IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.302
C.P.(IB)/2(AHM)2026

Proceedings under Section 9 IBC

IN THE MATTER OF:

Vidres India Ceramics Private Limited ....**Applicant**
V/s
Sanford Vitrified Private Limited ....**Respondent**

Order delivered on: 31/08/2026

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)

SJ/AD/AP

IN THE NATIONAL COMPANY LAW TRIBUNAL

AHMEDABAD BENCH, COURT - II

CP (IB) No. 2 of 2026

(Filed under Section 9 of the Insolvency & Bankruptcy Code, 2016 read with Rule 6 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

In the Matter of:

M/S VIDRES INDIA CERAMICS PRIVATE LIMITED
(CIN: U24119GJ2006PTC048658)
Registered office at: 3rd Floor, Sarthik Square,
B/S. Pizza Hut, Sarkhej Gandhinagar High Way,
Ahmedabad, Gujarat, India - 380054.

...Applicant/
Operational Creditor

V/s.

M/S SANFORD VITRIFIED PRIVATE LIMITED
(CIN: U26933GJ2010PTC061005)
Registered office at: Survey No.121/p6,
B/h. Solaris Vill. Sartanpar, Tal.
Wankaner, Sartanpar,
Gujarat, India - 363642.

...Respondent/
Corporate Debtor

Order pronounced on 31.08.2026

Coram:
MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)

DR. V. G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)

-Sd/- Sd/-

Present:

For the Applicant : Mr. Vijay B. Limbachiya, Adv. And Mr. Pranav D. Thakkar Adv.

For the Respondent : Ms. Aayushi Kesariya, CS

JUDGEMENT

1. The Application is filed 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 by the M/s Vidres India Ceramics Private Limited, the Operational Creditor against the Corporate Debtor being M/s Sanford Vitrified Private Limited, for having defaulted of an amount of Rs. 2,26,40,900/- The default had occurred on and from 12.06.2025.

2. The factual backdrop averred by the applicant is as under:

   a. The Operational Creditor is a company registered under provisions of Company Act, 1956, and is into business of manufacturing and trading of ceramic raw material.

   b. That the Corporate Debtor is the company registered under the provision of the Companies Act, 1956 manufacturing and trading of ceramic and other related products:

-Sd/- -SD-

c. The Operational Creditor submitted that the Corporate Debtor had approached it for supply of Ceramic Glaze Mix M and other raw materials used in the manufacture of various types of tiles. The goods were duly supplied and received by the Corporate Debtor without any objection or dispute regarding the quality, quantity or delivery thereof.

d. It was further submitted that invoices raised between 18.09.2024 and 12.03.2025 towards the supplies were duly received by the Corporate Debtor without demur. The Operational Creditor relied upon the invoices, E-way bills and transportation receipts in support of the supplies made.

e. The Operational Creditor claimed an outstanding amount of Rs. 2,26,40,900/- towards the unpaid operational debt, calculated after giving effect to the stipulated credit period. It was submitted that the E-way bills contained the particulars of the Corporate Debtor, invoice amount, place of delivery, mode of transport and vehicle details, evidencing the transportation and delivery of the goods.

f. It was further submitted that the Corporate Debtor had issued cheques towards the outstanding dues, which

-Sd/- -SD-were dishonoured, pursuant to which criminal complaints were stated to have been filed. The Corporate Debtor had also issued its ledger/account statement reflecting the outstanding amount, which, according to the Operational Creditor, constituted an acknowledgment of the debt.

g. The Operational Creditor stated that the demand notice dated 20.06.2025 under Section 8 of the Insolvency and Bankruptcy Code, 2016, in Form-3 and Form-4, was served upon the Corporate Debtor through speed post and was received on 27.06.2025. Despite receipt of the notice, the Corporate Debtor failed to make payment within the prescribed period of 10 days, nor raised any dispute, replied to the notice, or initiated any arbitration proceedings.

h. Part-III of the Form-5 reveals that the Operational Creditor has proposed the name of Ms. Bhavi Shreyans Shah having registration IBBI/IPA-001/IP-P00915/2017-2018/11521 email Id: ca.bhavishah@gmail.com under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP).

Sd/- -SD-

i. The applicant/operational creditor has relied on the following documents

i. Copy of bilss along with eway bill, GSTR1 & GSTR3

ii. Copy of Ledger account

iii. A copy of the IBC demand notices dated 20.06.2025

iv. Copy of Certificate of Nesl

3. The Corporate Debtor/respondent filed affidavit in reply and submitted that the application filed under Section 9 of the Code is defective and not maintainable, as the Applicant has failed to comply with the mandatory requirements under Sections 8 and 9 of the Code. It was submitted that the maintainability of the application is required to be examined on the basis of the pleadings and documents available at the time of filing.

4. It was further submitted that although the alleged date of default is 12.06.2025, the Applicant had passed Board Resolutions dated 05.05.2025 authorising its representatives to initiate and pursue the IBC proceedings. According to the Respondent, the authorisation having been made prior to the alleged date of default, the proceedings were contemplated prematurely

-SD- Sd/-

and the present application is therefore liable to be rejected.

5. Further submitted that the Petition contains contradictory dates regarding receipt of the demand notice. While the Petition states that the notice dated 20.06.2025 was received by the Corporate Debtor on 27.06.2025, the accompanying affidavit mentions the date of receipt as 24.06.2025. It was contended that the said inconsistency creates uncertainty regarding compliance with the statutory period prescribed under Section 8(2) of the Code.

6. It was also submitted that the Applicant has not placed on record a complete and duly authenticated certificate from the concerned financial institution confirming non-receipt of the alleged operational debt, as required under Section 9(3)(c) of the Code. Mere assertion of non-payment by the Applicant, according to the Respondent, does not satisfy the statutory requirement.

7. Further stated that the GST documents relied upon by the Applicant are incomplete and no complete reconciliation correlating the alleged invoices with the corresponding GSTR-1 and GSTR-3B returns has been placed on record.

Sd/- Sd/-

It was therefore contended that the documents relied upon do not establish the alleged operational debt with sufficient evidentiary basis. It was submitted that the provisions of the Code are intended for resolution of insolvency and not as a substitute for recovery proceedings.

8. The applicant filed rejoinder and submitted that no suit or arbitration proceeding was initiated prior to issuance of the statutory notice. Accordingly, the formal defence subsequently raised by the Respondents does not appear to establish any pre-existing dispute. Proceedings under the Negotiable Instruments Act, 1881, in respect of the dishonoured cheques, are stated to be pending before the competent court. further submitted that after filing of the criminal cases and the Section 9 petition the respondents have paid substantial Approx. amount amounted Rs. 65,00,000/- thus, the debt is clearly admitted by the respondents It was submitted that the cause of action arose upon non-payment of the invoices and the present petition was filed only thereafter.

9. Further submitted that the resolution merely constitutes a

-SD- Sd/-

continuing authorisation to initiate legal proceedings and there is no requirement under the Code that such authorisation must be subsequent to the occurrence of default

10. It was further submitted that the discrepancy in the dates of receipt of the demand notice is merely clerical and does not affect the validity of service. Applicant also submitted that the objection regarding non-compliance with Section 9(3)(c) is untenable, as bank statements reflecting non-payment have already been placed on record and the requirement of a certificate from the financial institution is directory. As regards the GST documents, it was submitted that the invoices and ledger accounts reflecting the outstanding dues are already on record and that GST compliance does not affect the existence of the operational debt. It was submitted that the Corporate Debtor has neither produced proof of payment or bank transfer nor any prior correspondence disputing the invoices.

11. The Respondent, by way of reply to rejoinder, submitted that the continuous and recurring payments made by the Corporate Debtor towards the alleged dues demonstrate

-SD- -SD-that it never neglected or abandoned its payment obligations. The Operational Creditor admittedly received substantial payments from time to time, including approximately Rs.65,00,000/-, and continued to accept the same. It was therefore contended that the Operational Creditor cannot, on the one hand, acknowledge such payments and, on the other, portray the Corporate Debtor as commercially insolvent for initiation of CIRP.

12. It was further submitted that the explanation that the Resolution relied upon was merely a "continuing authorization" is vague and unsupported by the Resolution itself. The Respondent contended that incorrect dates in statutory documents cannot be casually treated as clerical errors, particularly when the statutory demand notice under Section 8 forms the foundation of proceedings under Section 9 and requires strict procedural compliance.

13. The Respondent stated that a manually prepared credit-entry statement cannot be treated as a bank statement unless issued by the concerned bank or generated through its authorised platform. The alleged

-Sd/- Sd/-

bank certificate was also challenged on the ground that the signatures and stamp are unclear, while the name and designation of the concerned bank official have not been disclosed, thereby preventing independent verification.

14. It was further contended that the certificate merely certifies the correctness of the entries mentioned therein and does not certify the completeness of all transactions pertaining to the account. Thus, the possibility of relevant transactions having been omitted cannot be ruled out. The Respondent accordingly submitted that the Operational Creditor has failed to place the complete primary documents necessary to establish the alleged operational debt and cannot derive benefit from incomplete or deficient documentation.

15. Both parties have filed written submissions. Perused the documents on record alongwith written submissions of the parties.

16. Observations & Conclusions:

a. The applicant has submitted the various invoices raised during the period from 18.09.2024 to 12.03.2025. The due date of payment is mentioned as 90 days PDC. As per

Sd/- Sd/-

the last invoice dated 12.03.2025 for Rs.11,81,416, the due date of payment is 12.06.2025 which accumulates the earlier defaults of the invoices issued prior which are also not paid. The underlying defaults are more than the eligible limit for filing the application. The application is filed within the period of limitation hence admissible. Hence we also find that the decision/board resolution to issue notice of default on 05.05.2025 apparently for underlying invoices is not at fault to be objected.

b. The notice of default dated 20.06.2025, lists and encloses the relevant invoices. The record of default with NeSL is filed, deemed to be and the last date of authenticated acknowledgment of debt is mentioned as 11.03.2025.

c. The few material issues raised by the respondent like date of default, notices, etc., do not sustain as the debt is overdue, though regular part payments made, there are no documents with proof given of dispute of debt.

17. In view of the above we pass the following order:

ORDER

I. The CP (IB) 2 of 2026 is allowed.

II. The Corporate Debtor – M/S Sanford Vitrified Private

Sd, Sd/-

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 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. Chetan Patel from the panel suggested by IBBI, Registered IP having IBBI registration no. as IBBI/IPA-002/IP-N00819/2019-2020/12561,Email-chetanpatelcs@gmail.com under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP). He

-SD- Sd/-

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 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.

-Sd/- Sd/-

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 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.

Sd/- -Sd/-

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 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)

KJ-LRA