

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT VI

Item No. P1

C.P.(IB)/ 294(MB)2026

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **01.10.2026**

NAME OF THE PARTIES: -

Chemicorp Specialties India LLP

V/s

Jayant Specialties Private Limited

Under Section 9 of the IBC,2016

ORDER

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/-

NILESH SHARMA
MEMBER (JUDICIAL)
//Sumant//

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI - BENCH-VI

CP (IB) No. 294/MB/2026

*[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:

Chemicorp Specialties India LLP

Registered Office: Office No. 31,
M30 Building, Opposite Old Passport
Office, Dr. Annie Besant Road, Worli,
Mumbai-400 030.

...Operational Creditor/(OC)

Vs.

Jayant Specialties Private Limited

[CIN: U24230MH2005PTC154380]

Registered Office: "AA701 Bheem
Cooperative Housing Society Limited, N.L.
Complex, Anand Nagar, Dahisar East,
Mumbai – 400 068

AND

K-21, MIDC, Tarapur, Boisar,
Taluka And District Palghar,
Thane- 401506.

...Corporate Debtor/(CD)

Pronounced On: 01.10.2026.

CORAM:

SHRI NILESH SHARMA, MEMBER (JUDICIAL).

SHRI SAMEER KAKAR, MEMBER (TECHNICAL).

Hearing: Hybrid.

Appearances:

Operational Creditor: Adv. Mr. Yahya Batatawala a/w
Adv. Ms. Uma Chatterjee

Corporate Debtor: Adv. Mr. Satyakumar Shettigar

ORDER

[PER: BENCH]

1. BACKGROUND

- 1.1 This Company Petition No. C.P. (IB) 294/MB/2026 (Application) was filed on 11.03.2026 under Section 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC') read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 ('AA Rules') by **Chemicorp Specialties India LLP**, the Operational Creditor (OC), for initiating Corporate Insolvency Resolution Process (CIRP) of **Jayant Specialties Private Limited**, the Corporate Debtor (CD).
- 1.2 The total amount of default alleged is Rs. 5,02,41,461.00 /- (Rupees Five Crores Two Lakhs Forty-One Thousand Four Hundred and Sixty-One only).
- 1.3 A statement of dates of default indicating the dates of default in respect of different invoices which is attached as Annexure W to the application. The last date of default is stated as 05.12.2024.

2. CASE OF THE OC:

- 2.1 The Operational creditor is a Partnership Firm registered under the Partnership Act, 1932. The application is affirmed by one Mr. Mahesh Mane stated to be the partner of the firm.
- 2.2 The Operational Creditor is engaged in the business of supply of chemical materials. The Operational Creditor maintained a commercial relationship with Jayant Specialties Private Limited ("Corporate Debtor") pursuant to various Purchase Orders issued by the Corporate Debtor from time to time.
- 2.3 In and around May 2023, the Corporate Debtor approached the Operational Creditor with enquiries for the supply of various chemical materials. Pursuant thereto, the Creditor furnished quotations, which led to negotiations between the parties. Thereafter, the Corporate Debtor issued Purchase Orders stipulating the quantity of the materials and applicable terms and conditions.
- 2.4 Upon receipt of the Purchase Order from time to time, the Operational Creditor supplied the requisite chemicals and raised corresponding Tax Invoices along with Lorry Receipt (LR) copies, all subject to the agreed terms and conditions. The copies of the Purchase Orders from 28/05/2023 to 06/08/2024 along with corresponding Tax Invoices from 29/05/2023 to 06/08/2024 and LR Receipts are attached as "Annexure A- Colly to the Application".
- 2.5 As per the said Purchase Orders, the Operational Creditor is a supplier of Chemical materials and the said chemical materials were duly supplied to the Corporate Debtor as per the Purchase Orders. The Corporate Debtor purchased the said chemical goods on a credit period of 120 days. In the event of delay beyond the credit period, the Corporate Debtor was liable to pay interest on delayed payment at the rate 21% p.a.

- 2.6 Pursuant to the Purchase Orders, the Operational Creditor supplied chemical materials to the Corporate Debtor for the total value of Rs. 3,36,15,612/- (Rupees Three Crore Thirty-Six Lakh Fifteen Thousand Six Hundred Twelve Only), against which a substantial amount along with accrued interest, remains outstanding.
- 2.7 It is pertinent to mention that the Corporate Debtor made part payments aggregating to Rs. 97,74,827/-, which were duly appropriated towards the principal amount as well as interest on delayed payments. In terms of Purchase Orders, the Corporate Debtor was obligated to make payment within 120 days, failing which interest at the rate of 21% per annum would be payable.
- 2.8 Further, in order to facilitate smooth business functioning, the Operational Creditor had availed overdraft/Cash Credit facility from the Banks. Therefore, upon non-receipt of the balance outstanding dues of the supplied chemicals, the Operational Creditor addressed a Letter dated 23/09/2023 thereby requesting the Corporate Debtor to adhere with payment schedule in order to prevent the Operational Creditor from any form of bank penalties and bank charges. A copy of the letter dated 23/09/2023 sent by Operational Creditor to the Corporate Debtor is attached as "Annexure B" to the Application.
- 2.9 Considering the longstanding business relationship between the parties, the Operational Creditor, in good faith, refrained from initiating coercive action and afforded sufficient time to the Corporate Debtor to clear the outstanding dues. However, despite affording sufficient time to the Corporate Debtor, the outstanding amount remained unpaid. Subsequently, the Operational Creditor was constrained to issue a Legal Notice dated 02/08/2024 through its Advocate, calling upon the Corporate Debtor and its Director to make payment

of the outstanding dues. A Copy of the Legal Notice dated 02/08/2024 sent by Operational Creditor to Corporate Debtor is attached as “Annexure-C” to the Application.

- 2.10 Pursuant to the receipt of the Legal Notice dated 02/08/2024, the Corporate Debtor started making payment in small instalments towards the outstanding dues the details of which are as follows:

Date	Amount received from the Corporate Debtor
20/08/2024	20,00,000/-
11/10/2024	3,00,000 /-
23/10/2024	10,00,000/-
01/01/2025	20,00,000/-
17/02/2025	10,00,000/-

- 2.11 The Operational Creditor issued Letter dated 09/02/2024 requesting to clear the outstanding due for more than 120 days on immediate basis and thereafter further sent account confirmation dated 22/03/2024 which was duly signed and acknowledged by the Corporate Debtor, The Copies of the Letter dated 09/02/2024 and account confirmation dated 22/03/2024 are attached as “Annexure-D-Colly to the Application”.

- 2.12 The partners of the Operational Creditor visited the Office of the Corporate Debtor on 06/12/2024 to discuss and request about repayment of outstanding amount along with accrued interest due and payable by the Corporate Debtor. In the said meeting, the Corporate Debtor requested Operational Creditor to grant time to clear the outstanding dues and also requested the Operational

Creditor not to initiate any legal action against the Corporate Debtor. The Corporate Debtor further promised to come up with payment schedule to clear all the outstanding dues including interest. Thereafter, on 13/12/2024, the Corporate Debtor attended Operational Creditor's Office and confirmed the outstanding due of Rs. 3,21,84,999/- and further agreed to the payment of Rs. 1,50,00,000/- on or before 31/03/2025 along with interest at 18% p.a.

2.13 Relying upon the assurances extended by the Corporate Debtor, the Operational Creditor continued to await payment, however, to its utter shock and surprise, the Corporate Debtor addressed a letter dated 19/12/2024 to the Operational Creditor proposing a unilateral revised repayment schedule informing that Corporate Debtor will be paying outstanding total of Rs. 3,21,84,999/- over different timeline than that previously agreed by the parties. The Copy of the letter dated 19/12/2024 sent by the Corporate Debtor to Operational Creditor is annexed as "Annexure-E" to the Application.

2.14 Being aggrieved by the unilateral decision of the Corporate Debtor with respect to different repayment timelines, the Operational Creditor addressed Letter dated 19/12/2024 disagreeing for the change of repayment schedule and further indicated financial and non-financial difficulty faced by it because of this conduct of the Corporate Debtor. The Copy of the Letter dated 19/12/2024 sent by the Operational Creditor to Corporate Debtor is annexed as "Annexure -F" to the Application.

2.15 Thereafter, the Corporate Debtor addressed a Letter dated 21/12/2024 assuring that it shall make payment of the entire outstanding dues from January 2025 and further requested Operational Creditor to extend cooperation. It is pertinent to mention that the Corporate Debtor shifted the

payment time from December 2024 to January 2025 without confirming with the Operational Creditor. The copy of the Letter dated 21/12/2024 sent by the Corporate Debtor to Operational Creditor is annexed as “Annexure-G” to the Application.

2.16 Relying upon the assurances given by the Corporate Debtor vide its letter dated 21/12/2024, the Operational Creditor awaited payment. However, the Corporate Debtor once again failed to honour its payment obligations. Consequently, the Operational Creditor, vide letter dated 09/01/2025, expressed its concern and recorded that the Corporate Debtor had failed to adhere to the timelines committed by it and Operational Creditor shall further strictly called upon the Corporate Debtor to make payment on the previously agreed schedule along with appropriate interest. The copy of the Letter dated 09/01/2025 sent by the Operational Creditor to Corporate Debtor is “Annexure-H” to the Application.

2.17 The Operational Creditor issued balance confirmation dated 15/01/2025 which was duly acknowledged by the Corporate Debtor. The copy of the balance confirmation dated 15/01/2025 is annexed as “Annexure-I” to the Application.

2.18 Thereafter, since no further payment was forthcoming from the Corporate Debtor, the Operational Creditor addressed Letter dated 26/02/2025 reminding the Corporate Debtor of its commitment to make payment of sum of Rs. 50,00,000/- on or before 31/01/2025 and further sum of payment before 31/01/2025 along with agreed accrued interest. The copy of the letter dated 26/02/2025 sent by Operational Creditor to Corporate Debtor is annexed as “Annexure-J” to the Application.

- 2.19 It is pertinent to state that although the Operational Creditor received certain part-payment from the Corporate Debtor, the last payment of Rs. 10 lakh was received on 17/02/2025, which was appropriated towards outstanding Interest.
- 2.20 Upon receipt of the amount of Rs. 10,00,000/- on 17/02/2025, the Operational Creditor once again issued account confirmation dated 18/02/2025, the said account confirmation was duly acknowledged by the Corporate Debtor. The copy of the account confirmation dated 18/02/2025 is annexed as "Annexure-K" to the Application.
- 2.21 Thereafter, referring to Letter dated 21/12/2024 and Letter dated 09/01/2025 and after constant follow up regarding the outstanding payment, the Operational creditor once again sent Letter dated 26/02/2025 calling upon to arrange outstanding receivable amount. Further in the said letter it was also mentioned that the miniscule amount of Rs. 30,00,000/- in the month of January 2025 has been adjusted towards interest. The copy of the Letter dated 26/02/2025 sent by Operational Creditor to the Corporate Debtor is annexed as "Annexure-L" to the Application.
- 2.22 Subsequent to the issuance of the aforesaid Notice, the Operational Creditor awaited payment for more than two months. Despite that the Corporate Debtor once again failed to honour its payment obligations. Consequently, the Operational Creditor once again issued letter dated 02/04/2025, pursuant to which the Corporate Debtor neither sent any Reply nor made any outstanding payment for the amount due and payable to the Operational Creditor. Further, the Operational Creditor, through its advocate, issued a Legal Notice dated 02/04/2025 calling upon the Corporate Debtor and its Directors to pay and outstanding dues arising from supply of goods. Despite receipt and utilisation

of the goods without any dispute, the Corporate Debtor failed to make payment even after earlier notice dated 02/08/2024, the Corporate Debtor acknowledged its liability and proposed repayment schedules, however, it failed to adhere to the same and made only part payments. Accordingly, the Corporate Debtor was called upon to pay Rs. 3,09,06,259/- along with interest, failing which the Operational Creditor would initiate appropriate legal proceedings. A copy of the Legal Notice dated 02/04/2025 sent by the Operational Creditor to the Corporate Debtor is attached as “Annexure-M” to the Application.

2.23 Thereafter, the Corporate Debtor once again confirmed its liability through statement of account conformation dated 15/04/2025 sent by the Operational Creditor. A copy of the Account Confirmation dated 15/04/2025 is attached as “Annexure-N” to the Application.

2.24 Thereafter, the Operational Creditor vide letters dated 21/04/2025, 25/04/2025, 28/04/2025 and 06/05/2025, repeatedly called upon the Corporate Debtor to furnish a repayment schedule and to clear the outstanding dues. In response, the Corporate Debtor, vide letter dated 08/05/2025, stated that its plant was under maintenance from 07/04/2025 TO 06/05/2025 and assured that payments would be released within 15 to 20 days upon resumption of production. The copies of the Letters dated 21/04/2025, 25/04/2025, 28/04/2025 and 06/04/2025 sent by the Operational Creditor to the Corporate Debtor are attached as “Annexure-O Colly” and the copy of the letter dated 08/05/2025 sent by Corporate Debtor is attached as “Annexure-P” to the Application.

2.25 Upon receipt of the aforesaid letter dated 08/05/2025, the Operational Creditor on 09/05/2025, held a telephonic discussion with the Corporate Debtor, wherein the Corporate Debtor assured that a proper repayment schedule, indicating all timelines, would be furnished on or before 10/05/2025. However, as no such repayment schedule was received, the Operational Creditor was constrained to address a letter dated 12/05/2025 expressing its concern and profound disappointment regarding the Corporate Debtor's failure to make payment and settle the outstanding dues. The said letter further recorded that Mr. Aakash Vaishnav had expressly assured that payment would be made between 06/05/2025 and 08/05/2025, which assurance remained unfulfilled. A copy of the letter dated 12/05/2025 sent by the Operational Creditor to the Corporate Debtor is attached as "Annexure-Q" to the Application.

2.26 In view of the continued default and failure of the Corporate Debtor to honour its payment obligations despite repeated demands and assurances, the Operational Creditor was constrained to lodge a Police Complaint at Worli Police Station against the Corporate Debtor on 03/06/2025. Further, on 11/06/2025 the Operational Creditor also filed Complaint at 62nd Court of Judicial Magistrate First Class, Dadar (at Sewree) Mumbai under Section 318 and Section 3 (5) of the BNS against the Corporate Debtor and its Directors. 62nd Court of Judicial Magistrate First Class, Dadar (at Sewree) Mumbai was pleased to issue court notice/ summons dated 04/07/2025 to the Corporate Debtor and its Director. The copy of the Police Complaint dated 03/06/2025 lodged by the Operational Creditor with Worli Police Station is attached as "Annexure-R" and the copy of the Complaint at 62nd Court of Judicial Magistrate First Class, Dadar (at Sewree) Mumbai under section 318 and

Section 3(5) of the BNS filed on 11/06/2025 along with Court Notice/Summons dated 04/07/2025 are attached as “Annexure-S-Colly to the Application

2.27 Thereafter, on 13/06/2025 the Corporate Debtor issued an Account Confirmation acknowledging the outstanding dues payable to the Operational Creditor. The said acknowledgment clearly evidences the subsisting liability of the Corporate Debtor and constitutes an admission of debt. The copy of the Account Confirmation dated 13/06/2025, duly acknowledged by the Corporate Debtor is attached as “Annexure-T” to the Application .

2.28 Subsequently, on 14/06/2025, the Operational Creditor once again addressed a letter to the Corporate Debtor regarding non-deposit of TDS for the Financial Year 2024-25. The Operational Creditor, upon reviewing its Form 26AS, observed that TDS deducted by the Corporate Debtor for the period from April 2024 to March 2025, amounting to Rs. 4,27,894/-, was not reflected therein, indicating that the said TDS had not been deposited with the Income Tax Department. The Operational Creditor further stated that such non-deposit had adversely affected its ability to claim credit of the said TDS and had caused difficulties in filing its income tax returns. Accordingly, the Operational Creditor called upon the Corporate Debtor to deposit the said TDS amount with the appropriate authorities and to provide proof of such deposit. The Copy of the Letter dated 14/06/2025 sent by the Operational Creditor to the Corporate Debtor is attached as “Annexure-U” to the Application.

2.29 Thereafter, the aforesaid Complaint at 62nd Court of Judicial Magistrate First Class, Dadar (at Sewree) Mumbai was heard on 09/ 10/2025 wherein It is submitted that, in the said proceedings, the Learned Mediator, Justice K.G. Chaudhari, had directed the parties to convene a meeting and arrive at a

mutually agreed repayment schedule. Pursuant thereto, the Corporate Debtor, through its representative Mr. Aakash Vaishnav, committed to make a payment of Rs. 30,00,000/- towards the outstanding dues on or before 29/10/2025. Therefore, on 11/10/2025, the Operational Creditor addressed a letter to the Corporate Debtor proposing a meeting to finalise the repayment schedule, in terms of the directions issued pursuant to the order dated 09/10/2025 passed by the Learned Metropolitan Magistrate. The copy of Letter dated 11/10/2025 sent by the Operational Creditor to the Corporate Debtor is attached as "Annexure-V" to the Application.

- 2.30 Despite repeated follow-ups, the Corporate Debtor has failed and neglected to clear the total outstanding dues of Rs. 2,88,89,931/- towards the goods supplied by the Operational Creditor. The copy of statement of outstanding invoices along with due dates and dates of default is attached as "Annexure-W" to the Application.
- 2.31 In view of the persistent default in payment and as no payments were received from the Corporate Debtor, the Operational Creditor was constrained to issue Demand Notice dated 16/02/2026 in Form 3 under Section 8 of the Insolvency & Bankruptcy Code, 2016 on the Corporate Debtor. The copy of Demand Notice dated 16/02/2026 along with proof of delivery and tracking report is attached as "Annexure-X" to the Application.
- 2.32 Debt fell due immediately after expiry of credit period of 120 days from the date of each Invoices raised by the Operational Creditor.
- 2.33 Upon receipt of the Demand Notice dated 16/02/2026, on 19/02/2026 Corporate Debtor responded via email denying the contents of the Demand Notice and stated that it was compiling data to reply to the Demand Notice sent

by the Operational Creditor. The Copy of email dated 19/02/2026 sent by the Corporate Debtor to Operational Creditor is attached as "Annexure-Y" to the Application.

2.34 The Applicant has attached the following documents along with the Application.

- a. Copy of the Legal Notice dated 02/08/2024 bearing No. 1/327/2024 sent by Operational Creditor.
- b. Copy of the Letter dated 09/02/2024 and account confirmation dated 22/03/2024.
- c. Copy of the purchase orders from 28/05/2023 to 06/08/2024 along with tax invoices from 29/05/2023 to 06/08/2024 and LR Receipts.
- d. Copy of the Letter dated 19/12/2024 sent by the Corporate Debtor to Operational Creditor.
- e. Copy of the Letter dated 19/12/2024 sent by the Operational Creditor to Corporate Debtor.
- f. Copy of the Letter dated 21/12/2024 sent by the Corporate Debtor to Operational Creditor.
- g. Copy of the Letter dated 09/01/2025 sent by the Operational Creditor to Corporate Debtor
- h. Copy of the balance confirmation dated 15/01/2025.
- i. Copy of the Letter dated 26/02/2025 sent by Operational Creditor to Corporate Debtor.
- j. Copy of the account confirmation dated 18/02/2025.
- k. Copy of the Letter dated 26/02/2025 sent by Operational Creditor to the Corporate Debtor.

- l. Copy of the Legal Notice dated 02/04/2025 sent by the Operational Creditor to the Corporate Debtor.
- m. Copy of the Account Confirmation dated 15/04/2025.
- n. Copy of the Letters dated letters dated 21 /04/2025, 25/04/2025, 28/04/2025 and 06/05/2025 sent by the Operational Creditor to the Corporate Debtor.
- o. Copy of the Letter dated 08/05/2025 sent by Corporate Debtor.
- p. Copy of the Letter dated 12/05/2025 sent by the Operational Creditor to the Corporate Debtor.
- q. Copy of the Police Complaint dated 03/06/2025 lodged by the Operational Creditor with Worli Police Station.
- r. Copy of the Compliant at 62nd Court of Judicial Magistrate First Class, Dadar (at Sewree) Mumbai under Section 318 and Section 3(5) of the BNS filed on 11/06/2025 along with Court Notice/ Summons dated 04/07/2025.
- s. Copy of the Account Confirmation dated 13/06/2025, duly acknowledged by the Corporate Debtor.
- t. Copy of letter dated 14/06/2025 sent by the Operational Creditor to the Corporate Debtor.
- u. Copy of letter dated 11/10/2025 sent by the Operational Creditor to the Corporate Debtor.
- v. Copy of the statement of outstanding invoices and Statement of due date and default.
- w. Copy of the Demand Notice in Form 3 dated 16/02/2026 under Section 8 of the Insolvency and Bankruptcy Code, 2016 along with postal receipt and tracking report.

- x. Copy of the email dated 19/02/2026 sent by the Corporate Debtor to Operational Creditor.
- y. Copy of the Ledger Account of the Corporate Debtor in the books of the Operational Creditor.
- z. Copy of Statement of computation of Interest.
- aa. Copy of the Master Data of the Corporate Debtor downloaded from the MCA Portal.
- bb. Copy of the Master Data of the Operational Creditor downloaded from the MCA Portal.

3. ADDITIONAL AFFIDAVIT DATED 17.04.2026 and 15.07.2026 FILED BY THE APPLICANT

- 3.1 The Applicant has filed an additional affidavit dated 17.04.2026 attaching Form C of NeSL.
- 3.2 Further, the Applicant has filed an additional affidavit dated 15.07.2026 and placed on record a copy of record of default in Form-D registered with NeSL, which reveals the status of authentication of default as "DEEMED TO BE AUTHENTICATED".

4. REPLY BY THE CORPORATE DEBTOR

- i. Reply dated 27.04.2026 was filed and affirmed by Mr. Jayantilal B. Vaishnav, the authorized signatory of the Corporate Debtor.
- ii. The contents of the aforesaid Affidavit are summarised hereinbelow:
- iii. The Corporate Debtor states that prior to the issuance of the Demand Notice u/s 8 of The Insolvency and Bankruptcy Code, 2016, a bonafide dispute existed as regards to the quantum of debt, alleged interest and the manner in which the amount which was paid by the Corporate Debtor to

the Operational Creditor against the outstanding invoices were apportioned illegally against the alleged interest and the principal outstanding dues and therefore on this ground alone the aforesaid Company Petition deserves to be dismissed.

- iv. With reference to paragraph No.1 under Part IV, Particulars of Operational Debt” of the said Petition, the statements and allegations made therein by the Operational Creditor is misleading and false and denied by me. Is is stated that the statements made by the Operational Creditor that out of total payment of 97,74,827/- made by the Corporate Debtor to the Operational Creditor an amount of Rs.50,49,146/- was adjusted by the Operational Creditor, as against the interest and the balance of Rs. 47,25,681 was adjusted against the total invoice amount is false and misleading and is vehemently denied by me. He states that the Corporate Debtor is doing business with the Operational Creditor since September, 2019 and the interest was never discussed and/or agreed and/or paid by the Corporate Debtor to the Operational Creditor on delayed payments till 1st April, 2023 and it is only thereafter that the Operational Creditor, illegally started demanding interest on delayed payments from the Corporate Debtor and allegations made by the Operational Creditor that the adjustment of such payments towards the interest and the Principal was an accepted position by the Corporate Debtor, is vehemently denied by me. The allegations made by the Operational Creditor that an amount of Rs.2,88,89,931/- is outstanding operational debt arising out of the invoices raised by Operational Creditor, is false and misleading.

- v. With reference to paragraphs (i) to (iii) under the caption *Facts of Case” of the said Petition, the statements and allegations made therein by the Operational Creditor are false and misleading. He states that the Corporate Debtor commenced business with the Operational Creditor since September, 2019 and not from May, 2023, as falsely alleged by the Operational Creditor. He further states that the payment of interest on the delayed payment was neither discussed nor agreed between the parties hereto and it is only after 1st April, 2023 that the Operational Creditor, illegally started demanding interest on delayed payments from the Corporate Debtor. He states that the printed terms and conditions contained in the said invoices and on the basis of which the Operational Creditor is claiming the alleged interest is just a printed format document with unilateral terms & conditions and the alleged terms and conditions mentioned therein were neither invoked and/or implemented by the Operational Creditor as against the Corporate Debtor, as is evident from the delayed payments made by the Corporate Debtor to the Operational Creditor, without interest, for the period from September, 2019 to 1st April, 2023.
- vi. With reference to paragraphs (iv) and (v) under the caption *Facts of Case” of the said Petition, the statements and allegations made therein by the Operational Creditor are denied by me and the said Operational Creditor is put to strict proof thereof. He states the Corporate Debtor has been doing business with the Operational Creditor since September, 2019 but the Operational Creditor with malafide intentions is trying to project before this Tribunal that the business with the Operational Creditor has

commenced from April, 2023 and it is further pertinent to note that till March, 2023 the Corporate Debtor had made delayed payments to the Operational] Creditor but no interest was demanded by the Operational Creditor from the Corporate Debtor and neither any interest was paid by the Corporate Debtor to the Operational Creditor for delayed payments for the abovementioned period and it is only thereafter that the Operational Creditor started illegally demanding interest for which there was no agreement between the parties hereto. The copy of the Ledger Statement of Operational Creditor maintained by the Corporate Debtor for the period September, 2019 till February, 2025, which clearly shows that no interest was paid by the Corporate Debtor to the Operational Creditor for the period prior to April, 2023 is attached "Exhibit-B" to the Reply.

- vii. He states that the Corporate Debtor has paid an amount of Rs.1,02,19,114/- to the Operational Creditor against the outstanding invoices and the Operational Creditor has unilaterally, illegally and malafide appropriated a substantial portion of the same towards the alleged interest, which was never agreed between the Operational Creditor and the Corporate Debtor, as is evident from the payment transactions prior to April, 2023 between the parties hereto.
- viii. With reference to paragraphs(vi) to (viii) under the caption "Facts of Case" of the said Petition, he states that mere sending of notices by the Operational Creditor to the Corporate Debtor does not substantiate the allegations of the Operational Creditors that there was an agreement to pay the alleged interest on the delayed payments. He further states that the payments made by the Corporate Debtor, as more particularly

mentioned in paragraph (viii) were payments made by the Corporate Debtor against the outstanding invoices, as was done prior to 1* April, 2023 and the Operational Creditors cannot on the basis of the said Notices, Exhibit B and C allege that there was an agreement for the alleged interest, as is sought to be allegedly contended by the Operational Creditor and neither it can be contended by the Operational Creditor that the said payments made by the Corporate Debtor to the Operational Creditor, includes the interest component, as is sought to be allegedly contended by the Operational Creditor. He states that due to several adverse factors 'Such as (i) manufacturing unit of Corporate Debtor had turn obsolete which had resulted in multiple breakdown of machineries for which maintenance work was going on; (ii) due to the ongoing maintenance work, there was delay in production; (iii) there were flaws in the raw material which was purchased from various parties which caused a continuous delay in the production and due to these factors production of the goods were not completed on time and (iv) payments due from the customers of the Corporate Debtor being stuck up/delayed, had resulted in the delayed payment by the Corporate Debtor to the Operational Creditor. He further states that the payments which were made by the Corporate Debtor to the Operational Creditor were illegally adjusted by the Operational Creditor against the alleged illegal interest. He states that though the payments against the outstanding invoices were made, though not regularly, the Operational Creditor illegally and malafide sent the aforesaid Notices to the Corporate Debtor for pressurizing the Corporate Debtor to make payment of the outstanding invoices which included the alleged illegal

interest. He further states that even after the aforesaid demand notices were sent by the Operational Creditor to the Corporate Debtor, the Operational Creditor had supplied further material to the Corporate Debtor amounting to Rs.13,55,404/-.From the aforesaid facts and circumstances, it becomes crystal clear that there was no agreement for payment of the alleged interest on the delayed payments between the parties hereto and the Operational Creditor for the purpose of recovering the alleged outstanding dues from the Corporate Debtors had sent the said notices, as and by way of pressure tactics to succumb to the illegal demands of the Operational Creditor.

- ix. With reference to paragraph (ix) under the caption *Facts of Case” of the said Petition, the statements and allegations made therein by the Operational Creditor that the Corporate Debtor had sent the alleged account confirmation and the same was duly signed and acknowledged by the Corporate Debtor is false and denied by me. He states that on or about 23 March, 2024 Mr. Kailash Malpani, the representatives of the Operational Creditor created ruckus in the office of Corporate Debtor and forcibly compelled Mr. Jayantilal B. Vajshnav to give account confirmation and the said representative was not ready to leave the office of the Corporate Debtor till such account confirmation was given by the Corporate Debtor. He states that it was under this extreme pressure and undue influence of the Operational Creditor that the Corporate Debtor had to give the said purported Account Confirmation.
- x. With reference to paragraph (x) to (xiii) under the caption *Facts of Case” of the said Petition, the statements and allegations made therein by the

Operational Creditor are false and misleading and are denied by the Corporate Debtor. He states that the Corporate Debtor were always ready and willing to make the payment of the outstanding invoice, without interest, as was done prior to April, 2023 but the representative of the Operational Creditor was creating huge pressure upon the Corporate Debtor for making payment of outstanding amount along with the alleged interest, which was not agreed between the parties hereto. He further states that under these extreme pressure and undue influence exerted by the Operational Creditor, the Corporate Debtor had no other option but to give the purported payment plan, with the sole intention of Saving the business of the Corporate Debtor but never had the parties hereto, agreed about payment of the interest on delayed payments, as against the outstanding invoices, as is Sought to be alleged by the Operational Creditor. He further states that the said purported payment plans were not given voluntarily by the Corporate Debtor but the same was due to extreme pressure and undue influence exerted by the Operational Creditor. He further states that the outstanding dues, which is alleged by the Operational Creditor in the paragraphs under reply are not correct and denied by the Corporate Debtor.

- xi. With reference to paragraph (xiv) and (xxi) under the caption *Facts of Case” of the said Petition, the statements and allegations made therein by the Operational Creditor are false and misleading and are denied by the Corporate Debtor. He states that the Operational Creditor by sending legal notices were continuously pressurizing the Corporate Debtor to make payment of the outstanding, invoices alongwith interest and the Corporate

Debtor under such extreme pressure and in order to save their business had no other option but to give the purported balance confirmation. He further states that the purported balance confirmations were not given voluntarily by the Corporate Debtor but the same was due to extreme pressure and undue influence exerted by the Operational Creditor, he further states that even during the said period the Corporate Debtor had made the payment of Rs.10,00,000/- to the Operational Creditor against the said outstanding invoices, but the Operational Creditor has illegally and malafide, adjusted the same against the alleged interest and the said illegal course of action was adopted by the Operational Creditor, without any agreement to that effect between the parties hereto.

- xii. With reference to paragraph (xxii) under the caption *Facts of Case” of the said Petition, the statements and allegations made therein by the Operational Creditor are false and are denied by the Corporate Debtor. It is further deny the allegations made by the Operational Creditor that the Letter dated 8” May, 2025 was issued by the Corporate Debtor in response to the letters dated 21/4/2025, 25/4/2025, 28/4/2025 and 6/5/2025 issued by the Operational Creditor. He stats that the said letter was issued by the Corporate Debtor to show their bonafide intention that they are ready and willing to pay the outstanding invoice amount and not the interest, which is illegally claimed by the Operational Creditor.
- xiii. With reference to paragraph (xxiii) under the caption *Facts of Case” of the said Petition, the statements and allegations made therein by the Operational Creditor are false and are denied by the Corporate Debtor and

the Operational Creditor is put to strict proof of the allegations made in the paragraph under reply.

- xiv. With reference to paragraphs (xxiv) and (xxv) under the caption "Facts of Case" of the said Petition, he states that with the sole intention of exerting pressure upon the Corporate Debtor to succumb to the illegal demands of the Operational Creditor, the said Operational Creditor filed a false and frivolous Police Complaint and Criminal Complaint against the Corporate Debtor in the Court of Judicial Magistrate, First Class, Dadar in respect of a dispute which is purely civil in nature. He states that after filing of the said criminal case, the Operational Creditor have now stopped pursuing the said criminal proceedings. He further states that by exerting pressure upon the Corporate Debtor, the said Operational Creditor has obtained the purported Accounts confirmation mentioned in the said paragraph under reply.
- xv. With reference to paragraph (xxvi) under the caption "Facts of Case" of the said Petition, He states that the said TDS has been duly paid by the Corporate Debtor.
- xvi. With reference to paragraph (xxvii) under the caption "Facts of Case" of the said Petition, he states that several discussions were held before the Ld. Mediator and the Corporate Debtor in the said mediation had clearly showed his intentions to pay the outstanding Invoice amount but had in clear terms disputed the alleged claim of interest made by the Operational Creditor in the said proceedings, as the same was never agreed between the parties hereto.

xvii. With reference to paragraph (xxviii) under the caption "Facts of Case" of the said Petition, the statement and allegations made therein by the Operational Creditor are denied and vehemently deny the alleged outstanding amount claimed by the Operational Creditor in the paragraph under reply.

xviii. With reference to paragraph (xxix) under the caption "Facts of Case" of the said Petition, It is denied that the statements and allegations made by the Operational Creditor in the paragraph under reply and the said Demand Notice dated 16th February, 2026 issued by the Operational Creditor to the Corporate Debtor. He states that the Corporate Debtor in the criminal proceedings initiated by the Operational Creditor in the 62nd Court of Judicial Magistrate, First Class, Dadar and more particularly in the mediation initiated under the said criminal proceeding had in clear terms denied the quantum of the Debt and the alleged illegal charging of the interest and the manner in which the payments made against the outstanding invoices were illegally allocated by the Operational Creditor against the Said alleged illegal interest. He therefore says that there was a pre-existing dispute and therefore the aforesaid proceedings filed by the Operational Creditor is not maintainable and the same deserves to be dismissed with costs. He further states that the Corporate Debtor vide Email dated 19th February, 2026 had denied the contents of the said Demand Notice and vehemently deny the alleged outstanding amount claimed by the Operational Creditor in the paragraph under reply.

xix. With reference to paragraph 2 of the said Petition, the alleged amount of 5,02,41,461/- which is claimed by the Operational Creditor is false and

denied by me and the interest claimed is also illegal, as the parties hereto have admittedly not agreed in respect of the interest to be charged against the outstanding amount and he further states that there is no default in payment of the outstanding invoice amount, excluding the alleged interest, to the Operational Creditors.

- xx. With reference to paragraph 2 of the said additional affidavit, he states that the aforesaid Company Petition is not maintainable and deserves to be dismissed with costs.

5. AFFIDAVIT IN REJOINDER BY THE APPLICANT ARE AS FOLLOWS:

- i. With reference to Paragraphs 1 and 2 of the Affidavit in reply, the averment therein merits no reply and therefore, I have no comments to make.
- ii. With reference to Paragraph 3 of the Affidavit in Reply, it is vehemently denied that prior to issuance of the Demand Notice u/s. 8 of the Insolvency and Bankruptcy Code 2016, a bonafide dispute existed as regards to the quantum of debt, alleged interest and the manner in which the amount which was paid by the Corporate Debtor to the Operational Creditor against the outstanding invoices. It is further denied that there were alleged illegal apportionment of interest and the principal outstanding dues. I say and submit that the Corporate Debtor has miserably failed to produce a single document to evince that there existed any pre-existing dispute as purportedly claimed by the Corporate Debtor.

- iii. With reference to Paragraph 4 of the Affidavit in Reply of the Corporate Debtor, It is strongly denied that the statements and allegations made by the Operational Creditor in part IV is misleading and false. I say and submit that the Operational Creditor and the Corporate Debtor are in business with each other since September 2019. I say and submit that the Corporate Debtor had duly agreed and accepted to make payment of interest towards the delay in payment of the outstanding amount which is evident from the fact that the Operational Creditor raised four debit notes aggregating to Rs. 50,49,146/- (Rupees Fifty-Lakhs Forty-Nine thousand One Hundred Forty-Six Only) towards outstanding interest which was duly paid.

Sr. No.	Debit Note No	Date of Debit Note	Amount	Date of Receipt
1.	000001	23/10/2024	10,00,000	23/10/2024
2.	000003	13/12/2024	6,52,468	13/12/2024
3.	000004	18/12/2024	23,96,678	18/12/2024
4.	000006	17/02/2025	23,96,678	17/02/2025
	Total		50,49,146	

- iv. Furthermore, the Operational Creditor deposited the GST amount towards the said Debit Notes for which the Corporate Debtor has claimed credit. Copies of the four Debit Notes dated 23/10/2024, 13/12/2024, 18/12/2024 and 17/02/2025 raised by the Operational Creditor on the Corporate Debtor are attached as Annexure-"A" and the screenshot downloaded from the GST Portal evidencing credit claimed

by the Corporate Debtor to the Rejoinder is attached as “Annexure-B” to the Rejoinder.

- v. The Corporate Debtor submits that it was agreed between the parties that the Operational Creditor will be eligible to charge interest on delayed payments. The same is evident from the Letters dated 19/12/2024 and 21/12/2024 and account confirmations which show that interest has been confirmed and acknowledged by the Corporate Debtor. He, therefore, strongly deny that the Corporate Debtor can now dispute the quantification of the debt and/or that interest was payable. The amount of Rs. 2,88,89,931/- represents only the net principal operational debt after giving full credit to all payments received aggregating to Rs. 97,74,827/-, out of which Rs. 50,49,146/- was appropriated towards interest through four debit notes and the balance towards principal amount, as reflected in the ledger of the Operational Creditor and the detailed interest workings already on record. He states that the debit notes, interest calculations and the GST credit availed by the Corporate Debtor thereon conclusively establish that interest was expressly agreed and acted upon by both sides, and that the principal outstanding now claimed is over and above the said interest component.
- vi. With reference to Paragraph 5 of the Affidavit in Reply, the respondent submits that the denials made by the Corporate Debtor are bald, baseless, frivolous and unsubstantiated. He states that there is no attempt whatsoever to suppress or misrepresent the earlier course of dealings between the parties, rather the Corporate Debtor is twisting

and distorting the facts to its own advantage. It is pertinent to mention that all transactions and outstanding dues pertaining to the period prior to April 2023 had already been squared off and the account stood nil. he, therefore, submits that the present proceedings pertain only to transactions commencing from May 2023 onwards i.e. the debts due and payable and which are outstanding. It is vehemently denied that the payment of interest on delayed payment was neither discussed nor agreed between the parties hereto. He states that the said fact of the Interest on delayed payment was clearly enumerated in invoices raised by the Operational Creditor in favour of the Corporate Debtor. Furthermore, the Corporate Debtor vide its Letter dated 19/12/2024 and 21/12/2024 has agreed and confirmed payment of interest of the outstanding amount. The abovementioned letters have already been placed on record by the Corporate debtor. It is further vehemently denied that the said terms and conditions are unilateral terms. The copy of the Ledger of the Corporate Debtor in the books of Operational Creditor up to 31/03/2023 is annexed as annexure C to the Rejoinder.

- vii. With reference to Paragraph 6 of the Affidavit in Reply of the Corporate Debtor, he repeat and reiterate the submissions made in Paragraphs herein above. He, however, states that the conduct of the Corporate Debtor per se is evident from the submissions made in the said Paragraph wherein the Corporate Debtor is attempting to make a concocted story to overcome the legitimate liability. The said conduct cannot wash away the fact that the Corporate Debtor itself has confirmed payment of interest on the outstanding dues of the

Operational creditor and several account confirmations given by the Corporate Debtor to the Operational Creditor. He, therefore, states that the denials made by the Corporate Debtor is not only malicious but also farfetched.

- viii. With reference to Paragraph 7 of the Affidavit in Reply of the Corporate Debtor, we repeat and reiterate that the Corporate Debtor itself agreed to make payment of interest on outstanding amount to the Operational Creditor. In fact, the Corporate Debtor had also issued account confirmation dated 22/03/2024, 15/01/2025 and 18/02/2025 in which interest has been duly acknowledged by the Corporate Debtor, which clearly record the total outstanding balance inclusive of interest, and confirm that interest on delayed payments stood accepted and acknowledged by the Corporate Debtor on multiple occasions. It is vehemently denied the allegation that Operational Creditor has illegally and unilaterally appropriated payments towards interest. He states that the adjustment of payments towards interest was carried out with the full knowledge and consent of Corporate Debtor. He states that by expressly confirming the total outstanding amount inclusive of interest and by committing to a payment timeline for the same, Corporate Debtor has unequivocally acknowledged and accepted its liability towards interest. The Corporate Debtor's own letters dated 19/12/2024 and 21/12/2024,, specifically confirm that the outstanding amount as on 21/12/2024 was Rs. 3,31,84,999/- inclusive of interest, and proposed structured repayment schedules for this admitted sum. Moreover, when the debit notes were sent through email, there was never once a

response from the Corporate debtor, disputing the same. These letters are wholly inconsistent with the present pleas that there was no agreement to pay interest or that the same was unilaterally imposed. It is therefore incorrect and erroneous to states that there was no agreement for payment of interest. The copies of account confirmation dated 22/03/2024, 15/01/2025 and 18/02/2025 in which interest has been duly acknowledged by the Corporate Debtor are attached as "Annexure-D" to the Rejoinder.

- ix. With reference to Paragraph 8 of the Affidavit in Reply, he strongly deny the false and baseless allegation that balance confirmations and payment schedules were obtained through "extreme pressure", "undue influence", or by creating any "ruckus" at the office premises of Corporate Debtor. The balance confirmations were executed and signed by the Corporate Debtor voluntarily and out of its own volition. At no prior point in time did the Corporate Debtor, allege coercion or deny its liability to pay interest to the Operational Creditor. On the contrary, it repeatedly sought time and proposed repayment schedules for the entire outstanding, inclusive of interest. Therefore, all such contentions raised are nothing but an afterthought and a mischievous attempt to give the issue the colour of a 'dispute', which is frivolous.
- x. With reference to Paragraphs 9 and 10 of the Affidavit in Reply, It is strongly denied that the Corporate Debtor was always ready and willing to make the payment of the outstanding invoices; without interest, as was done prior to April, 2023 but the representative of the Operational Creditor was creating huge pressure upon the Corporate Debtor for

making payment of outstanding amount along with the alleged interest, which was not agreed between the parties. He states that the submissions are absolutely contrary to the documents that are on record, he further say and submit that the last part-payment of Rs. 10,00,000/- was made by the Corporate Debtor on 17 /02/2025, which was appropriated towards interest as per the agreed mechanism and was immediately followed by an account confirmation dated 18/02/2025. No payment whatsoever has been made by the Corporate Debtor after 17/02/2025 towards the admitted outstanding, despite repeated reminders and opportunities.

- xi. With reference to Paragraphs 11 and 12 of the Affidavit in Reply, he states that the Corporate Debtor in its said Para is blowing hot and cold at the same time. On the one hand, the Corporate Debtor issued letters acknowledging debt and payment of interest and on the other hand the Corporate Debtor alleges that interest was not agreed and is being claimed illegally. he further states that the Corporate Debtor has failed to produce a single correspondence to support its contention wherein the Corporate Debtor did not agree to pay interest on outstanding amount.
- xii. He states that pursuant to directions of the learned Metropolitan Magistrate in the said criminal proceedings, the Operational Creditor even addressed a letter dated 11/10/2025 calling upon the Corporate Debtor to attend a meeting to finalize a concrete repayment schedule, which again proceeds on the basis of admitted liability and not on any alleged coercion. The Corporate Debtor's conduct of repeatedly

participating in such discussions and making part-payments thereafter is wholly inconsistent with the story of 'extreme pressure' now sought to be projected."

- xiii. With reference to Paragraphs 13 and 14 of the Affidavit in Reply, it is denied that the sole intention of exerting pressure upon the Corporate Debtor to succumb to the illegal demands of the Operational Creditor has filed a false and frivolous Police Complaint and Criminal Complaint against the Corporate Debtor in the 62nd Court of Judicial Magistrate, First Class, Dadar in respect of a dispute which is purely civil in nature. He states that long before approaching the police or the criminal court, the Operational Creditor had issued multiple written notices and reminders, including legal notice dated 02.08.2024, further notice dated 02.04.2024 and several letters in April-May 2025 (21/04/2025, 25/04/2025, 28/04/2025 and 06/05/2025), all calling upon the Corporate Debtor to clear the admitted dues and adhere to agreed schedules. The Corporate Debtor neither disputed its principal liability nor the agreed interest in these exchanges; it merely sought indulgence and further time. He states that the recourse to criminal process was taken only after sustained and unsuccessful efforts to recover the admitted dues. The copies of the Legal Notice dated 02.08.2024, 02.04.2025, 21.04.2025 25.04.2025, 28.04.2025 and 06.05.2025 sent by the Operational Creditor to the Corporate Debtor are attached as Annexure-E" and Copies of the police complaint dated 03.06.2025 and the complaint and notice issued in C.C. No 21/SW/2025 before the 62nd Court, are attached as "Annexure-F" to the rejoinder.

- xiv. With reference to Paragraphs 15 and 16 of the Affidavit in Reply, he states that assuming without admitting, if the Corporate Debtor had Bonafide intention to make payment of the outstanding invoice amount, while the Corporate Debtor has not paid any amount after 17/02/2025 towards the outstanding operational debt, which persistent default and failure to honour its own repayment proposals has led to filing of the captioned Company Petition.
- xv. The Applicant further states that the record of default as maintained with National E-Governance Services Limited (NeSL), placed on record through the Additional Affidavit dated 16/04/2026, independently records the default of the Corporate Debtor for the very same invoices which are the subject matter of the present petition. The Corporate Debtor has not produced any existing objection or representation addressed to NeSL disputing either the principal amount or the agreed interest. In the absence of any such existing challenge, the belated pleas in the Reply cannot be treated as evidence of a bona fide pre-existing dispute."
- xvi. With reference to Paragraph 17 and 20 of the Affidavit in Reply, he strongly denies the contents the contents of the said para and put the Corporate Debtor to strict proof of the submissions made in the said paragraph. He states that the Corporate Debtor has miserably failed to establish and/or produce a single document to evince that there is a pre-existing dispute as purportedly claimed by the Corporate Debtor.
- xvii. He states that even the Corporate Debtor's own ledger of the Operational Creditor, annexed as Exhibit 'B' to its Affidavit in Reply,

shows a consistently running debit balance in favour of the Operational Creditor and does not record any 'disputed' entries or reversals on account of alleged wrongful interest, until after the relationship had irretrievably broken down. The said ledger corroborates the existence of a long-stranding admitted liability rather than any genuine "pre-existing dispute."

- xviii. Without prejudice, I also say and submit that the Corporate Debtor has at various points deducted tax at source (IDS) on payments to the Operational Creditor but has failed and neglected to deposit the same with the revenue authorities in a timely manner, as recorded in the Operational Creditor's letters dated 14/06/2025, 17/10/2025 and 18/11/2025. These letters form yet another aspect of default by the Corporate Debtor and further belie any suggestion of bona fide conduct on its part.
- xix. In view of the submissions made hereinabove, he states that the Corporate Debtor in its entire Affidavit in Reply has attempted to create a story which is absolutely contrary to the documents annexed to the Captioned Company Petition. He therefore, states that the allegations and contentions raised by Corporate Debtor in its Affidavit in Reply dated 27/04/2026 are false, misleading, denied and farfetched and hence, the Captioned Company Petition deserves to be admitted.

6. WRITTEN SUBMISSIONS BY OPERATIONAL CREDITOR

- 6.1. The Operational Creditor has contended the following :-
- a. There exists an Operational Debt.

- b. The Operational debt is due and payable.
- c. The Dispute raised by the CD are illusory and concocted.
- d. The CD repeatedly acknowledged the operational debt.
- e. Demand Notice was duly delivered to the CD.
- f. NeSL records conclusively prove default of the CD.

7. WRITTEN SUBMISSIONS BY CORPORATE DEBTOR

7.1 The Corporate Debtor has reiterated the facts in the Written Statement, which for the sake of brevity, are not repeated here.

8. ANALYSIS AND FINDINGS

8.1 We have heard the learned counsel appearing for both parties and perused the pleadings, documentary evidence, and written submissions placed on record.

8.2 A perusal of the record reveals that the Operational Creditor supplied chemical materials to the Corporate Debtor on various dates between 28.05.2023 and 06.08.2024. The total value of the invoices raised amounted to Rs. 3,36,15,612/-. Under the terms stipulated in the tax invoices, the Corporate Debtor was obligated to discharge the payment within 120 days from the date of each invoice. The invoices further contained a specific clause stipulating the levy of interest at the rate of 21% per annum on overdue, unpaid bills.

8.3 Upon the failure of the Corporate Debtor to discharge its outstanding liabilities within the stipulated timeline, the Operational Creditor issued a legal notice dated 02.08.2024 demanding payment of the outstanding dues from the Corporate Debtor.

8.4 It is observed that out of the total invoice amount, the Corporate Debtor made part payments aggregating to Rs.97,74,827/-, which were appropriated towards the principal outstanding as well as interest. Consequently, a total debt of Rs. 5,02,41,461/- remains outstanding, comprising a principal sum of Rs. 2,88,89,931/- alongside accrued interest.

8.5 The Corporate Debtor in its various communication with Operational creditor has also issued account confirmations.

8.6 It is further pertinent to note that the Applicant has initiated criminal proceedings against the Corporate Debtor by filing a complaint under Sections 318 and 3(5) of the Bhartiya Nyaya Sanhita, 2023 (BNS) before the Court of the Judicial Magistrate First Class at Dadar, Mumbai.

8.7 Thereafter, the Applicant issued a Demand Notice dated 16.02.2026 in Form 3 pursuant to Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, read with Section 8 of the Insolvency and Bankruptcy Code, 2016 (IBC), demanding full payment within 10 days of receipt. The Applicant has placed on record the postal tracking report (at page 483 of the Application), which confirms that the said notice was duly delivered to the Corporate Debtor on 17.02.2026.

8.8 The Applicant has also placed NeSL form D on record, which reveals the status of authentication of default as “**DEEMED TO BE AUTHENTICATED**”.

8.9 The date of default is determined as 05.12.2024, given that the last invoice was issued by the Operational Creditor on 04.08.2024, and the Corporate Debtor failed to discharge the outstanding dues within the stipulated credit period of 120 days from the date of issuance thereof, which expired on 04.12.2024. Consequently, since the present application was filed on

19.03.2026, the same is well within the period of limitation prescribed under Article 137 of the Limitation Act, 1963.

8.10 The Corporate Debtor, in its reply, has contended that the levy of interest on delayed payment was never agreed upon nor paid by the Corporate Debtor, and further asserted that the Operational Creditor has unilaterally and wrongly appropriated a substantial portion of the payments towards interest rather than towards the principal dues. However, upon perusal of the record, it is observed that the Corporate Debtor had issued multiple balance confirmation letters and proposed a repayment schedule vide its letter dated 19.12.2024 and 21.12.2024 wherein it expressly acknowledged and undertook to pay both the outstanding principal amount as well as the applicable interest

8.11 Furthermore, the contention raised by the Corporate Debtor that the Operational Creditor forced or coerced it into executing such confirmation letters is devoid of merit and legally unsustainable. Summary proceedings under the Insolvency and Bankruptcy Code, 2016 (IBC) do not contemplate a mini-trial to adjudicate disputed facts, such as whether the account confirmations were executed under free consent. If the Corporate Debtor seeks to challenge the validity or free consent of the said acknowledgments, it must approach the competent civil court. Further no such order has been placed before this Tribunal by the Respondent. This Adjudicating Authority, being strictly confined to determining the existence of a debt and a default, is satisfied that both key elements stand established.

8.12 However, it is also observed that the total amount paid by the Corporate Debtor is Rs.97,74,827. Further even if this amount is appropriated towards the

principal amount still the default exceeds the amount of Rs 1 Crore as stipulated under section 4 of the code.

8.13 Further the Corporate Debtor has also contended that some pre-existing dispute exists over quantum and interest. In this regard it is observed that prior to the issuance of demand notice under section 8 of the IBC, the Corporate Debtor never disputed the existence of default.

8.14 The Corporate Debtor has vehemently contended that mediation proceedings were initiated within the ambit of criminal proceedings instituted by the Operational Creditor, thereby attempting to establish a pre-existing dispute. However, it is observed that the Operational Creditor had filed a criminal complaint, which was subsequently referred to mediation. Though the Corporate Debtor undertook to pay a specified amount to the Operational Creditor during the said proceedings, it failed to discharge the promised liability.

8.15 In view of the above, this Tribunal is of the considered view that an operational debt exists, which the Corporate Debtor has defaulted in paying. The debt and default are within limitation and exceeds the threshold of Rs. 1 Crore as prescribed as per Section 4 of the Code.

8.16 Under the scheme of the Code, the Adjudicating Authority is strictly confined to determining whether a debt is due and payable, and whether a default has occurred. Consequently, we are of the considered view that the Operational Creditor has placed sufficient, cogent, and incontrovertible evidence on record to substantiate both the existence of an operational debt and the Corporate Debtor's default in repayment thereof.

8.17 In view of the above findings, it is clear that the Applicant has placed on record the necessary evidences and materials to demonstrate the existence of the operational debt exceeding the minimum threshold of Rs.1 Crore prescribed as per Section 4 of the Code, due and payable by the CD, as well as the default in payment thereof by the CD. The Applicant has served the Demand Notice upon the CD, and that the CD has failed to establish the existence of any pre-existing dispute. The Application is complete as all the relevant documents have been attached by the Applicant along with the Application.

8.18 In view of the above, we find that all pre-requisites of Section 9 of the Code are fulfilled and, accordingly, we are satisfied that the instant Application is fit for admission under Section 9 of the Code.

8.19 As the Applicant has not proposed the name of the IRP, this Tribunal appoints Mr. Ashish Saoji having registration no. IBBI/IPA-001/IP-P01268/2018-2019/12150 from the panel of IPs maintained to act as the Interim Resolution Professional (IRP) having AFA valid till 30.06.2027

8.20 We make it clear that at this stage we have not crystalized the amount as claimed in this Application, the same is left to be collated by the IRP.

ORDER

In view of the aforesaid findings, Application bearing C.P.(IB) No.294/MB/2026 filed under Section 9 of the Code by **Chemicorp Specialties India LLP**, the Applicant, for initiating CIRP in respect of **Jayant Specialties Private Limited**, the Corporate Debtor is hereby **Admitted**.

We further declare moratorium under Section 14 of the Code with consequential directions as mentioned below: -

- I. We prohibit-
 - a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including 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 Corporate Debtor 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 Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
 - d) the recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.
- II. That the supply of essential goods or services to the Corporate Debtor, 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 Code or passes an order for the liquidation of the Corporate Debtor 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 Code read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.

- V. That this Bench hereby appoints Mr. Mr. Ashish Saoji registered Insolvency Professional having Registration Number IBBI/IPA-001/IP-P01268/2018-2019/12150 and e-mail address ashishsaoji@gmail.com having valid Authorisation for Assignment up to 30.06.2027 as the IRP to carry out the functions under the Code.
- 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 Corporate Debtor 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 Code. The officers and managers of the Corporate Debtor are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. Coercive steps will follow against them under the provisions of the Code read with Rule 11 of the NCLT Rules for any violation of law.
- VIII. That the IRP/IP shall submit to this Tribunal quarterly reports with regard to the progress of the CIRP in respect of the Corporate Debtor.
- IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Applicant is directed to deposit a sum of Rs.3,00,000/- (Rupees Three Lakh) 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 Applicant on priority upon the funds 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. The IRP is directed to issue notice of admission upon all the statutory authorities of the Corporate Debtor without fail within a period of 7 days from the date of this order.
- XII. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.
- XIII. The Registry is directed to immediately communicate this Order to the Applicant, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.
- XIV. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)
//Sumant//

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)