IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.303

C.P.(IB)/226(AHM)2025

Proceedings under Section 9 IBC

IN THE MATTER OF:

Prem Associates ....**Applicant**

V/s

Drishan Industries Private Limited ....**Respondent**

Order delivered on: 29/07/2026

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.

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DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

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CHITRA HANKARE
MEMBER (JUDICIAL)

SJ/AD/AP

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD (COURT - II)

COMPANY PETITION (IB) 226 (AHM) 2025

(Application under Section 9 Read with rule 6 of the Insolvency and Bankruptcy Rules, 2016)

In the matter of:

Prem Associates
Registered Address at
183, Manekbag Society, Lane No. 15
Ambavadi, Ahmedabad, Gujarat -380015
Email Id: advdgpartners@gmail.com

.....Petitioner/
Operational Creditor

Versus

Drishan Industries Private Limited
CIN: U51909GJ2021PTC127857
C-404 Ganesh Glory -11
Near BSNL office, village Jagatpur
Ahmedabad, Gujarat -382470,
Email ID: pratiksinghgautam@gmail.com

..... Respondent/
Corporate Debtor

Order pronounced on 29.07.2026

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

MR. VELAMUR G VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)

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Present:

For the Petitioner : Mr. Dheeraj Garg, Adv.
For the Respondent : Mr. Ajit S. Nair, Adv and
Ms. Astha K Shau, Adv.

JUDGEMENT

1. This application is filed by the Operational Creditor viz, Prem Associates, is a Partnership firm through its authorized person Mr. Himanshu Shah, under Section 9 of Insolvency and Bankruptcy Code, 2016 ("I&B Code, 2016) seeking initiation of Corporate Insolvency Resolution Process (CIRP) as against the Corporate Debtor viz. Drishan Industries Private Limited for having default of an amount of Rs.1,37,21,643/-. The date of default is stated to be 07.10.2022. It is submitted by applicant that against the receipt of orders from the Corporate Debtor, the Operational Creditor supplied the raw materials to the CD during the period from 03.10.2022 to 06.10.2022 which was directly dispatched from the factory premises of the processor/ vendor of the operational creditor.
2. Applicant has relied upon following documents:
   a) Demand Notice along with postal receipts and tracking report.
   b) Reply of the Corporate Debtor to the Demand Notice.

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c) Affidavit under Section 9(3)(b) of the Code.

d) Bank Certificate under Section 9(3)(c) of the Code.

e) Legal Notices dated 09.03.2024 and 16.05.2024 issued by the Operational Creditor.

f) Copies of invoices and e-way bills evidencing supply of goods.

g) Ledger statement of the Operational Creditor.

h) GST Returns of the Operational Creditor.

i) Record of debt and default filed with the NeSL along with the reply of the Corporate Debtor.

3. The Respondent/Corporate Debtor ("CD"), in its reply affidavit, contends that the Demand Notice dated 01.04.2025 is not maintainable in law as the Applicant has failed to place on record any document establishing its licence or authorization to undertake the alleged trade pertaining to S.S. Flats. It is submitted that one of the Respondent's Directors was formerly a Director of Mundra Oil Pvt. Ltd., which had longstanding business relations with Tina Marketing Pvt. Ltd., a related entity of the Applicant and due to such dealings, the Respondent became acquainted with the Applicant's partners, Ms. Tina Siddharth Jain and Ms. Nina Amit Maheshwari, as well as its authorised representative, Mr. Rasiklal Mardia. It is

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further contended that the Applicant and Tina Marketing Pvt. Ltd. are related entities having common promoters and a common registered office.

4. The Respondent further submits that, in the year 2022, it entered into commercial transactions with Exclusive Steel and Casting Pvt. Ltd. ("ESCPL"), through its Director, Mr. Ratanlal Maneklal Jain, pursuant to which an amount Of Rs.1,35,00,000/- became due and payable by ESCPL to the Respondent as on 21.07.2022. It is contended that, in September 2022, Mr. Ratanlal Jain and other representatives of ESCPL proposed to supply S.S. Flats against the said outstanding liability. The Respondent submits that Mr. Ratanlal Jain represented that he and Mr. Romal Bafna had entered into an MoU with the Applicant, represented by its partners, Ms. Tina Siddharth Jain and Ms. Nina Amit Maheshwari, under which Mr. Romal Bafna was authorised to undertake business transactions on behalf of the Applicant up To Rs.10 crores. It is further contended that, under the said arrangement, the Applicant would supply the S.S. Flats towards discharge of ESCPL's outstanding liability, while ESCPL and Mr. Ratanlal Jain would remain responsible for payment of the Applicant's dues.

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5. The Respondent further submits that Mr. Ratanlal Jain assured that liability to clear the Applicant's dues would remain with ESCPL and its Directors, and that funds for payment would be arranged by ESCPL. It is contended that, relying upon such assurances and with a view to recovering its outstanding dues of Rs.1,35,00,000/- from ESCPL, the Respondent, though not engaged in the business of S.S. Flats, agreed to procure goods from the Applicant under invoices dated 03.10.2022, 04.10.2022, 05.10.2022 and 06.10.2022 aggregating to Rs.1,37,21,643/-. It is further contended that Mr. Ratanlal Jain, acting as Director of ESCPL and authorised representative of the Applicant, assured that the goods would thereafter be sold to ESCPL, the sale proceeds would be remitted to the Respondent and adjusted against ESCPL's outstanding liability.

6. The Respondent submits that, upon receiving a Demand Notice dated 27.07.2023 from the Applicant demanding payment of Rs.1,37,10,014/-, it immediately contacted Mr. Ratanlal Jain, who informed the Respondent that the notice was merely procedural, assured that no payment was required from the Respondent and stated that he would have the notice cancelled. It is further contended that Mr. Ratanlal Jain

informed the Respondent that, apart from the MoU, he had created a charge over the assets of ESCPL in favour of the Applicant and Tina Marketing Pvt. Ltd. The Respondent further submits that, upon receipt of another notice dated 01.03.2024, it met the Applicant's authorised representative, Mr. Rasiklal Mardia, who allegedly acknowledged that no amount was payable by the Respondent since the Applicant was not registered under GST to trade in S.S. Flats, confirmed the existence of the MoU and the role of Mr. Ratanlal Jain in handling the steel business, admitted that the supplies were made towards adjustment of ESCPL's outstanding liability, and advised the Respondent to ignore the notice.

7. The Respondent further contends that, upon being advised by the Applicant's authorised representative, Mr. Rasiklal Mardia, that owing to an ongoing dispute between the Applicant and its MoU partner, Mr. Ratanlal Jain, future business transactions should be undertaken through Tina Marketing Pvt. Ltd., the Respondent accepted the arrangement. It is submitted that, even after issuance of the Demand Notice, the Respondent continued business transactions with Tina Marketing Pvt. Ltd. without any payment-related disputes, thereby demonstrating that the Applicant's promoters

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continued business with the Respondent through their related entity.

8. The Respondent further submits that the notice dated 23.06.2025 issued by this Tribunal was also sent through speed post by Tina Marketing Pvt. Ltd., which, according to the Respondent, establishes that both entities are being operated by the same set of persons under different legal structures. It is contended that the present proceedings arise out of a pre-existing dispute relating to inter-party business transactions and the liability of the appropriate entity, and therefore fall outside the scope of proceedings under the IBC and are liable to be adjudicated before the appropriate Civil/Commercial Court. The Respondent further submits that it issued a Demand Notice dated 03.07.2025 to Tina Marketing Pvt. Ltd. for recovery of Rs.16,50,000/-, to which a reply dated 23.07.2025 was received allegedly admitting the relationship between the Applicant and Tina Marketing Pvt. Ltd. It is further contended that recovery proceedings against Tina Marketing Pvt. Ltd. are pending before the Mediation Centre under Section 12A of the Commercial Courts Act, 2015, and that the Respondent is a solvent going concern. On these grounds, the Respondent contends that the alleged debt

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is disputed, the present application is not maintainable and is liable to be rejected.

9. The Applicant, by way of rejoinder, has denied the contentions raised by the Corporate Debtor and reiterated that the Corporate Debtor has, in its own reply, unequivocally admitted the supply and receipt of goods under the invoices dated 03.10.2022 to 06.10.2022 aggregating to Rs.1,37,21,643/-It is submitted that the Corporate Debtor has neither disputed the delivery of the goods, the invoices raised, nor the quantity and description of the goods supplied. The Applicant further contends that none of the grounds contemplated under Section 9(5)(ii) of the Insolvency and Bankruptcy Code, 2016 are attracted, as the Corporate Debtor has neither disputed the completeness of the application nor pleaded payment of the operational debt, and has failed to place any material on record establishing the existence of a pre-existing dispute prior to the issuance of the demand notice. It is submitted that the alleged dispute was raised for the first time only in reply to the demand notice and, therefore, cannot constitute a pre-existing dispute under the Code. The Applicant further submits that the alleged Memorandum of Understanding (MoU) and the third-party

-SD- -SD-transactions relied upon by the Corporate Debtor are wholly irrelevant to the present proceedings and do not affect the independent liability arising from the goods supplied by the Operational Creditor. According to the Applicant, the MoU was an independent commercial arrangement creating no rights or obligations qua the Corporate Debtor. It is further contended that the relationship, if any, between the Applicant and Tina Marketing Pvt. Ltd. is legally inconsequential, as the contractual relationship exists solely between the Applicant and the Corporate Debtor, and documents pertaining to Tina Marketing Pvt. Ltd. relate to separate transactions incapable of constituting a valid defence or establishing any pre-existing dispute.

10. Applicant has relied upon following judgements:

a) *Sabarmati Gas Limited vs Shah Alloys Limited- Civil Appeal No. 1669 of 2020*

b) *Rajratan Babulal Agarwal vs. Solartex India Pvt. Ltd. & Ors.- Civil Appeal No. 2199 of 2021*

c) *Metals and Metal Electric Pvt. Ltd. v. Prince Foundations Ltd.- (2025) ibclaw.in 891 NCLAT*

d) *Mobilox Innovations Pvt Ltd. Vs Kirusa Software Pvt Ltd" Civil Appeal no 9405 of 2017*

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e) Soham Polymers Pvt Ltd vs Flocksur India Pvt Ltd - Company Appeal (AT) (Insolvency) No. 924 of 2021

11. Both the parties have filed written submissions. Heard the counsels for the petitioner as well as the respondent and perused the documents available on record.

12. Observations & Conclusions:

a) The applicant has raised 6 invoices, produced e - way bills and NeSL record along with certificate. The delivery is not disputed by the respondent CD.

b) However, certain allegations or purported transactions on behalf of a third party as part of MOU cannot form a defence in this matter wherein we have to examine whether there is debt and default.

c) There is no prior dispute raised before the issue of the demand notice by the respondent and irrespective of whether the bills were genuine or not acceptance of the bills and goods is sufficient to prove the debt. It is up to the RP when appointed when the claims if any are to be admitted of the creditors as debt due is defaulted. Other references made in the reply of respondent is beyond the purview of consideration under IBC Sec 9 of IBC 2016.

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d) The Memorandum of Understanding relied upon by the Corporate Debtor does not advance its defence. On perusal of the MoU it appears that it was executed between the Applicant and Mr. Ratanlal M. Jain and Mr. Romal Bafna, to which the Corporate Debtor is admittedly not a party. While the MoU records the commercial arrangement between its executants, it does not contain any stipulation substituting or extinguishing the Corporate Debtor's liability arising from the invoices raised by the Applicant. It is not signed by the applicant.

e) The defence raised by the Corporate Debtor is based on alleged third-party arrangements and oral assurances, which, at best, may give rise to independent civil remedies inter se the concerned parties. Such arrangements do not negate the admitted supply and receipt of goods under the invoices nor do they constitute a genuine pre-existing dispute regarding the operational debt. Therefore, the contentions raised by the Corporate Debtor fall beyond the limited scope of enquiry under Section 9 of the Insolvency and Bankruptcy Code, 2016 and cannot defeat the present application.

13. In view of the above, we pass the following

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ORDER

I. CP (IB) 226 of 2025 is allowed.

II. The CIRP is ordered to be initiated against the corporate debtor – Drishan Industries Private Limited.

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 from the panel suggested by IBBI, Mr. Varun Anil Chopra, Registered IP having IBBI registration no. IBBI/IPA-001/IP-P-02950/2025-2026/14525, Email-ipvarunchopra@gmail.com, under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP). He shall conduct the Corporate Insolvency Process as per the

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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.

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.

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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.

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

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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.

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DR. V.G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

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