



सत्यमेव जयते

GOVERNMENT OF INDIA/भारत सरकार
NATIONAL COMPANY LAW TRIBUNAL/राष्ट्रीय कंपनी विधि अधिकरण
AHMEDABAD BENCH/अहमदाबाद बेंच

1st and 2nd Floor, Corporate Bhawan/ पहली और दूसरी मंजिल, कॉर्पोरेट भवन,
Beside Zydus Hospital, Off S.G. Highway / ज़ाइडस अस्पताल के पास, ऑफ एस.जी. हाईवे,
Thaltej, Ahmedabad-380 059. /थलतेज, अहमदाबाद- ३८० ०५९.
Phone No. (079) 2685 4591, Email: registrar-ahm@nclt.gov.in

Ref: NCLT/AHM/ C.P.(IB)/243(AHM)2025/ 209h /2025.


To,

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|---|--|
| 1. Textile Chemical Industries | 49, Bharat Khand Cotton Mill Compound, Under Kalupur Bridge, Asarwa Road, Ahmedabad-380016 |
| 2. CNSB Textiles Industries LLP | Survey No. 74/1/2, 89/2, Nr. Vrandavan Farm, Pirana Road, Piplaj, Ahmedabad-382405 |
| 3. Ms. Bhavi Shreyans Shah Interim Resolution Professional | C 201, Embassy Appt. Near Ketav Petrolpump, Dr. V S Road, Ahmadabad Gujarat-380015 |
| 4. The Registrar of Companies | ROC Bhavan, Nr. Ankur Bus Stand, Opp. Rupal Park Society, Naranpura, Ahmedabad- 380 013 |
| 5. The Insolvency and Bankruptcy Board of India | 7th Floor, MayurBhawan, Shankar Market, Connaught Circus, New Delhi -110001 |

Sub: Certified True Copy of order dated 14.11.2025 passed in C C.P.(IB)/243(AHM)2025.

With reference to the subject cited above, please find enclosed herewith certified true copy of the order dated 14.11.2025 passed by this Hon'ble Adjudicating Authority in C.P.(IB)/243(AHM)2025, being The Operational Creditor, Corporate Debtor, Interim Resolution Professional, The Registrar of Companies and The Insolvency and Bankruptcy Board of India for information, records, actions and necessary compliance, if any, at your end.

Date: 20.11.2025
Place: Ahmedabad


Court Officer
NCLT Ahmedabad Bench-I

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.102
C.P.(IB)/243(AHM)2025

(An application 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)

In the Matter of: **CNSB Textile Industries LLP**

M/s Textile Chemical Industries

.....Applicant/OC

A Partnership Firm Registered under
Provision of Indian Partnership Act, 1932
Having its registered office at
49, Bharat Khand Cotton Mill Compound,
Under Kalupur Bridge, Asarwa Road,
Ahmedabad – 380016
Represented by Authorized Signatory

VERSUS

CNSB Textile Industries LLP

.....Respondent/CD

Through its Designated Partners
Having its registered office at
Survey No.74/1/2,89/2
Nr.Vrandavan Farm Pirana Road Piplaj,
Piplaj, Ahmedabad, Gujarat, India-382405.

Order delivered on: 14/11/2025

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

P R E S E N T:

For the Applicant/OC : Mr. Vijay Limbachiya, Adv.
For the Respondent/CD : Ms. Noopur Dalal, Adv.

ORDER
(Hybrid Mode)

1. This Company Petition is filed on 13.06.2025 by the Applicant- M/s Textile Chemical Industries (hereinafter referred to as 'Operational Creditor') against the Respondent- CNSB Textile Industries LLP (hereinafter referred to as 'Corporate Debtor') under Section 9 of the IBC, 2016 read with Rule 6 of the IB (AAA) Rules, 2016 for initiation of CIRP, appointment of IRP and declaration of moratorium for default in payment of operational debt of Rs.1,31,30,513/- including interest arising from supply of goods.
2. On Perusal of Part-I of the Form-5 reveals that the Operational Creditor - M/s Textile Chemical Industries is a Partnership Firm incorporated under the provision of the Partnership Act, 1932, with Registration No. GUJAH200543 and has its office address at 49, Bharat Khand Cotton Mill Compound, Under Kalupur Bridge, Asarwa Road, Ahmedabad-380016. This Petition is filed by its Partner Mr. Kartikey Sandip Sharma who has been authorised by an Authority letter dated 25.01.2025 which is annexed with the Petition as Annexure-K.
3. On perusal of Part-II of the Form-5 reveals that the Corporate Debtor is one CNSB Textile Industries LLP, a Limited Liability Partnership Firm, incorporated on 16.04.2019 under the Limited Liability Partnership Act, 2008 having LLP Identification Number AAB-9312. The Corporate Debtor is having registered office at Survey No.74/1/2,89/2, 89/2, Nr Vrindavan Farm Pirana Road Piplaj, Piplaj, Ahmedabad, Dehgam, Gujarat-Pin 382405, India, as per the Master Data available on the website of the Ministry of Corporate Affairs which is annexed with the Petition as Annexure-B.
4. On perusal of Part-III of the Form-5 reveals that the Operational Creditor has named CA Bhavi Shreyansh Shah having Registration No. IBBI/IPA-

001/IP-P00915/2017-18/11521, having address: C 201, Embassy Appt. Near Ketav Petrolpump, Dr. V S Road, Ahmadabad, Gujarat, 380015 (e-mail: ca.bhavishah@gmail.com) under section 13(1)(c) of the Code to act as Interim Resolution Professional (IRP). She has filed her written communication Form-2 dated 05.06.2025, which is annexed with the Petition as Annexure-J as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (AAA) Rules, 2016. As per the portal of the IBBI, AFA of the proposed IRP is valid up to 30.06.2026.

5. On perusal of Part-IV of the Form-5, it shows that total operational debt as claimed by the Operational Creditor arising from the supply of goods to Corporate Debtor is Rs.1,31,30,513/- consisting of Rs.1,24,08,163/- being principal and amount of Rs.7,22,350/- as interest at the rate of 18% up-to 06.06.2025. The date of default is stated to be 09.02.2025.
6. On Perusal of Part-IV & Part-V of Form-5 reveals that the Operational Creditor has placed the facts through this Company Petition in the following manner: -

6.1. The Operational Creditor is engaged in production and supply of textile chemicals and supplied materials to the Corporate Debtor on credit from 07.05.2024 to 11.12.2024 against various tax invoices. The invoices reflect goods like P.V.A., Emulsion, and Binder VS with HSN codes 39051210 and 38099190. The Corporate Debtor accepted supplies without reservation. A copy of the Tax Invoices, Delivery challans and e-way bills confirm receipt of goods are annexed with the Petition as Annexure-C Colly.

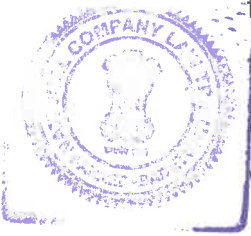
6.2. Each invoice stipulated 60 days credit period from invoice date and interest at 18% per annum on overdue amounts. The total principal value of unpaid invoices is Rs.1,24,08,163/-. The interest computed till

06.06.2025 is Rs.7,22,350/- and total debt is Rs.1,31,30,513/-. The computation chart details interest accrual from due dates of individual invoices is annexed with the Petition as Annexure-E. Copy of Ledger account of Corporate Debtor as maintained by Operational Creditor for the relevant period i.e. 01.04.2024 to 24.05.2025 is annexed with the Petition as Annexure-D.

6.3. The last invoice dated 11.12.2024 became due on 09.02.2025 after 60 days credit. Default commenced on 09.02.2025 for unpaid principal and interest across invoices. Earlier invoices defaulted on their respective due dates post 60 days, e.g., invoice dated 07.05.2024 due on 06.07.2024. The defaults continue without payment. The ledger reflects defaults from due dates. The Applicant regularly kept supplying goods even through payments were not coming on due dates. A copy of the ledger account & Computation Chart is annexed with the Petition as Annexure-D & E.

6.4. Demand notice under Section 8 IBC dated 17.02.2025 in Form 3 & 4 was issued and served via registered post on 18.02.2025. The Corporate Debtor received it but neither paid nor replied or raised dispute. A copy of demand notice and postal receipts is annexed with the Petition as Annexure-F & G. A copy of Bank statement in Form 5A is annexed with the Petition as Annexure-I evidencing no payments. An Affidavit under Section 9(3)(b) confirms no pre-notice dispute is also filed. A copy of affidavit under Section 9(3)(b) is annexed with the Petition and revised with Rejoinder.

6.5. The Operational Creditor has also filed Form-D being record of debt and default issued by National E-Governance Services Limited ("NeSL") in which date of default is recorded as 09.02.2025 with status "Deemed to be Authenticated". A copy of the same is annexed with the Petition as



Annexure-H Colly. Transactions validated by GSTR-1 and GSTR-3B for May to December 2024 showing outward supplies to Corporate Debtor. The Copies of GSTR returns are annexed with the Additional Affidavit as Annexure-A & B Colly.

7. That on issuance of the notice in the Company Petition and after due service of notice, the Corporate Debtor has appeared and filed reply to the Company Petition on 25.08.2025 vide Inward No. D-5571, denying various averments made in the Company Petition. The contentions of the Corporate Debtor are mentioned hereunder: -

7.1. The petition under Section 9 IBC is not maintainable due to bona fide pre-existing dispute disentitling invocation of proceedings. Dispute raised in February 2025 meeting with Operational Creditor's representative Mr. Sandeep on 20% overcharging above market rates for chemicals. Assurance given for rate reduction and credit note for excess.

7.2. Petition is coercive to arm-twist solvent company ignoring commercial understanding. No default under Section 3(12) IBC as claim disputed. IBC not for debt recovery. Audited balance sheet FY 2023-24 annexed showing assets Rs.72.18 crore, turnover Rs.67.40 crore, cash profit Rs.1.22 crore. A copy of audited balance sheet is annexed with the Reply as Annexure-A.

7.3. Dispute over rates and past overcharging genuine and ongoing per Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd. ITR acknowledgement AY 2024-25 annexed showing Rs.1.15 crore refund, no dues. Corporate Debtor profitable with no NPA. Loan statements from Saraswat Bank (3 accounts) annexed reflecting regular repayments without overdues. A copy of ITR acknowledgement is annexed with the

Reply as Annexure-B. A copy of Saraswat Bank statements is annexed with the Reply as Annexure-E.

- 7.4. Consolidated SIDBI statements annexed showing repayments across all accounts, no NPA. Certificate of incorporation and master data annexed evidencing active status. Sanctioned working capital from banks confirms financial health. Petition misuses IBC summary process. A copy of SIDBI statements is annexed with the Reply as Annexure-F. A copy of certificate of incorporation is annexed with the Reply as Annexure-G.
- 7.5. It is a settled principle that a party cannot take advantage of its own wrong (Kishan Chand v. State of Haryana, (1980) 3 SCC 318) and cannot approbate and reprobate simultaneously (Transmission Corporation of A.P. Ltd. v. Lanco Kondapalli Power (P) Ltd., (2006) 1 SCC 540).
- 7.6. Reply denies all contrary averments in petition and sated that petition must be rejected.
8. The Operational Creditor has also filed a affidavit in rejoinder to reply filed by the Corporate Debtor, on 08.09.2025 vide Inward No. D-6067, denying contentions raised by the Corporate Debtor in its reply. The contents of the Rejoinder are reproduced as follows: -



- 8.1. It is stated the Reply lacks authority for deponent Mr. Nagesh Sharma; averments unreliable. Application complete with evidence. Paras 3-8 of reply false; no meeting with Mr. Sandeep. Narrative invented. Criminal NI Act proceedings initiated for dishonours, CC Nos.196088/2025, 196086/2025, 161169/2025. No replies to NI Act or IBC notices. E-court status annexed with the Rejoinder as Annexure-C.

- 8.2. Case laws inapplicable. Claim of amicable resolution false; no responses to communications. Defaults evidenced by GSTR, cheques, ledger, Form-D. No pre-notice dispute per Section 9(3)(b) affidavit. Paras 9-10 irrelevant; Form-D proves default and difficulties. Hence, CIRP is warranted. A copy of revised Section 9(3)(b) affidavit is annexed with the Rejoinder.
- 8.3. Corporate Debtor liable for perjury on false oath. Separate proceedings sought. Reply is frivolous, concocted, based on presumptions without evidence. GSTR-1/3B validate supplies per Tribunal order dated 09.07.2025. Additional affidavit with GSTR filed 30.07.2025. The Operational Creditor denied of any rate change, meeting or transaction as claimed in reply.
- 8.4. Further, Cheques in January-February 2025 contradict dispute claim. Dishonours confirm default from 09.02.2025. No communication on defects or disputes pre-notice. An Affidavit 9(3)(b) confirms compliance.
9. Thereafter, the Operational Creditor filed written submissions on 23.09.2025 vide Inward No. D-6462 wherein they reiterated that application complete, Corporate Debtor failed to pay despite Section 8 notice, no pre-notice dispute, rate change contentions false and concocted without evidence, reply presumptive deserves rejection, admit and initiate CIRP.
10. The Corporate Debtor also filed written submissions on 26.09.2025 vide Inward No. D-6558 wherein they reiterated that pre-existing dispute since February 2025 on overcharging, oral assurance unfulfilled, debtor solvent no default, petition recovery misuse and liable to be rejected as per *Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.*

11. We have heard the arguments of Ld. Counsel for the Applicant/Operational Creditor as well as Ld. Counsel for the Respondent/Corporate Debtor and perused the material available on record.
12. The threshold requirements under Section 9 of the IBC mandate that the Adjudicating Authority must be satisfied of the existence of an operational debt exceeding Rs. 1.00 crore, occurrence of default, service of a demand notice under Section 8, and absence of any pre-existing dispute. The jurisdiction of this Authority is summary in nature, and it is not empowered to delve into complex factual disputes or act as a recovery forum. As held in ***Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd., (2017) ibclaw.in 01 SC (decided on 21.09.2017)***, the AA must only assess if the dispute is plausible and bona fide, without adjudicating merits.
13. In lieu of the same we are of the following observations: -

13.1. The Operational Creditor had supplied goods to the Corporate Debtor as per invoices dated 07.05.2024 to 11.12.2024 and raised various invoices from 07.05.2024 to 11.12.2024 aggregating to an amount of Rs.1,24,08,163/-. The goods sold or supplied by the Operational Creditor to the Corporate Debtor were duly received. The copies of the delivery challans, e-way bills, tax invoices are annexed with the Petition as Annexure-C Colly.

13.2. As per the invoices, the Corporate Debtor was required to clear the invoice within a period of 60 days from the date of invoice. The terms of the invoices were never disputed by the Corporate Debtor. Copy of the working computation chart is annexed with the Petition as Annexure-E.

- 13.3. However, the Corporate Debtor failed to pay the invoices as per terms stated therein and defaulted its payment which is considered as a date of default against each invoice. Copy of ledger account of Corporate Debtor as maintained by Operational Creditor for the period from 07.05.2024 till 11.12.2024 is annexed with the Petition as Annexure-D.
- 13.4. Demand Notice dated 17.02.2025 U/s 8 of the IB Code, 2016 in terms of Rule-5 of I&B (AAA) Rules, 2016 was sent by the Operational Creditor on 17.02.2025 which was delivered to the Corporate Debtor through registered post on 18.02.2025 and was never replied by the Corporate Debtor. Copy of demand notice dated 17.02.2025 in Form-3 & 4 and postal receipts along-with delivery receipt evidencing service of demand notice on the Corporate Debtor are annexed with the Petition as Annexure-F & G.
- 13.5. Further, there is no communication from the side of the Corporate Debtor which speaks about any defect in the material or short supply . Hence, there is no pre-existing dispute exists in the matter in terms of Section 8(2)(a) of the IB Code. Further, the Operational Creditor has filed revised affidavit u/s 9 (3)(b) of the IB Code which is with the Rejoinder.
- 13.6. The Operational Creditor has also filed bank account statement/Corticate in Form 5A of relevant period to establish that no payment qua the raised invoices received from the Corporate Debtor which is with the Petition as Annexure-I.
- 13.7. The Operational Creditor has also filed Form-D, which is the record of default with National E-Governance Services Limited (NeSL) in terms of Regulation 20(1A) of IBBI (IU) Regulation, 2017. The date of default is recorded as 09.02.2025 and the status of authentication is "Deemed

to be authenticated". A copy of the same is annexed with the Petition as Annexure-H Colly.

- 13.8. Further, despite the Corporate Debtor's filed reply and submissions raising defences (which have been duly considered and rejected as unsubstantiated), it failed to adduce documentary evidence during oral arguments to support claims of pre-existing dispute.
- 13.9. In its reply the Corporate Debtor has in feeble voice raised technical objections which have been duly covered under the Rejoinder regarding alleged oral assurance on rate reduction and credit note without documentary evidence.
14. Hence, in our view, the present Petition is complete in terms of Section 9 of the Code. The Operational Creditor is entitled to claim its dues, establishing the operational debt and default in payment of the Operational Debt beyond doubt. The outstanding operational debt is of more than rupees one crore which meets the threshold limit as per section 4 of the Code and is well within the limitation for filing the present Petition. Accordingly, the Petition filed under section 9 of the Insolvency and Bankruptcy Code for initiation of corporate insolvency resolution process against the Corporate Debtor deserves to be admitted.

Accordingly, in light of the above facts and circumstances, it is, hereby ordered as under: -

- (i) The Respondent/Corporate Debtor - **CNSB Textile Industries LLP** is **admitted** in Corporate Insolvency Resolution Process under section 9(5) of the Code.
- (ii) As a consequence, thereof, a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the Code.

- 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 the possession of the Corporate Debtor.*
- e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor. The moratorium does not apply to transactions notified by the Central Government, as per Section 14(3)(a) of the IB Code, 2016.*

(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) As proposed by the Operational Creditor, we appoint **CA Bhavi Shreyansh Shah** having Registration No. IBBI/PA-001/IP-P00915/2017-18/11521, having address: C 201, Embassy Appt. Near Ketav Petrolpump, Dr. V S Road, Ahmadabad, Gujarat, 380015 (e-mail: ca.bhavishah@gmail.com) under section 13 (1)(c) of the Code

to act as Interim Resolution Professional (IRP). She 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 (e.g., newspapers, websites) under Regulation 6(2) of IBBI Regulations, 2016, of the initiation of the Corporate Insolvency Resolution Process and call for submissions of claims under section 15 within three days of appointment as per Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as required by Section 13(1)(b) of the Code.
- (vii) The IRP shall perform all her 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 within seven days of this order. She 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 the 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 a 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.3,00,000/- (Rupees Three Lakh Only) in advance exclusive of applicable taxes, within 7 days from the date of this order to meet the initial costs of the CIRP, including issuing public notice and inviting claims, as per Regulation 33(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This amount shall be

adjustable against the IRP's fees and expenses as approved by the Committee of Creditors (CoC) under Regulation 33(3), with any excess refundable to the Operational Creditor or shortfall recoverable from the Corporate Debtor's estate as CIRP costs.

- (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 the Corporate Debtor's Master Data on the MCA portal to reflect its status as 'under Corporate Insolvency Resolution Process' within 7 working days of receiving this order and submit a compliance report to the Registrar, NCLT, within 14 working days.
- (xiii) The public announcement under Regulation 6(2) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, shall be published in at least one English (national edition) and one vernacular newspaper with wide circulation in the state of the Corporate Debtor's registered office (Gujarat) and on the Corporate Debtor's website, if any, as per Form A of the said Regulations.
- (xiv) The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

16. Accordingly, this Petition being **CP(IB) No.243/9/AHM/2025** is hereby admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities



Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

RK Steno

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

Certified to be True Copy of the Original

Court Officer
NCLT, Ahmedabad Bench
Ahmedabad