IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.301
C.P. (IB)/290(AHM)2024

Proceedings under Section 9 IBC

IN THE MATTER OF:

Siddhi Cotspin Limited ....**Applicant**
V/s
M/s.Splenora Textures LLP ....**Respondent**

Order delivered on: 05/08/2026

Coram:
Mrs. Chitra Hankare, Hon'ble Member(J)
Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

This case is fixed for pronouncement of order

The order is pronounced in open court vide separate sheet.

Sd/- Sd/-

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

CHITRA HANKARE
MEMBER (JUDICIAL)

SJ/ AD /AP

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH, COURT - II

CP (IB) No. 290 of 2024

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

In the matter of:

Siddhi Cotspin Limited
Survey 279 & 280, Unit No.13,
Sub Plot No. 18 Sector 3 of Dholi
Integrated Spinning Park, Ahmedabad,
Gujarat, India, 382240

...Applicant/
Operational Creditor

V/s.

Splenora Textures LLP
Ground Survey No. 144/PS,
144/P6 Village: Pipaliya, Rajkot,
Morbi, Gujarat, India- 363641

...Respondent/
Corporate Debtor

Order pronounced on 05.08.2026

Coram:

MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)

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

Present:

For the Applicant	:	Ms. Noopur Dalal, Adv.
For the Respondent	:	Mr. Harsh Parekh, Adv. and Ms. Priyal Parekh, Adv.

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JUDGEMENT

1. This Petition has been filed 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 by Siddhi Cotspin Limited, (hereinafter referred to as 'Operational Creditor') seeking initiation of Corporate Insolvency Resolution Process against Splenora Textures LLP (hereinafter referred to as 'Corporate Debtor').

2. It is averred that the Operational Creditor is engaged in the business of manufacturing, trading, importing, exporting, and supplying cotton, blended and synthetic yarn, cloth, fibre materials, and other textile products, along with allied activities. The Corporate Debtor is LLP registered under the LLP Act, 2008 with LLPIN: AAL-1084 having its registered office at Survey No-144/ P5, 144/ P6 Village: Pipaliya, Rajkot, Morbi, Gujarat, India, 363641.

3. The Operational Creditor has not proposed the name of any Insolvency Professional to act as a Resolution Professional.

4. As per Part IV of the application, the total outstanding Debt is Rs. 1,49,22,033.43/- out of which Rs. 1,34,63,068/-

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towards the principal amount and Rs. 14,58,965.43/- towards interest amount calculated @15% p.a. as on 31.05.2025 and continued and the Date of Default is not mentioned in the petition.

5. The applicant stated that it had entered into an oral agreement with the Corporate Debtor towards sales and purchase of finished goods i.e., 2/40 Eli KCW Conditioning (100% Cotton Yarn) on various dates from 05th June, 2023. The applicant raised 9 bills from 05.06.2023 to 14.07.2023 for sales of 2/40 Eli KCW Conditioning (100% Cotton Yarn). The applicant issued a demand notice dated 29.12.2023 under Section 8 of IBC, 2016 calling upon the CD to pay the outstanding debt of Rs.1,42,35,970.24/- within 10 days. The applicant has filed Form D Record of Default wherein the default is stated as "Deemed to be Authenticated" and the date of default is mentioned as 05.06.2023. The applicant submitted that vide email dated 30.03.2024, clarified that two companies namely: Siddhi weaves Private Limited and Siddhi Cotspin Limited are two different legal entities and requested the corporate debtor to clear the outstanding payments of Siddhi Cotspin

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Limited.

6. The Respondent has filed its reply and stated that the petition is not maintainable on the ground that the date of service of the demand notice has not been placed on record by the petitioner. It is further submitted that the petition is defective as the petitioner has failed to mention the date of default on which the default was occurred. It is further submitted that the transactions between the parties were part of a tripartite arrangement involving the Operational Creditor and two entities i.e. Corporate Debtor, and Siddhi Weaves Pvt. Ltd. Mr. Navin Saraogi represents both the company in the capacity of managing director and director respectively. It is submitted that the Corporate Debtor procured yarn from the Operational Creditor, processed the same and supplied the finished products to Siddhi Weaves Pvt. Ltd. It is submitted that payments received from Siddhi Weaves Pvt. Ltd. were thereafter remitted to the Operational Creditor. It is submitted that the petitioner has supressed the said arrangement and the close association between the petitioner and Siddhi Weaves Pvt. Ltd. It is further stated that subsequent to the filing of the Petition,

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the Corporate Debtor received payments from Siddhi Weaves Pvt. Ltd. and remitted the same to the Operational Creditor, continuing such payments till August 2025. It is submitted that the outstanding debt had fallen below the statutory threshold of Rs.1 crore when notice was issued (21.01.2025) by this Tribunal. It is further submitted that petitioner has not produced invoices and delivery proofs and has further disputed the claim for interest @ 15%.

7. The matter was reserved for order on 03.06.2026 with liberty to the respondent to file written submissions. The respondent filed its written submissions on 10.06.2026 along with additional affidavit dated 01.06.2026 stating that the entire dues of Rs.1,34,58,071/- outstanding as per ledger account of the petitioner maintained has been paid by the respondent full and finally. It is further stated that the respondent has repeatedly approached the Petitioner and its authorised representatives to inform them of the complete discharge of the outstanding dues and to obtain their acknowledgment/No Objection Certificate for withdrawal of the present Petition. However, despite several communications, the Petitioner failed to

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respond, and no valid explanation for such non-responsiveness has been provided.

8. The Applicant, by way of the Additional Affidavit, submits that on the date of filing of the present Petition under Section 9 of the IBC, the Respondent was in default of payment of operational debt amounting to Rs.1,49,22,033.43/-, comprising principal outstanding of Rs.1,34,63,068/- and accrued interest of Rs.14,58,965.43/- arising from goods supplied under various invoices. It is stated that the interest was computed up to the date of filing of the Petition and, owing to the continued default, the accrued interest has subsequently increased to approximately Rs.40,00,000/-. The Applicant further submits that although the Respondent claims to have paid the principal amount during the pendency of the proceedings, the interest component remains unpaid.

9. The Applicant further submits that the payments relied upon by the Respondent were made after the institution of the present Petition and, therefore, do not affect its maintainability. Reliance is placed on the decisions in

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Devika Resources Pvt. Ltd. v. MAA Manasha Devi Alloys Pvt. Ltd. Company Appeal (AT) (Ins.) No. 938 of 2024, dated 14.05.2025, Mr. Prashat Agarwal v. Vikash Parasrampuria, Company Appeal (AT) (Ins.) No. 690 2022, dated 15.07.2022 and Zenith Media Scope Pvt. Ltd. v. Nirvikar Films LLP CP (IB) No. 190(PB)/2026, dated 12.06.2026 to state that the statutory threshold under Section 4 of the Code is to be examined with reference to the date of filing of the Petition and that interest on delayed payment forms part of the operational debt where contractually stipulated. It is further submitted that the Respondent has not disputed the supply of goods, issuance of invoices, receipt of goods, or the occurrence of default, and that the subsequent payments constitute an acknowledgment of the debt.

10. We have heard the learned Counsels for both the parties and perused the documents on record along with written submissions of the parties.

11. Observations & Conclusions:

a. The Applicant has been persistently pursuing this application for admission to CIRP even though the

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respondent in his affidvait has submitted record of the payments made to the applicant Operational Creditor through RTGS including that on the date of issue of notice, the amount of due was less than Rs. 1 crore.

b. Further, the respondent who was not regularly appearing was made ex parte sought set aside of the order and submitted a reply by affidavit dated 27 Sept 2025 that the applicant was filing this petition with suppression of facts and pursued with unclean hands. On reserving this order, we granted opportunity to the respondent to file written submissions if any which was filed by affidavit dated 1.06.2026 and filed on 10.06.2026, with the facts of all the repayments made including the RTGS proof of transactions of payment to the account of Siddhi Cotspin P Ltd. The repayments were made in to the account on various dates from 07.09.2024 and ended till 26 May 2026, for which the proof of RTGS payments made through its account in to the applicant/s account including the payment summary is provided. The applicant had produced the invoices, which are without any purchase order and the

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invoices claim an interest which are not explicitly provided either through a purchase/sale order or acceptance of invoices. Hence there is no question of considering the non-payment of interest if any which amounts only to Rs.14,58,963 (in Part IV as per application) while in the same petition summarising in the dates and events, the interest amount is mentioned as Rs.7,72,902.24 till 21st April, 2024.

c. It is also submitted that it is an oral contract and the breach/non compliances of any of the law relating to sale of goods contract/Indian contract act 1872 do not provide any support to adjudicate on the interest not paid. Further the invoices issued are not signed by the other party and the payment of interest if any agreed is between both the parties. It appears that the applicant has only claimed 15% against 24%, but the total claim of interest is only Rs.14,58,965.43/- which only remains to be paid by the respondent. The stated amount is below the threshold limit for filing this application under Sec 9 of IBC 2016

d. We are concerned with the fact that the Ld Counsel for

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applicant was proceeding in the matter even after the repayments are made the applicant filed written submission dated 23.02.2026 that the applicant has not repaid the principal debt. This application deserves to be disposed of as the applicant proceeded the matter as a recovery forum, concealing material facts of repayments made (having accepted the payments) and not filing the details of reduction of debt during hearing. The total debt of principal amount below the threshold limit has been paid off before 19 Jan 2026 by the respondent and accepted by the applicant. Since the residual due is less than the amount of threshold limit, there is a difference between the amount charged in invoice and the actual charged, the invoices not being signed by the respondent, the following order is passed

ORDER

CP (IB) 290 of 2024 is rejected and disposed of.

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

sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

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