trade obligations, including the dues owed to the Petitioner.

3.4. Further, the Section 13(2) Demand Notices were issued by *State Bank of India*, *Punjab National Bank* and other connected lenders against associated group entities, including *Sneh Polymers Private Limited* and *Sneh Olefines Private Limited*, and their guarantors. The *State Bank of India* issued a Possession Notice dated 16.05.2026 under Section 13(4) of the SARFAESI Act, which resulted in grave loss of goodwill of the Respondent and its promoters, eroded the confidence of suppliers and customers, and derailed the proposed induction of investors that was under negotiation for resolution and repayment of creditors.

3.5. It is submitted that the Respondent acted bona fide and took necessary steps towards structured resolution of its dues. These include:

a. Filing a detailed Representation under Section 13(3A) of the SARFAESI Act before the Authorised Officer, State Bank of India, in response to the Section 13(2) Notice dated 29.01.2026, and other notices seeking, inter alia, the certified statement of

Sd/-

Sd/-

account and the underlying facility and security documents and proposing an orderly resolution.

b. Submitting a comprehensive One-Time Compromise and Settlement (OTS) Proposal dated 31.03.2026 to its secured lender, *the State Bank of India, Stressed Assets Management Branch-II, New Delhi*, proposing a one-time settlement of the entire outstanding secured dues against repayment of the agreed settlement amount within a defined horizon, together with the consequential release of charges and guarantees, with a view to achieving a clean and final resolution of its secured obligations and freeing its cash-flows for the discharge of its other creditors, including the Operational Creditor.

c. Filing a Securitisation Application under Section 17 of the SARFAESI Act before the Debts Recovery Tribunal wherein the validity of the secured-creditor enforcement is under adjudication, and have been pursuing the induction of investors with a view to a holistic settlement of the dues of all classes of creditors, including the Operational Creditor.

3.6. Additionally, the Respondent with respect to the statement attributed to its Director, *Mr. Vishal Bansal*, dated 28.02.2026 submitted that the Respondent was unable to make payment "*for the next six months*" the Respondent clarifies that the statement was a contemporaneous and

Sd/-

Sd/-

honest reflection of temporary liquidity stringency occasioned by the SARFAESI embargo, and not an admission of permanent insolvency or unwillingness to pay.

3.7. The Respondent sought time of twelve to eighteen months to clear and liquidate the operational debt of the Petitioner, through cash-flows and proceeds expected to be realised from restructuring and investor induction.

3.8. Further, the Respondent filed its written submission wherein it reiterated its earlier submissions and additionally submitted that the Respondent had issued a formal Settlement Proposal dated 04.07.2026 offering to liquidate the reconciled debt of Rs. 38,28,15,122.64 over 18 months via cash, supply of goods, post-dated cheques, and an undertaking; however, the Operational Creditor vide reply dated 05.07.2026 declined this proposal due to concerns over the 18-month timeline, lack of upfront payment, unsecured nature, reliance on uncertain receivables, and optional supply of goods. Consequently, the Respondent revised its proposal and offered to discharge the entire admitted outstanding amount within six months by periodic supply of PP granules and allied commodities against the invoices at mutually verified prevailing market rates. The Respondent submits that such supplies would be source from its trading stock and ongoing

Sd/-

Sd/-

procurement and would not be dependent upon realisation of its outstanding receivables.

4. **Analysis and Findings**

4.1 We have heard the learned counsel appearing for the parties and have perused the pleadings, documents placed on record and the written submissions filed by both sides. The present Petition has been filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 seeking initiation of Corporate Insolvency Resolution Process against the Corporate Debtor on account of non-payment of operational dues amounting to be Rs. 38,28,15,122.64/-.

4.2 The questions which arise for consideration are whether there exists an operational debt due and payable by the Corporate Debtor to the Operational Creditor exceeding the threshold prescribed under Section 4 of the Code; whether default has occurred in payment thereof; whether any pre-existing dispute existed prior to issuance of the Demand Notice under Section 8 of the Code; and whether the settlement proposals advanced by the Corporate Debtor furnish any legal basis for declining or deferring admission of an otherwise maintainable Petition under Section 9 of the Code.

4.3 The material on record establishes that the transactions between the parties arose out of supply of polymer products by the Operational Creditor to the Corporate Debtor. Such liability arising from supply of

Sd/-

Sd/-

goods squarely falls within the definition of "operational debt" under Section 5(21) of the Code.

4.4 Significantly, the existence of the underlying operational debt is not seriously disputed by the Corporate Debtor. In its Reply, the Corporate Debtor has expressly acknowledged receipt of the supplies and has stated that the operational dues reflected in its reconciled books of account are owing and payable. In the para-wise Reply, the Corporate Debtor has further acknowledged the raising of 116 invoices, the agreed credit period of 45 days, the ledger closing balance of Rs. 38,28,15,122.64 and the factum of default.

4.5 The subsequent conduct of the Corporate Debtor places the position beyond any real controversy. In its Settlement Proposal dated 04.07.2026 and its Written Submissions, the Corporate Debtor itself describes Rs. 38,28,15,122.64 as the "reconciled outstanding dues" and proposes a mechanism for discharge of the said liability. The controversy raised regarding reconciliation of individual entries, reverse supplies, TDS deductions, debit/credit notes or earlier payments therefore does not detract from the admitted position that an operational liability substantially exceeding the statutory threshold remains due and unpaid.

4.6 We accordingly find that the existence of an operational debt exceeding the threshold prescribed under Section 4 of the Code stands established.

Sd/-

Sd/-

As regards default, the case of the Operational Creditor is that the invoices were payable within 45 days and that default in respect of the earliest invoice commenced on 04.02.2025. A Demand Notice under Section 8 of the Code was admittedly served upon the Corporate Debtor on 15.02.2026. The factum of receipt of the said Demand Notice as also the subsequent reminders dated 28.02.2026 and 17.03.2026 has not been disputed by the Corporate Debtor.

4.7 More importantly, the Corporate Debtor does not contend that the outstanding operational debt was paid after receipt of the Demand Notice. On the contrary, its consistent case is that payment could not be made owing to liquidity constraints occasioned by enforcement action by its secured lender, blockage of receivables and adverse market conditions. The explanation furnished for non-payment may explain the circumstances in which the default occurred, but it does not negate the existence of default within the meaning of Section 3(12) of the Code.

4.8 The Corporate Debtor has also sought to explain the statement attributed to its Director on 28.02.2026 that the Corporate Debtor would be unable to make payment for the next six months by contending that the statement reflected only temporary financial stringency and not permanent insolvency. The distinction sought to be drawn is of no assistance for determination of a Petition under Section

Sd/- Sd/-

9. The statutory enquiry is not whether the Corporate Debtor is permanently insolvent, but whether a debt which has become due and payable remains unpaid. The record clearly establishes the latter.

4.9 The next requirement concerns the existence of a pre-existing dispute. On this aspect also, there is little controversy. The Corporate Debtor has candidly stated in its Reply that it did not raise any pre-existing dispute concerning the underlying supplies prior to receipt of the Petition and that the debt had throughout been acknowledged by its Directors. No material has been placed before us showing any dispute regarding quality of goods, quantity, breach of contract or liability which existed prior to receipt of the Demand Notice dated 15.02.2026.

4.10 The legal position governing Section 9 was authoritatively laid down by the Hon'ble Supreme Court in ***Mobilox Innovations Pvt. Ltd. vs. Kirusa Software Pvt. Ltd., (2018) 1 SCC 353***. The Hon'ble Supreme Court held that while examining an application under Section 9, the Adjudicating Authority is required to determine whether there is an operational debt which has become due and payable and remains unpaid, and whether there existed a dispute between the parties prior to receipt of the demand notice. If these statutory requirements are satisfied and the application is otherwise complete, the mandate of Section 9(5) has to follow.

Sd/-

Sd/-

4.11 Tested on the aforesaid parameters, we find that an operational debt exceeding the statutory threshold exists; the debt became due and remains unpaid; the Demand Notice was duly served; and there was no pre-existing dispute relating to the said debt.

4.12 We shall now consider the principal defence raised by the Corporate Debtor, namely that notwithstanding the aforesaid position, the Petition ought not to be admitted because the Corporate Debtor is a functioning going concern, its default arose out of temporary liquidity constraints, proceedings under the SARFAESI Act disrupted its working-capital cycle, an OTS proposal with its secured creditor is pending, investors are proposed to be inducted and the Corporate Debtor is willing to discharge the dues of the Operational Creditor within a specified period.

4.13 In our considered view, none of the aforesaid circumstances constitutes a statutory ground for rejecting an application under Section 9 once the ingredients prescribed under Section 9(5)(i) stand satisfied. The fact that the Corporate Debtor may be a going concern or may have prospects of resolving its financial difficulties cannot, by itself, extinguish an admitted and matured operational debt or convert an existing default into a non-default.

4.14 The reliance placed by the Corporate Debtor upon ***Vidarbha Industries Power Ltd. vs. Axis Bank Ltd., (2022) 8 SCC 352*** is misconceived. The

Sd/-

Sd/-

decision in Vidarbha Industries arose in the context of Section 7(5)(a) of the Code and the use of the expression "may" therein. The present Petition is under Section 9. Section 9(5)(i), materially differently, provides that the Adjudicating Authority "shall" admit an application where the statutory conditions specified therein are satisfied.

4.15 Even otherwise, the scope of Vidarbha Industries has subsequently been clarified by the Hon'ble Supreme Court in ***M. Suresh Kumar Reddy vs. Canara Bank, (2023) 8 SCC 387***, wherein it was held that Vidarbha Industries was rendered in the peculiar factual circumstances of that case and cannot be read as laying down a proposition contrary to ***Innoventive Industries Ltd. vs. ICICI Bank, (2018) 1 SCC 407*** and ***E.S. Krishnamurthy vs. Bharath Hi-Tecch Builders (P) Ltd., (2022) 3 SCC 161***.

4.16 We are also unable to accept the prayer of the Corporate Debtor that the Petition be kept in abeyance for a period of six months to enable discharge of the dues through supply of PP/polymer granules and allied commodities. The original Settlement Proposal dated 04.07.2026 contemplated discharge over eighteen months, partly in cash and partly through supply of goods. The Operational Creditor declined the proposal. Thereafter, the Corporate Debtor revised the offer by proposing discharge of the entire amount through supply of goods

Sd-

Sd-within six months. The Operational Creditor has expressly declined to accept such mode of discharge.

4.17 A settlement necessarily postulates consensus between the parties. A unilateral offer by a debtor, however bona fide it may be stated to be, does not bind the creditor unless accepted by it. The Adjudicating Authority cannot substitute the commercial decision of the Operational Creditor by compelling it to accept goods in lieu of payment of a crystallised monetary liability.

5. In this regard, the decision of the Hon'ble Supreme Court in ***E.S. Krishnamurthy vs. Bharath Hi-Tech Builders (P) Ltd., (2022) 3 SCC 161*** is apposite. The Hon'ble Supreme Court held that although settlements under the Code are to be encouraged, the Adjudicating Authority cannot compel a party before it to settle and cannot decline to exercise its statutory jurisdiction merely because settlement discussions are underway. The jurisdiction of the Adjudicating Authority is circumscribed by the provisions of the Code and cannot be exercised as a residual equitable jurisdiction to impose a settlement upon an unwilling creditor.

5.1 The proposal of the Corporate Debtor to supply goods over a future period would necessarily require agreement regarding specifications, quantities, valuation, market price, quality certification, delivery schedule and acceptance of the goods. These are matters of commercial negotiation between the parties. In the absence of consent of the

Sd/-

Sd/-

Operational Creditor, this Tribunal cannot create and supervise a fresh commercial arrangement between the parties in substitution of the existing monetary liability.

5.2 The reliance placed upon ***Swiss Ribbons Pvt. Ltd. vs. Union of India, (2019) 4 SCC 17*** also does not advance the case of the Corporate Debtor. There can be no dispute with the proposition that the primary object of the Code is resolution and revival and not mere recovery. At the same time, the said principle cannot be employed to defeat the express statutory scheme governing admission of a Petition under Section 9. Once the jurisdictional ingredients prescribed by the Code are established, the fact that the creditor seeks payment of its dues does not, without more, render invocation of Section 9 an abuse of process.

5.3 The Corporate Debtor has also adverted to Section 65 of the Code and has characterised the present proceedings as an attempt at recovery. However, no material has been placed before us which could establish fraudulent or malicious initiation of the present proceedings. An Operational Creditor pursuing an admitted operational debt of more than ₹38 crore, after service of a statutory Demand Notice and non-payment thereof, cannot merely on that account be said to have initiated insolvency proceedings fraudulently or with malicious intent.

5.4 Equally, the proceedings initiated by the secured lender under the SARFAESI Act, the OTS proposal stated to be pending with the State

Sd/-

Sd/-

Bank of India, and the proposed induction of investors do not constitute a defence to the present Section 9 Petition. Those matters may be relevant to the financial circumstances of the Corporate Debtor, but they neither discharge the operational debt nor extinguish the default committed towards the Operational Creditor.

5.5 It is also relevant that despite repeated opportunities and the pendency of the present Petition, the admitted dues have not been discharged. What commenced as a proposal seeking twelve to eighteen months was subsequently reformulated into an offer of discharge through supply of goods within six months. The Operational Creditor has declined both arrangements. The statutory jurisdiction of this Tribunal cannot remain suspended indefinitely in expectation of a settlement which has not been accepted by one of the parties.

6. We therefore hold that the Petition satisfies the substantive requirements of Sections 8 and 9 of the Code. The operational debt exceeds the statutory threshold; default stands established; there is no pre-existing dispute; and no payment of the admitted operational debt has been demonstrated.

6.1. The Petition is also within limitation. The earliest default is stated to have commenced on 04.02.2025 and the present Petition was instituted on 27.03.2026, well within the period of three years prescribed under Article 137 of the Limitation Act, 1963 read with Section 238A of the Code.

Sd/-

Sd/-

6.2. We further note that a fresh Form 2 dated 11.08.2026 has been placed on record whereby ***Ms. Garima Diggiwal***, Insolvency Professional bearing Registration No. IBBI/IPA-001/IP-P-02018/2020-2021/13158, has consented to act as Interim Resolution Professional. The Authorisation for Assignment placed on record is stated to be valid up to 30.06.2027 and she has declared that no disciplinary proceedings are pending against her.

6.3. Consequently, upon being satisfied that the application is complete in terms of Section 9(5)(i) of the Code and that the conditions for admission stand fulfilled, we hold that the present Company Petition deserves to be admitted and the Corporate Insolvency Resolution Process is liable to be initiated against *Sneh Olefins Private Limited.*

7. Consequences of initiation of CIRP shall be inter-alia as follows:

a) **Ms. Garima Diggiwal**, appointed as IRP by the Adjudicating Authority, is directed to take over the affairs of the Corporate Debtor and duties as required to be performed by him under the provisions of Code including issue of publication in widely circulated Newspapers as contemplated under the provisions of the Code and calling for claims from the creditors of the Corporate Debtor; and collation of the same shall be done.

b) Further, as a sequel of admission, moratorium as envisaged under Section 14 of IBC, 2016 is invoked concerning the Corporate Debtor,

Sd/-

Sd/-

which will be in vogue during the Corporate Insolvency Resolution Process of the Corporate Debtor. The IRP shall carry out CIRP strictly as per the timelines specified and as envisaged under the provisions of IBC, 2016 in relation to the Corporate Debtor.

c) The said IRP shall act strictly in compliance with the provisions of IBC, 2016 and defray his expenses to be incurred and fees on the account. The Petitioner is directed to act in accordance with Regulation 33(1) of the Insolvency and Bankruptcy (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Petitioner shall deposit an amount of Rs. 1,00,000/- (Rupees One Lakh Only) towards the CIRP cost initially to the account of IRP within three days from the date of this order. The IRP shall spend the above amount towards expenses and not towards fee till his fee is decided by CoC.

d) In terms of Section 17 & 19 of IBC, 2016, all personnel of the Corporate Debtor including promotors and Board of Directors, whose powers shall stand suspended, shall extend all cooperation to the IRP during his tenure as such and the management of the affairs of the Corporate Debtor shall vest with the IRP.

e) Further, in term of Regulation 4(3) of the IBBI (Resolution Process for Corporate Persons), 2016 the creditors shall provide information in respect of assets and liabilities of the Corporate Debtor to the IRP and

Sd/-

Sd/-

it is incumbent upon the IRP also to approach the Creditors to seek such information.

f) The Interim Resolution Professional (IRP) is also directed to inform and forward a copy of this Order to all the statutory authorities such as Enforcement Directorate, Employees Provident Fund Organization (EPFO), Income tax department and concerned Electricity department about the initiation of CIRP against the Corporate Debtor within a period of three days.

g) In terms of Section 9 of IBC, 2016, the Registry is directed to communicate this Order to the Petitioner, the Corporate Debtor, and the Interim Resolution Professional (IRP) appointed by this Adjudicating Authority within 3 days of passing of the Order.

h) A Copy of this order shall also be communicated to IBBI for its record, and to any other body/entity to whom the Corporate Debtor is under legal/contractual obligation to inform/update.

8. In the circumstances, **Company Petition bearing *CP No. (IB)-31/09/JPR/2026* is admitted.**

Sd/-

REETA KOHLI
JUDICIAL MEMBER

Sd/-

KAVITA BHATNAGAR
TECHNICAL MEMBER

RR/LRA