



NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COURT VI

Item No. P1.

CP(IB)/764/MB/2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **27.02.2026**

NAME OF THE PARTIES IN IA: **Sunrise Global Tradelinks**
Vs.
Baggit India Private Limited

Section 9 of IBC

ORDER

1. 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)
(frk)

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH – VI

CP(IB)/764/MB/2025

(filed Under Section 9 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

*In the matter of **Sunrise Global Tradelinks***

Sunrise Global Tradelinks

Through its Proprietor, Ms. Namaha,
Rajesh Mehta residing at 139, Lila,
Vila, 502, 5th Floor, Indulal D. Bhuva
Road, Wadala West, Mumbai - 400031
Email: sunriseglobaltradelinks@gmail.com,
bapa.namaha@gmail.com

... Applicant/ Operational Creditor

-Vs-

Baggit India Private Limited

218, Narayan Udyog Bhavan,
Dr. Ambedkar Road, Lalabaug,
Mumbai - 400012, Maharashtra
Email: baggit@baggit.com

... Respondent/Corporate Debtor

Order pronounced on 27.02.2026.

CORAM :

SH. NILESH SHARMA, HON'BLE MEMBER (JUDICIAL)
SH. SAMEER KAKAR, HON'BLE MEMBER (TECHNICAL)

APPEARANCE (IN HYBRID MODE)

For Operational Creditor : Adv. Mr. Amir Arsiwala i/b Adv. Mr. Yash Jariwala

For Corporate Debtor : Appearance is not marked



ORDER

PER: Bench

1. This application has been filed under Section 9 of IBC, 2016 along with attended regulations by **Sunrise Global Tradelinks** ("Operational Creditor") through its Proprietor, **Ms. Namaha Rajesh Mehta** a proprietary firm having its office at 139, Lila Vila, 502, 5th Floor, Indulal D. Bhuvnagar Road, Wadala (West), Mumbai - 400031, Maharashtra, India. The Operational Creditor is engaged in the business of sourcing, import, and supply of raw materials used in the manufacturing of handbags and purses.
2. **Baggit India Private Limited** (CIN No. U74999MH2008PTC187968) was incorporated on 04/11/2008 and is having registered office at 218, Narayan Udyog Bhavan, Dr. Ambedkar Road, Lalabaug, Mumbai - 400012, Maharashtra.
3. The applicant has proposed the name of **Mr. Amit Vijay Karia** (**ipamitkaria@gmail.com**) **IBBI Reg. No: IBBI/PA-001/IP-P02600/2021 2022/13969** as the IRP.
4. Total Amount claimed in the application is Rs. 1,11,84,020/- (Indian Rupees One Crore Eleven Lakh Eighty Four Thousand Twenty Only) as on May 2, 2025.
5. It is stated that the Corporate Debtor raised 4 (four) purchase orders on the Operational Creditor to purchase PVC Leathercloth, Embroidery Strips, Metal Chains, Magnetic Buttons and Polyester Knitted Fabrics. Subsequently, the Operational Creditor raised invoices on the Corporate Debtor and the same were also duly acknowledged and confirmed by the Corporate Debtor.
6. It is stated that the 4 (four) purchase orders placed by the Corporate Debtor with the Operational Creditor dated March 15, 2025, were for an amount of Rs. 32,53,510/- (Rupees Thirty Two Lakh Fifty Three Thousand Five Hundred Ten Only), Rs. 2,97,763.62/- (Rupees Two Lakh Ninety Seven Thousand Seven



Hundred Sixty Three and Sixty Two Paise Only), Rs. 65,70,297.72/- (Rupees Sixty Five Lakh Seventy Thousand Two Hundred Ninety Seven and Seventy Two Paise Only) and Rs. 7,07,728.60/- (Rupees Seven Lakh Seven Thousand Seven Hundred Twenty Eight and Sixty Paise Only) aggregating to a total of Rs. 1,08,29,300/- (Rupees One Crore Eight Lakh Twenty Nine Thousand Three Hundred Only). Copies of purchase orders dated March 15, 2025 are annexed as Annexure A-5.

7. It is stated that the Operational Creditor, pursuant to fulfilling the purchase orders dated March 15, 2025, issued invoices dated May 1, 2025 to the Corporate Debtor, which specifically provided that the payment shall have to be made immediately. The invoices were also duly acknowledged and confirmed by the Corporate Debtor.
8. It is stated that such invoices aggregated to a sum of Rs. 1,11,84,020.50.
9. The Operational Creditor issued a reminder letter to the Corporate Debtor dated May 7, 2025, requesting payment of Rs. 1,11,84,020.50 (Rupees One Crore Eleven Lakh Eighty-Four Thousand Twenty and Fifty Paise Only), as the goods had been supplied in accordance with the agreed terms and conditions, which mandated immediate payment upon delivery. A copy of the letter dated May 7, 2025 is attached as Annexure A-7.
10. It is stated that despite multiple reminders, the Corporate Debtor failed to pay the outstanding amounts and a demand notice under Section 8 of IBC was issued by the Operational Creditor, which was dated July 17, 2025 and was served upon the Corporate Debtor vide email dated 17.07.2025.
11. It is stated that the Demand Notice was also served upon the Corporate Debtor vide Courier on 18.07.2025 and Speed Post on 18.07.2025, on its registered address available on the website of the Ministry of Corporate Affairs. The copy of



Demand Notice along with courier and speed post receipt dated 18.07.2025 and email dated 17.07.2025 are annexed as Annexure A-10.

12. It is stated that the Corporate Debtor failed to reply to the Demand Notice dated 17.07.2025, within the statutory period of 10 (ten) days. Thus, the Operational Creditor was constrained to file a petition under Section 9 of the Insolvency & Bankruptcy Code, 2016 against the Corporate Debtor before this Hon'ble Tribunal.

13. The Date of Default is mentioned as 02.05.2025.

14. Applicant has attached record of default with NESL at Annexure-A-11.

15. Applicant has attached the following documents with the present application:-

- a. Summary of the outstanding.
- b. Purchase Orders dated March 15, 2025.
- c. Copy of the Invoices raised by the Operational Creditor on the Corporate Debtor.
- d. Reminder Letter dated May 7, 2025 issued by the Operational Creditor duly acknowledged by the Corporate Debtor.
- e. Reminder Letter dated June 2, 2025 issued by the Operational Creditor duly acknowledged by the Corporate Debtor.
- f. Email Reminder dated July 8, 2025 sent by the Operational Creditor duly acknowledged by the Corporate Debtor.
- g. Ledger Extract provided by the Corporate Debtor demonstrating the outstanding dues payable by the Corporate Debtor to the Operational Creditor.
- h. GST returns of the Operational Creditor for the period of May 2025 in the financial year 2025 2026 filed by the Operational Creditor on July 29, 2025.
- i. Demand notice dated 17.07.2025 along with proofs of service.



16. The application was affirmed by Ms. Namaha Rajesh Mehta.

17. This Tribunal issued notice to the Corporate Debtor vide order dated 08.08.2025.

18. Affidavit in reply dated 28.08.2025 was filed by Ms. Nina Manoj Lekhi, aged 59 years, wife of Mr. Manoj Lekhi, authorised signatory of the Corporate Debtor above named by virtue of Board Resolution dated 20th August, 2025.

19. The various contentions of the Corporate Debtor are summarized below :-

- a. In para 4 of the reply the Corporate debtor has admitted to having received the 4 invoices.
- b. It is stated that on receipt of the goods and upon inspection goods worth Rs. 11,94,845/- were found to be defective and were not fit for use. It is stated that the defects were orally communicated to the operational creditor.
- c. It is stated that the Corporate Debtor, being left with no alternative, issued a formal written communication dated 11th August, 2025 to the Petitioner categorically recording the fact of defective goods. The said letter also specifically mentioned that debit notes in respect of the defective consignments would be issued by the Corporate Debtor and adjusted against the Petitioner's account. The said letter was duly received and acknowledged by the Petitioner, yet the Petitioner chose to ignore the same and did not take any corrective or remedial measures. A copy of the said Letter dated 11th August, 2025 is annexed as "Exhibit-B".
- d. It is stated that in view of the aforesaid defects, the Corporate Debtor has already communicated its intent to issue debit notes and adjust the value of the defective consignments against the Petitioner's account.



Consequently, no payment is due or payable in respect of the defective consignments, and there does not exist any "Claim" or "Operational debt" within the meaning of Section 3(6) of the Insolvency and Bankruptcy Code, 2016. The present Petition is, therefore, wholly misconceived and liable to be dismissed at the threshold.

- e. It is stated that, as alleged in PART IV of the petition, the total default amount is Rs. 1,11,84,020/- (Indian Rupees One Crore Eleven , Lakhs Eighty Four Thousand Twenty Only). The amount of Rs. 11,94,845/- (Indian Rupees Eleven Lakhs Ninety Four Thousand Eight Hundred Forty Five Only) will be adjusted out of the total amount of default debit notes. Then, after deducting the same the amount of default will be Rs. 99,89,175/- which is below the threshold.
- f. Respondent has relied upon a judgment passed by the Hon'ble NCLAT in the matter of Jumbo Paper Products V/s Hansraj I 14grofreslt Pvt Ltd in Company Appeal (AT) (INS) no. 813 of 2021, wherein it was held that the threshold limit of debt has been raised from Rs. 1 Lakh to Rs. 1 Crore. This threshold limit will be applicable for application filed under Section 7 or 9 on or after 24/03/2020, even if debt is of a date earlier than 24.03.2020.
- g. It is stated that the present Petition is ex facie not maintainable as it is barred by virtue of the existence of a pre-existing and bona fide dispute regarding the quality and usability of the goods supplied by the Petitioner. The Corporate Debtor much prior to the filing of the present Petition had raised specific, detailed and contemporaneous objections verbally regarding the defective, substandard and unusable nature of the



materials supplied under Purchase Orders Nos. BII24251PO/000216 and BII2425/PO/000218. These objections were duly communicated in, writing by way of a detailed letter dated 11th August 2025 which forms part of record.

- h. The respondent thereafter has relied upon Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd. (2018) 1 SCC 353, Transmission Corporation of A.P. Ltd. v. Equipment Conductors and Cables Ltd. (2019) 12 SCC 697 and K. Kishan v. Vijay Nirman Company Pvt. Ltd. (2018) 17 SCC 662 wherein it was held that the IBC is no a substitute for recovery or for adjudication of contractual disputes relating to quality of goods.
- i. Stating the above, the respondent seeks dismissal of the present application.
- j. The respondent has attached a letter dated 11.08.2025 along with the reply.

20. Applicant has filed an additional affidavit dated 17.09.2025 placing on record the Form D issued by NESL, perusal of which reflects that the status of authentication is "Deemed to be Authenticated".

21. Applicant has filed another additional affidavit dated 09.02.2026 placing on record the renewed AFA of the proposed IRP. It is seen that the AFA is valid till 31.12.2026.

22. No rejoinder was filed by the applicant and opportunity to file rejoinder was closed vide order dated 01.09.2025.

23. Written submissions were filed by the applicant reiterating the facts. For the sake of brevity the facts are not reiterated here.



24. As regards pre-existing dispute, the applicant states that on 11th August 2025, the Corporate Debtor sent a letter claiming that some goods amounting to Rs. 11,94,845/- (Rupees Eleven Lakhs, Ninety-Four Thousand, Eight Hundred Forty-Five) were defective and stated they would issue debit notes to adjust the amount corresponding to the defective goods supplied.
25. It is stated that this self-serving allegation is nothing, but a concocted afterthought made with the sole intent to dilute their admitted liability. The Corporate Debtor is seeking to manufacture a dispute where none exists. It is pertinent to highlight that the Purchase Orders were placed as early as 15th March 2025 and the corresponding Invoices were duly raised on 1st May 2025 without any whisper of objection regarding the quality of goods.
26. It is stated that the present Petition was filed before this Hon'ble Tribunal on 31st July, 2025 and a copy thereof was duly served on the Corporate Debtor. The belated letter dated 11th August, 2025 is nothing short of a fraudulent, mala fide and afterthought device engineered by the Corporate Debtor in order to camouflage its admitted default and fabricate a sham "dispute." Such conduct is a brazen abuse of process and deserves to be rejected in limine.
27. The so-called dispute cannot qualify as a "pre-existing dispute" within the meaning of Section 9 of the Code.
28. The applicant thereafter has relied on the Hon'ble NCLAT judgment in Chemical Suppliers India Pvt. Ltd. v. GLS Films Industries Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 157 of 2023 which has held that a defense raised by the Corporate Debtor after issuance of the Demand Notice cannot be construed as a "pre-existing dispute". The Tribunal further clarified that debit notes issued subsequent to the Demand Notice, belated claims of defective goods, or even police complaints



based on already-rectified mistakes are at best afterthoughts and constitute moonshine defenses. Such disputes cannot defeat a Section 9 application when operational debt and default stand otherwise established.

29. The applicant has also relied on judgment of Hon'ble National Company Law Appellate Tribunal in Rajeev K. Aggarwal v. Panipat Texo Fabs Pvt. Ltd., (2018 SCC On Line NCLAT 656), which has unequivocally held that a dispute raised for the first time in reply to a demand notice under Section 8 of the Insolvency and Bankruptcy Code, 2016 does not amount to a "pre-existing dispute" within the meaning of the Code. In the said matter, the Corporate Debtor sought to contend for the first time in its reply that the goods supplied were defective and of inferior quality. The Appellate Tribunal rejected such contention as a sham and afterthought defense, noting that there was no contemporaneous record of any objection having been raised at the time of delivery of goods or immediately thereafter.

30. No written submissions were filed by the Respondent.

Analysis and Findings:-

31. We have heard both the sides and have perused the documents as produced before us.

32. Applicant has filed this application seeking commencement of CIRP on the respondent u/s 9 of IBC, 2016.

33. Total Amount claimed in the Application is Rs. 1,11,84,020/- and the date of default is mentioned as 02.05.2025.

34. The debt arises on account of goods supplied by the applicant to the respondent under 4 purchase orders issued by the respondent. Applicant has attached the tax invoices for the supplies made.



35. It is stated that pursuant to the default the applicant has issued demand notice which was served on the respondent vide Courier on 18.07.2025 and vide Speed Post on 18.07.2025 which was not replied by the Corporate Debtor.
36. Applicant has placed before us record of default issued by NESL, perusal of which reflects that the status of authentication is “Deemed to be Authenticated”.
37. In reply, the Corporate Debtor has not denied the receipt of goods, demand notice etc. and the only defence is a pre-existing dispute, which the respondent raised on 11.08.2025, post filing of the present application and that too pertains to the goods of aggregate value of Rs. 11,94,845/- which were found to be defective and were not fit for use. No test reports were filed by the respondent before us. The respondent has not recorded dispute with NESL.
38. Respondent states that in case the above amount of Rs. 11,94,845/- is excluded, the debt in question falls below the threshold prescribed u/s 4 of IBC.
39. Applicant has relied on judgment by Hon’ble NCLAT in Chemical Suppliers India Pvt. Ltd. v. GLS Films Industries Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 157 of 2023 and Rajeev K. Aggarwal v. Panipat Texo Fabs vt. Ltd., (2018 SCC On Line NCLAT 656) and states that the defence is concocted and is raised post filing of the application and as such is a moonshine defence and hence to be ignored.
40. Respondent has relied on Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd. (2018) 1 SCC 353, Transmission Corporation of A.P. Ltd. v. Equipment Conductors and Cables Ltd. (2019) 12 SCC 697 and K. Kishan v. Vijay Nirman Company Pvt. Ltd. (2018) 17 SCC 662. We are of the view that both the above judgments have no applicability in the present case as their exits no pre-existing dispute.



41. From our perusal of the records, it is seen that written document raising dispute as to the quality is a sole letter dated 11.08.2025 which is after the date of filing of the present application, which is 31.07.2025. The goods were supplied in May 2025. Looking at the facts of the case, it appears that the defence of pre-existing dispute as pleaded by the respondent appears to be a moonshine defence.

42. In our view the present Application is complete in all respect. The Applicant has proved before us that an Operational Debt exceeding Rs. One crore is due and payable by the Corporate Debtor to the Operational Creditor and that there has been a default in payment of the same. Further, a demand notice under Section 8 of IBC, 2016 was issued and served upon the Corporate Debtor on 11.06.2025 and after receipt of the same the Corporate Debtor has failed to either pay the complete outstanding or to establish any pre-existing dispute.

43. The said Operational Debt is within limitation.

44. Taking into consideration the above, we are left with no choice but to admit the the Corporate Debtor to CIRP.

45. Accordingly, the following order is passed.

ORDER

In view of the aforesaid findings, this Application being **CP(IB)/764/MB/2025** filed under Section 9 of IBC, 2016 by **Sunrise Global Tradelinks**, the OC, for initiating CIRP in respect of **Baggit India Private Limited**, the CD, is **admitted**.

We further declare a moratorium under Section 14 of IBC, 2016 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 the 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, and;
 - 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 IBC 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 IBC read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- V. That this Bench hereby appoints **Amit Vijay Karia**, having Registration No. as **IBBI/IPA-001/IP-P-02600/2021-2022/13969** and **e-mail ID**



ipamitkaria@gmail.com (AFA valid till 31.12.2026) as the IRP of the in this matter.

- 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 IBC. The officers and managers of 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. Coercive steps will follow against them under the provisions of the IBC read with Rule 11 of the NCLT Rules, 2016 for any violation of the 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 OC is directed to deposit a sum of **Rs.3,00,000/- (Three Lakh Rupees)** 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 OC on priority upon the funds becoming 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 Corporate Debtor.
- 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 OC, 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.**
- XIV. The IRP is directed to issue notice of admission upon all the statutory authorities of the Corporate Debtor without fail.

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)
Tm/frk

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)