# IN THE NATIONAL COMPANY LAW TRIBUNAL
# JAIPUR BENCH

**CORAM: MS. REETA KOHLI,**
**HON'BLE JUDICIAL MEMBER**

**MS. KAVITA BHATNAGAR**
**HON'BLE TECHNICAL MEMBER**

***CP No. (IB)-40/9/JPR/2025***

*(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:**

**EPICROP ORGANICS LIMITED**

**...Operational Creditor/ Petitioner**

**VERSUS**

**ARTLAY AGRITECH PRIVATE LIMITED**

**...Corporate Debtor/ Respondent**

## MEMO OF PARTIES

**Epicrop Organics Limited,**
Plot No. 57-A / R, R.K. Puram,
Kota-324010, Rajasthan

**...Operational Creditor/ Petitioner**

**VERSUS**

**Artlay Agritech Private Limited,**
Front of Indu Motors,
Govindpura, Jhotwara,
Jaipur, Rajasthan-302012

**...Corporate Debtor/ Respondent**

For the Operational Creditors : Priyanshi Katta, Adv.

For the Corporate Debtor : Rishi Raj Maheshwari, Adv.

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**Order Pronounced On:** 06.05.2026

## ORDER

**Per: Ms. Kavita Bhatnagar Technical Member**

1. The instant petition having *CP No. (IB)-40/9/JPR/2025* has been filed by *Epicrop Organics Limited* ('Petitioner'/ 'Operational Creditor') against *Artlay Agritech Private Limited* ('Respondent'/ 'Corporate Debtor') under Section 9 of the Insolvency and Bankruptcy Code, 2016 (the 'IBC'/ 'Code') seeking initiation of the Corporate Insolvency Resolution Process ('CIRP') against *Artlay Agritech Private Limited* ('Corporate Debtor'/ 'Respondent') alleging a default of Rs. 1,93,60,352.60/- (One Crore Ninety-Three Lakhs Sixty Thousand Three Hundred Fifty-Two and Sixty Paisa Only) comprising principal amount of Rs. 1,86,04,000/- and interest calculated at 18% per annum.

2. This Adjudicating Authority has jurisdiction to entertain the present petition in terms of section 60(1) of the Code as the registered office of the CD is situated in the state of Rajasthan under the jurisdiction of this Bench.

3. The case of the Applicant is that it is engaged in the business of trading of agro commodities including basmati rice, wheat and pulses. In the course of its business the Applicant supplied basmati rice to the CD from time to time.

4. It is submitted that both parties were in long standing business relationships and the transactions were duly honoured. However, in respect of the

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transactions in question, the CD failed to make payment towards invoices raised for supply of goods.

5. The Operational Creditor has claimed a total operational debt of Rs. 1,93,60,352.60/- (One Crore Ninety-Three Lakhs Sixty Thousand Three Hundred Fifty-Two and Sixty Paisa Only) comprising principal amount of Rs. 1,86,04,000/- and interest calculated at 18% per annum totalling to Rs. 7,56,352.60/- payable under MSME provisions. The default date is 04.05.2024 arising out of unpaid invoices.

6. The Operational Creditor issued a demand notice dated 07.08.2024 under Section 8 of the Code demanding payment of the outstanding dues. Despite service of the said notice, the CD failed to make payment or raise any valid dispute.

7. The Applicant has placed on record invoices, ledger statements, bank statements, transport documents / bulties and computation of default to substantiate the existence of debt and default.

8. The Corporate Debtor has filed its reply opposing the petition. At the outset it has denied the averments made in the petition except to the extent specifically admitted.

9. However, the CD has candidly stated that due to continuous losses and financial difficulties, it is presently unable to discharge its liabilities and has acknowledged the existence of debt.

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10. It is further submitted that the CD had requested the OC to grant time for repayment and that the present proceedings have been initiated as an arm-twisting measure.

11. The CD has also alleged that the goods supplied were of inferior quality and that oral complaints were made in this regard to the OC. It is contended that there exists a dispute regarding the computation of the debt amount.

12. The CD has also expressed willingness to pay the outstanding amount and has sought a period of approx 6 months' time to clear the dues due to temporary financial distress.

***Additional Affidavit***

12.1 Pursuant to the directions of this Adjudicating Authority dated 04.02.2026, the OC filed an affidavit placing on record the past and present list of directors and shareholders.

12.2 From the said affidavit and annexures, it is evident that the OC is a closely held company with promoter shareholding substantially held by Ramakant Mittal and Aparna Mittal and there is no material placed on record to indicate any related party relationship between the parties.

***Analysis and Findings***

13. Section 9 of the Code requires the Adjudicating Authority to see the existence of operational debt and occurrence of default and whether there exists a pre-existing dispute between the parties.

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14. We have heard both the counsels and have perused the documents on record. In the present case the OC has placed on record invoices, ledger accounts and supporting documents to show supply of goods and their non-payment. The CD in its reply has expressly acknowledged the existence of debt. In view of such admission, there remains no doubt regarding the existence of operational debt and default.

14.1 The date of default is stated to be 04.05.2024 and the same is supported by invoices and ledger accounts. The CD has not denied non-payment, rather it has sought time for repayment. Accordingly, the default stands established.

14.2 The main defence raised by the CD pertains to an alleged dispute regarding quality of goods and computation of debt. However, this dispute has been only raised orally; no documentary evidence has been placed on record to substantiate the same. No correspondence, no debit notes, no rejection of goods.

14.3 The Hon'ble Supreme Court in ***Mobilox Innovations Private Limited vs Kirusa Software Pvt Ltd (2018) 1 SCC 353*** has held that for the purpose of section 9, the dispute must be pre-existing, real and not spurious. Applying the said test to the present case, this Tribunal finds that the alleged dispute raised by the CD is a bald assertion without any supporting material. The defence of inferior quality, raised for the first

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time in reply without any contemporaneous record does not satisfy the test laid down in *Mobilox*.

14.4 The CD has in the same breath admitted the debt and sought time to repay the same. Such admission is inconsistent with the plea of dispute and it goes to indicate that the defence is not bona fide.

14.5 The contention of the CD regarding financial hardships and request for time is also not a valid defence under the Code. It is well settled that inability to pay is not a ground to defeat Section 9 application once debt and default are established, nor the contention of arm-twisting can be accepted. The Code provides a statutory remedy to operational creditors and cannot be rendered otiose merely because CD requires additional time.

14.6 In view of the above stated facts, this Tribunal is satisfied that an operational debt exists, default has occurred and there is no pre-existing dispute in terms of Section 9 of the Code.

***Conclusion***

15. For the reasons recorded above, we are of the opinion that in the instant case, all the ingredients laid out under Section 9 are fulfilled. Therefore, we are inclined to initiate Corporate Insolvency Resolution Process (CIRP) of the Corporate Debtor i.e., Artlay Argitech Private Limited.

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16. Under sub-section (4) of Section 9 of the Code, the Operational Creditor may propose the name of a Resolution Professional to be appointed as Interim Resolution Professional ('IRP'). Under Section 16(3)(b) the RP as proposed shall be appointed as IRP if no disciplinary proceedings are pending against him. In the instant case, the Operational Creditor has proposed the name of *Mr. Kailash Shah*, bearing Registration No. IBBI/IPA-001/IP-P00267/2017-18/10511 with the address *505, 21st Century Business Centre, Near World Trade Centre, Ring Road, Surat-395002* as the IRP in the present matter. The said IRP has filed his written consent to act as an interim resolution professional in Form-2 provided under Rule 9 of the Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority) Rules, 2016. But on perusal of the assignment, it is seen that he has more than 10.

17. Therefore, we hereby appoint ***Mr. Sudhir Bhansali*** having registration No. IBBI/IPA-001/IP-P01109/2017-18/11799, email:- sbhansalico@gmail.com, address- *52 Sangram Colony, C-Scheme, Jaipur, Rajasthan*, as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the Code, subject to there being no disciplinary proceedings pending against him and subject to all compliances under the IBC and IBBI regulations.

18. The IRP is directed to take all such steps as are required under the statute, inter-alia in terms of Sections 15, 17, 18, 19, 20 and 21 of the Code and

transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the Code, and Rules and Regulations thereunder. The Interim Resolution Professional will also check the genuineness of the claim while admitting the operational dues of the Applicant.

19. Consequences of initiation of CIRP shall be inter-alia as follows: -

19.1 The IRP appointed by the Adjudicating Authority is directed to take over the affairs of the Corporate Debtor and duties as required to be performed by him under the provisions of Code including issue of publication in widely circulated Newspapers as contemplated under the provisions of the Code and calling for claims from the creditors of the Corporate Debtor; and collation of the same.

19.2 Further, as a sequel of admission, moratorium as envisaged under Section 14 of the Code is invoked in relation to the Corporate Debtor which will be in operation during the CIRP of the Corporate to Debtor. The IRP shall carry out CIRP strictly as per the timelines specified and as envisaged under the provisions of the Code in relation to the Corporate Debtor.

19.3 The said IRP shall act strictly in accordance with the provisions of the Code. This Bench also directs for an advance payment of Rs. **1,00,000/-** (Rupees One Lakh only) to be paid by the Petitioner to the Interim Resolution Professional immediately to initiate the process

which shall be adjusted towards the expenses payable to the Resolution Professional. In terms of Section 17 and 19 of the Code all personnel of the Corporate Debtor including promoters and Board of Directors, whose powers shall stand suspended, shall extend all cooperation to the IRP during his tenure as such and the management of the affairs of the Corporate Debtor shall vest with the IRP.

19.4 In terms of Section 9 of the Code, this order shall be communicated at the earliest, not exceeding one week from today, to the Applicant, the Corporate Debtor as well as the IRP appointed by this Adjudicating Authority to carry out CIRP. A copy of this order shall also be communicated to IBBI for its records.

20. Accordingly, ***CP No. (IB)-40/9/JPR/2025 is admitted***. The Registry is directed immediately to send a soft copy of the instant Application along with this order to the parties along with the IRP appointed herein.

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**REETA KOHLI**
**JUDICIAL MEMBER**

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**KAVITA BHATNAGAR**
**TECHNICAL MEMBER**