IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.302
C.P. (IB)/168(AHM)2024

Proceedings under Section 9 IBC

IN THE MATTER OF:

Jindal SMI Coated Products Limited ....**Applicant**
V/s
Astron Packaging Limited ....**Respondent**

Order delivered on: 04/08/2026

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

-SD-
CHITRA HANKARE
MEMBER (JUDICIAL)

SJ/AP/AD

IN THE NATIONAL COMPANY LAW TRIBUNAL

AHMEDABAD BENCH, COURT - II

CP (IB) No.168 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:

Jindal SMI Coated Products Limited
Registered Factory Address at
Plot No.B -120, MIDC
Addl. Ambarnath Industrial Area, Anand Nagar,
Ambernath District Thane- - 421506, India

Corporate Office at:
4-B-5, Gundecha Onclave, Kherani Road,
Sakinanka, Andheri (East), Mumbai - 400072

...Applicant/
Operational Creditor

V/s.

Astron Packaging Limited
Registered Address at:
22/23/34, Mahagujarat Industrial Estate,
Srakhej Bavla Highway, Village Moraiya,
Ahemdabad-382210, India

...Respondent/
Corporate Debtor

Order pronounced on 04.08.2026

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Coram:

MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)

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

Present:

For the Applicant : Ms. Aishwary Nabh, Adv., Mr. Alok Dhir Adv. Mr. Parth S. Shah Adv. and Ms. Varsha Banerjee, Adv.

For the Respondent : Mr. Raheel Patel, Adv., Mr. Shivam Ghandhi, Adv. and Mr. Yash Modi, Adv.

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 Rules, 2016 by M/s. Jindal SMI Coated Products seeking to initiate Corporate Insolvency Resolution Process against Astron Packaging Limited.for having default of an amount of Rs. 1,39,91,869.20/- The date of default in the case pertains to various invoices payable in 90 days.

2. The factual backdrop averred by the applicant is as under:

   a. The Applicant submitted that the Applicant/Operational Creditor is engaged in the business of manufacturing

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pressure sensitive label stocks and, pursuant to various purchase orders placed by the Corporate Debtor for packaging material, supplied the goods from time to time in accordance with the agreed specifications. Invoices were duly raised upon delivery of the goods, which were accepted by the Corporate Debtor without objection. The invoices stipulated payment within 30 days along with interest at the rate of 24% per annum in case of delayed payment. Considering the business relationship between the parties, the credit period was subsequently extended to 90 days at the request of the Corporate Debtor.

b. It is submitted that despite receipt and acceptance of the goods, the Corporate Debtor failed to honour its contractual obligation to make payment of the invoice amounts within the agreed period. Nevertheless, the Applicant continued supplying goods on the repeated assurances of the Corporate Debtor that the outstanding dues would be cleared. The Corporate Debtor, by its email dated 22.11.2022, acknowledged its outstanding liability of approximately Rs. 3.26 crore and assured payment. Thereafter, the Corporate Debtor made part payments of

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Rs.28,77,333/- in December 2022 and Rs. 2,94,48,279.16 in January 2023, yet an amount of Rs. 1,16,74,316.97/- towards the principal remained due and payable.

c. Further submitted that the ledger account maintained by the Applicant reflects the outstanding principal amount after giving due credit to all payments received from the Corporate Debtor. It is further submitted that in terms of the agreed conditions contained in the invoices, the Corporate Debtor is also liable to pay interest at the rate of 24% per annum on the delayed payments. Accordingly, interest amounting to Rs. 23,17,550.71/- became due, and a Debit Note dated 01.07.2023 for Rs. 70,591.13 towards accrued interest was also issued. Despite receipt thereof, the Corporate Debtor failed to discharge its liability towards both the outstanding principal and contractual interest.

d. It is further submitted that the Applicant issued a statutory demand notice dated 22.12.2022 under Forms 3 and 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, demanding an

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aggregate amount of Rs. 4,10,52,006/-, comprising the outstanding principal and interest, which was duly served upon the Corporate Debtor through email and speed post. In its reply dated 04.01.2023, the Corporate Debtor did not dispute either the principal liability or the contractual interest on the pending invoices. The subsequent payment made by the Corporate Debtor in January 2023 was appropriated first towards accrued interest and thereafter towards the principal amount in accordance with the agreed contractual terms.

e. The applicant/operational creditor has relied on the following documents

i. The copy of trail mails

ii. The copy of ledger statement

iii. The copy of invoices upon which interest @ 24% p.a. was accrued,

iv. The copy of Debit Note dated 01.07.2023

v. Copy of the demand notice dated 22.12.2022 issued under Form 3 of IBC, 2016

vi. Copy of NESL Certificate

3. Vide order dated 16.07.2024, this Tribunal rejected the

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Petition, observing that no purchase orders were placed on record, the claim was based solely on invoices, contradictory figures regarding outstanding dues had been stated, and substantial repayments had already been made pursuant to a settlement. The Hon'ble NCLAT, in appeal, set aside the said order and remanded the matter for fresh adjudication, permitting both parties to place additional submissions and material on record.

4. The Respondent, in its Reply, raised preliminary objections to the maintainability of the Petition, contending that the Petition and the statutory demand notice failed to disclose the date of default, a mandatory requirement under the Code. It was further contended that the demand notice dated 22.12.2022 was invalid as it had been issued by an advocate without proper authorisation, the Board Resolution authorising such issuance being subsequent in time. The Respondent also submitted that the Applicant failed to produce purchase orders, delivery challans, lorry receipts or other documents evidencing supply of goods, suppressed the Reply to the demand notice, and improperly clubbed multiple independent transactions merely to satisfy the monetary

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-SD-threshold under the Code.

5. The Respondent further submitted that the entire principal outstanding had already been paid between October 2022 and March 2023 and accepted by the Applicant. It was contended that, having regard to the parties' long-standing business relationship, there was a mutual understanding that no interest would be charged on delayed payments and that the claim for interest was introduced only after a change in the Applicant's management. It was further submitted that the Applicant wrongly appropriated payments towards interest instead of principal without any contractual basis, thereby creating an artificial default under the Code.

6. It is submitted that the Respondent, by email dated 22.11.2022, informed the Petitioner that the outstanding amount of Rs. 3.26 crore would be paid in instalments between December 2022 and March 2023. The Petitioner never objected to the proposed payment schedule, and the Respondent made all payments accordingly. The Petitioner accepted the payments without raising any objection and the entire principal amount stood paid.

7. The Applicant filed a rejoinder denying the averments made

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in the Reply and submitted that no pre-existing dispute existed between the parties prior to the issuance of the demand notice under Section 8 of the Code. It was contended that the disputes raised by the Respondent are an afterthought, as the Respondent had neither disputed the supply of goods nor the invoices before the demand notice and had, in fact, admitted its liability by making part payments.

8. The Applicant, in its Rejoinder, denied the objections raised by the Respondent and submitted that no pre-existing dispute existed prior to issuance of the demand notice. It was contended that the Respondent had acknowledged its liability through the email dated 22.11.2022, proposed a payment schedule, and made part payments without disputing the supply of goods or invoices. The Applicant further relied upon the decision in Macquarie Bank Limited v. Shilpi Cable Technologies Ltd. to contend that a demand notice under Section 8 may validly be issued through an advocate without requiring separate authorisation.

9. The Applicant filed an affidavit of compliance pursuant to the order dated **23.03.2026**, placing on record the Respondent's

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Reply to the Demand Notice dated **04.01.2023**. The Applicant also sought amendment to paragraph 2 of the affidavit accompanying the Section 9 petition by deleting the earlier statement and substituting it with a disclosure that the Corporate Debtor had issued a notice of dispute dated 04.01.2023 under Section 8 of the Code, contending that the amendment was necessary for proper adjudication of the petition.

10. The Respondent filed its reply to the Applicant's affidavit of compliance and opposed the same, contending that the Applicant was not granted liberty by this Tribunal to amend the statutory affidavit filed under Section 9(3)(b) of the Code. It was submitted that the Applicant had earlier filed I.A. No. 138 of 2026 seeking identical amendment, which was to be heard on the issue of maintainability but was subsequently withdrawn by the Applicant. The Respondent further contended that the affidavit of compliance is an impermissible attempt to cure a foundational defect by introducing the Reply to the Demand Notice dated 04.01.2023, despite the Applicant having earlier declared on oath that no notice of dispute had been received.

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11. The Applicant relied on the following judgements:

    i. *Industrial Credit & Development Syndicate Now Called I.C.D.S. Ltd. Vs. Smithaben H. Patel (Smt) And Others (1999) 3 SCC 80,*

    ii. *Macquarie Bank Limited v. Shilpi Cable Technologies Ltd. [(2018) 2 sec 674]*

    iii. *Dena Bank v. C. Shivakumar Reddy, [(2021) 10 SCC 330]*

    iv. *State Bank of India v. India Power Corporation Ltd. [Civil Appeal no. 8178 of 2023; Order dated 14.02.2025]*

    v. *Gannon Dunkerly & Co. Ltd. v. RDC Concrete (India) Pvt. Ltd. [Company Appeal (AT) (Insolvency) No. 1222 of 2025; Order dated 22.08.2025]*

    vi. *Industrial Credit & Development Syndicate v. Smithaben H. Patel, [(1999) 3 sec 80]*

    vii. *Gurpreet Singh v. Union of India [(2006) 8 SCC 457]*

12. In compliance with the order dated 08.07.2026 the Respondent placed on record a CA Certificate dated 16.07.2026 which reflects that the payments made by the Respondent were strictly towards the principal amount of the invoices raised by the Petitioner.

13. Respondent relied on the following judgements:

    i. *Premali Wallace Pvt. Ltd. v. Narbada Forest Industries Pvt. Ltd. [Company Appeal (AT) (Ins.) No. 36 of 2023].*

    ii. *Rohit Motawat v. Madhu Sharma [Company Appeal (AT) (Ins.) No. 1152 of 2022]*

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iii. *S.S. Polymers v. Kanodia Technoplast Ltd. [Company Appeal (AT) (Ins.) No. 1227 of 2019].*
iv. *Shah Paper Mills Ltd. v. Shree Rama Newsprint & Papers Ltd. [CP (IB) No. 251 of 2019].*

14. Perused the documents on record alongwith written submissions of the parties.

15. **Observations & Conclusions:**

a. It is pertinent to mention that the operational creditor also issued two debit notes viz. Debit Note No. SMI/22-23/DN-INT/001 and Debit Note No. SMI/22-23/DNINT/002 with regards to the total amount of accrued interest of Rs. 1,12,53,979/ (Rupccs One Crore Twelve Lakhs Fifty-Three Thousand Nine Hundred Seventy Nine Only).

b. The Respondent against principal dues of Rs. 2,97,98,027/- the Respondent itself paid Rs. 3,23,25,620/ in total between December 2022 and January, 2023. The respondent paid after issue of the statutory demand notice the principal amount plus interest as agreed in his email which is acknowledged by the Applicant. The Applicant has first adjusted the interest even though the Corporate Debtor deposited an

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-SD-amount of Rs. 2,94,48,279.16 in January 2023. Thereby such unilateral adjustment, even though it is accepted that the invoice provides for interest is contended by the respondent not to be as per contract law. If the Applicant had originally issued a debit note for Rs. 1, 12,53,979 and the repayment made against the debt amount by the debtor is as per Email dated 22 Nov 2022. The applicant acquired the original OC on 12.12.2022, issued a notice for the entire amount of Debt of Rs.4,10,52,000. What is noted is that there is a dispute on the interest payable, the respondent has paid the interest. Even if we allow that in the absence of a purchase contract with the original OC, the invoices are the record, the applicant cannot overlook the dispute if any or the admission of debt amount by the Respondent only to Rs. 3,23,25,620/-. If the respondent payment is allowed and the interest is to be collected subsequent to the payment of principal, the amount of due is less than the threshold limit. (Rs.4,10,52,000 - Rs.3,23,25,620). This appears to be an unilateral decision by the new acquirer of the CD to insist on adjustment of interest and bring the CD to default

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under the threshold limit.

c. The Hon'ble NCLAT after hearing both the parties has disposed the petition directing both the parties are at liberty to make their submissions before this authority and nothing contained in their order should influence the final decision. The respondent has submitted ledger statement (wherein both debit notes and credit notes are provided) and proof of CA that the principal amount is paid through bank account. The applicant has not submitted its ledger statement. In the absence of contract whether to adjust the interest first or whether the principal first, the recourse would have been to reconcile the account between both the parties. No document of record has been submitted but the respondent has submitted a CA certificate of dues payable. Interest dues amount outstanding cannot be brought before the IBC by putting the cart before the horse unilaterally especially when there is a dispute or agreed terms (there are no records produced), however, even if excess payment has been made over principal, the respondent has then considered the interest payable to the applicant. The

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remaining outstanding is then less than the threshold limit.

16. Hence we pass following order

ORDER

CP(IB) No. 168 of 2024 is rejected and disposed of.

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

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CHITRA HANKARE
MEMBER (JUDICIAL)

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