

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, COURT-I**

CP (IB) NO. 1400 of 2025

Under Section 10 of the Insolvency and
Bankruptcy Code, 2016 r/w Rule 7 of
the Insolvency and Bankruptcy
(Application to Adjudicating Authority)
Rules, 2016

In the matter of

**Agarwal Chem Products (India)
Private Limited**

[CIN : U24117MH2001PTC130345]

... Corporate Applicant

Order Delivered On : 18.02.2026

Coram:

Sh. Prabhat Kumar
Member (Technical)

Sh.Sushil Mahadeorao Kochey
Member (Judicial)

Appearances:

For the Corporate Applicant:

CA Mr. Niranjan S. Karmarkar

ORDER

Brief Facts:

1. This Company Petition is filed under Section 10 of the Insolvency and Bankruptcy Code, 2016 (“**Code**”) r/w Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by **Agarwal Chem Products (India) Private Limited** (hereinafter referred to as the “Corporate Applicant/ACPPL”), seeking to initiate its own Corporate Insolvency Resolution Process (“**CIRP**”). The said application is being preferred by the Corporate Applicant owing to financial stress faced by it, consequent to which it is not in a position to repay the debts due to its creditors.
2. The Corporate Applicant is a company limited by shares registered under the Companies Act, 1956 incorporated on 08.01.2001 having CIN U24117MH2001PTC130345 and having its registered address at 105/106 Paishwa Chambers 17/21 Esaji Street Vadgadi Masjid, - Mumbai, Maharashtra, India, 400003. Therefore, this Bench has jurisdiction to entertain and decide the Petition. The Authorised Capital of the Corporate Applicant is Rs. 10,00,00,000/- and paid up capital is Rs. 10,00,00,000/-. The Corporate Applicant is engaged in the business of manufacturing, trading, and dealing of a broad spectrum of organic and inorganic chemicals, petrochemicals, fertilizers, pesticides, solvents, dyes, paints, lubricants, oils, and other allied chemical products.
3. The amount in default and the total debt raised as stated in Part III of the Petition is Rs. 11,25,59,152.09/- (Rupees Eleven Crore Twenty Five lakhs Fifty Nine Thousand One Hundred Fifty Two and Nine Paise only) as on 31.03.2024.

Submissions of the Applicant:

4. On 27.04.2022, the Corporate Applicant was sanctioned a working capital limit of ₹17.26 crores by State Bank of India (SBI) vide a sanction/arrangement letter. The said facilities were secured by way of hypothecation and mortgage over the movable and immovable assets of the Company and its directors/promoters.
5. The Corporate Applicant further availed multiple loan facilities from Deutsche Bank for business expansion, details of which are as follows:
 - Deutsche – 230019 (LAP): ₹4,00,53,633.57
 - Deutsche – (300033767230019): ₹5,35,66,000
 - Deutsche – (320033767230019): ₹1,16,22,000
 - Deutsche – 230028 (GECL): ₹44,34,000These facilities were secured by creation of security interest in favour of the respective bank and were governed by the terms and conditions set out in the respective sanction letters and security documents.
6. The account of the Corporate Applicant was classified as Non-Performing Asset (NPA) on 27.12.2022. Thereafter, SBI issued a notice dated 11.01.2023 under Section 13(2) of the SARFAESI Act demanding repayment of ₹15,06,75,047.01 within 60 days. Subsequently, notice under Section 13(4) was also issued for taking possession, as the Corporate Applicant failed to discharge the outstanding dues.
7. The Corporate Applicant has submitted that it is unable to discharge its liabilities towards both Financial Creditors and Operational Creditors.
8. As per the Audited Balance Sheet dated 31.03.2024:

Total Secured & Unsecured Loans (A): ₹43,94,52,925.66

Total Current Liabilities (B): ₹66,20,26,000

Total Outstanding Liabilities (A + B): ₹110,14,58,925.66

The liabilities include dues towards SBI, Deutsche Bank, various lenders, trade payables and other current liabilities.

9. Considering the severe financial distress and inability to repay debts, the shareholders of the Corporate Applicant passed a Special Resolution authorising the filing of an application under Section 10 of the Insolvency and Bankruptcy Code, 2016 for initiation of Corporate Insolvency Resolution Process (CIRP). Hence the present application.
10. The Corporate Applicant has suggested the name of Mr. Nitin Om Kothari having Registration no. IBBI/IPA-001/IP-P02310/2020-2021/13477 for appointment as the Interim Resolution Professional (“**IRP**”). The proposed IRP has also submitted his Consent in Form 2 confirming eligibility and that there are no disciplinary proceedings pending against him.

Statutory Compliances:

11. This application is filed as per Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rule, 2016 in Form-6. Required information is also furnished therein.
12. The Corporate Applicant has enclosed a copy of Special Resolution dated 03.06.2025 passed by the shareholders of the Company in their Extra-Ordinary General Meeting held on 03.06.2025 for initiating Corporate Insolvency Resolution Process u/s 10 of the Code. The said special resolution authorized Mr. Mohanlal Agarwal, Director of the Company to file necessary application under the Code.

13. Further, the Corporate Applicant has also enclosed its Audited Balance sheet for FY 21-22, FY 22-23, FY 23-24 and FY 24-25.
14. After hearing the submissions and upon perusing the supporting documents annexed with the Petition, this Bench is of the view that the application made by the Corporate Applicant is complete in all respects as required by law. It clearly shows that the Corporate Applicant is in default of a debt due and payable, and the default is in excess of minimum amount stipulated under section 4(1) of the IBC, at the relevant time. Therefore, the default stands established and there is no reason to deny the admission of the Petition. In view of this, this Adjudicating Authority **admits** this Petition and orders initiation of CIRP against the Corporate Applicant.
15. Mr. Mohanlal Agarwal, the Director of Corporate Applicant, has filed affidavit dated 23.01.2026 submitting the following :

“ ...

4. In compliance with the aforesaid direction of this Hon'ble Tribunal, we hereby solemnly undertake that:

a. We shall make available and hand over all records, including but not limited to books of account, statutory registers, financial statements, bank statements, vouchers, invoices, ledgers, contracts and all other relevant documents of the Corporate Debtor to the Interim Resolution Professional/ Resolution Professional, if the present Petition is allowed by this Hon'ble Tribunal.

b. We shall fully cooperate with the Interim Resolution Professional / Resolution Professional and provide all assistance, information and documents as may be required for the conduct of the Corporate Insolvency Resolution Process.

c. We shall arrange and bring in necessary funds for meeting the CIRP costs, including fees of the Interim Resolution Professional / Resolution Professional and other insolvency resolution process expenses, in case sufficient liquid funds are not available with the Corporate Debtor.”

Order:

16. The above CP(IB) No. 1400 of 2025 is hereby **allowed** and initiation of Corporate Insolvency Resolution Process (CIRP) is ordered against Agarwal Chem Products (India) Private Limited.
17. Mr. Nitin Om Kothari having Registration No. IBBI/IPA-001/IP-P02310/2020-2021/13477, having registered address at 5A/301, Alica Nagar, Lokhandwala Township, Kandivali (east), Mumbai City, Maharashtra-400101 [Email ID: cakotharico@gmail.com, Mobile: +91 9664442266], is hereby appointed as the IRP of the Corporate Applicant to carry out the functions as mentioned under IBC. The IRP shall carry out functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC. The fee payable to IRP/RP shall be compliant with Regulations, Circulars and Directions issued by the Insolvency & Bankruptcy Board of India (IBBI) as may be applicable.
18. There shall be a moratorium under Section 14 of the IBC, in regard to the following:
 - i. The institution of suits or continuation of pending suits or proceedings against the Corporate Applicant including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - ii. Transferring, encumbering, alienating or disposing of by the Corporate Applicant any of its assets or any legal right or beneficial interest therein;

- iii. Any action to foreclose, recover or enforce any security interest created by the Corporate Applicant in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;
 - iv. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Applicant.
19. Notwithstanding the above, during the period of moratorium: -
- i. The supply of essential goods or services to the corporate Applicant, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;
 - ii. That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;
20. The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Applicant under section 33 of the IBC, as the case may be.
21. Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
22. During the CIRP Period, the management of the Corporate Applicant shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Applicant shall provide all documents in their

possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.

23. The Board of Directors of the Corporate Applicant shall make available requisite funds with the IRP/RP to meet the expenses arising out of issuing public notice and inviting claims till the formation of Committee of Creditors plus out of pocket expenses as well as to meet further process cost, in case the fund is not available with the Corporate Applicant at request of IRP/RP. Needless to say, these expenses shall be subject to rectification by the Committee of Creditors (CoC) and the amount so contributed by the Board of Directors from their personal sources shall be treated as interim finance and dealt with accordingly.
24. The Registry is directed to communicate this Order to the Corporate Applicant and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.
25. A copy of this Order be sent to the Registrar of Companies, Mumbai, Maharashtra, for updating the Master Data of the Corporate Applicant. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within **seven days** from the date of receipt of a copy of this order.
26. Ordered accordingly.

Sd/-

Prabhat Kumar
Member (Technical)
/MK/

Sd/-

Sushil Mahadeorao Kochey
Member (Judicial)