

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD BENCH

ITEM No. 101

CP (IB) No.485/7/AHM/2025

(An application under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

In the Matter of: Desai Agrifoods Private Limited

Team India Managers Limited
(CIN: U93000MH2007PLC169654)
Registered office at 35-B,
2nd Floor, Khatau Building,
Alkesh Dinesh Mody Marg, Fort,
Mumbai, Maharashtra – 400001.

...Applicant/Financial Creditor

VERSUS

Desai Agrifoods Private Limited
(CIN: U63020GJ1999PTC035377)
Registered office at
27, Ground Floor, Virbhaddra Complex,
Opp. Yogeshwar Vada Pav, Station Road,
Navsari, Gujarat – 396445, India.

...Respondent/Corporate Debtor

Order Delivered On: 27.04.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Applicant/FC : Mr. Ravi Pahwa, Advocate.

For the Respondent/CD : Mr. Pratik Thakkar, Advocate.

ORDER
Per Bench

1. This Company Petition is filed on 18.12.2025 by the Applicant- Team India Managers Limited (hereinafter referred to as 'Financial Creditor') against the Respondent- Desai Agrifoods Private Limited (hereinafter referred to as 'Corporate Debtor') under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as "IB (AAA) Rules, 2016") for initiation of Corporate Insolvency Resolution Process (CIRP), for having defaulted in repayment of the Financial Debt of **Rs.1,14,36,758/-** including interest.
2. On Perusal of Part-I of the Form-1 reveals that the Financial Creditor - Team India Managers Limited is a company incorporated on 04.04.2007 under the Companies Act, 1956, with Corporate Identification Number - U93000MH2007PLC169654, having its registered office at 35-B, 2nd Floor, Khatau Building, Alkesh Dinesh Mody Marg, Fort, Mumbai, Maharashtra – 400001. This Petition is filed through its authorised representative Mr. Manoj Agarwal, Chief Financial Officer, who has been authorised by a Board Resolution dated 19.09.2025 which is annexed with the Petition as Annexure-A.
3. On perusal of Part-II of the Form-1 reveals that the Corporate Debtor is one Desai Agrifoods Private Limited having CIN No.

U63020GJ1999PTC035377, a private limited company incorporated on 02.02.1999 under the Companies Act, 1956. The Corporate Debtor is having registered office at 27, Ground Floor, Virbhaddra Complex, Opp. Yogeshwar Vada Pav, Station Road, Navsari, Gujarat-396445, India, with an authorized share capital of Rs.70,00,00,000/- and paid-up share capital of Rs.63,69,35,430/-, as per the Master Data available on the website of the Ministry of Corporate Affairs which is annexed with the Petition as Annexure-C.

4. On perusal of Part-III of the Form-1 reveals that the Financial Creditor has named **Mr. Himanshu Govindram Agarwal** having Registration No. IBBI/IPA-002/IP-N01286/2023-2024/14389, under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP). He has filed its written communication Form-2 dated 29.08.2025 along-with Form-B being AFA dated 28.08.2025 as well as Certificate of registration, which are annexed with the Petition as Annexure-D, E and F.
5. On perusal of Part-IV of the Form-1 reveals that total Financial Debt as claimed by the Financial Creditor is Rs.1,14,36,758/- consisting of Rs.1,00,00,000/- being principal and amount of Rs.14,36,758/- as interest at 12.00% per annum up-to 06.08.2025. The date of default is stated to be 12.09.2025 being the 14th day from the date of acknowledgment of communication dated 06.08.2025 by Corporate Debtor.

6. On perusal of Part-IV and Part-V of Form-1 reveals that the Financial Creditor has placed the facts through this Petition in the following manner: -

- 6.1. The Financial Creditor and Corporate Debtor entered into a Loan Agreement dated 01.10.2024 for extending a financial facility of Rs.1,00,00,000/- carrying interest at 12.00% per annum, which is annexed as Annexure-G. The said transaction qualifies as financial debt under Section 5(8) of IBC, 2016.
- 6.2. Pursuant to the Agreement, the Corporate Debtor requested drawdown on 05.11.2024 and the Financial Creditor disbursed the loan amount on 08.11.2024 through banking channels, which is evidenced by bank statement annexed as Annexure-H.
- 6.3. The Corporate Debtor initially serviced interest and made payment of Rs.1,56,822/- on 15.01.2025 towards interest, which is reflected in certified bank statements and ledger accounts annexed as Annexure-M and Annexure-N.
- 6.4. Thereafter, the Financial Creditor demanded interest for the quarter ending 31.03.2025 through communication dated 07.04.2025, which is part of email correspondence annexed as Annexure-I.
- 6.5. The Corporate Debtor vide email dated 30.04.2025 admitted financial difficulties and expressed inability to repay the dues, thereby triggering an event of default under Clause 13.1 of the Agreement, which is annexed as Annexure-I.
- 6.6. The Financial Creditor issued demand communication dated 06.08.2025 for repayment of Rs.1,14,36,758/- and subsequent follow-up communications dated 07.08.2025 and 29.08.2025, which are annexed as Annexure-J, K and L.

- 6.7. The Corporate Debtor acknowledged its inability to repay through email dated 29.08.2025, thereby confirming existence of debt and default, which is annexed as Annexure-K and L.
- 6.8. The Financial Creditor has computed the amount of default along with interest and days of default in tabular form, which is annexed as Annexure-M and supported by ledger account annexed as Annexure-N.
- 6.9. The Applicant/Financial Creditor has relied upon the documents annexed with this Company Petition as Annexure-A to Annexure-N.
- 6.10. The Financial Creditor also filed additional affidavit dated 13.01.2026 placing on record certified bank statements for disbursement and interest received along with ledger account, annexed as Exhibit-B, Exhibit-C and Exhibit-D.
- 6.11. The Financial Creditor further filed additional affidavit in compliance of order dated 16.01.2026 placing on record audited annual accounts and financial statements of the Corporate Debtor for relevant financial years, annexed as Annexure-A and Annexure-B.
- 6.12. In view of above-narrated facts, the Applicant/Financial Creditor has sought initiation of Corporate Insolvency Resolution Process against the Corporate Debtor, appointment of Interim Resolution Professional and other consequential reliefs under Section 7 of the IBC, 2016.
7. The Financial Creditor has relied upon the following documents which are as under: -
- (a) Board Resolution dated 19.09.2025 – Annexure-A
 - (b) MCA Master Data – Annexure-C
 - (c) Consent of IRP in Form-2 – Annexure-D
 - (d) Registration Certificate of IRP – Annexure-E
 - (e) Authorisation for Assignment – Annexure-F

- (f) Loan Agreement dated 01.10.2024 – Annexure-G
- (g) Bank Statement showing disbursement – Annexure-H
- (h) Email Correspondence – Annexure-I
- (i) Demand Communication dated 07.08.2025 – Annexure-J
- (j) Email dated 29.08.2025 – Annexure-K
- (k) Email dated 29.08.2025 – Annexure-L
- (l) Computation of Default – Annexure-M
- (m) Ledger Account – Annexure-N.

8. That on issuance of the notice in the Petition, the Corporate Debtor has appeared and filed its reply online on 26.02.2026 & physically on 05.03.2026 vide inward diary no. D-1885 denying various averments made in the Petition. The contentions of the Corporate Debtor are mentioned hereunder: -

- 8.1. The Respondent submits that the present Petition is not maintainable under law as it has been filed for recovery of alleged dues. The provisions of the Insolvency and Bankruptcy Code, 2016 cannot be invoked for recovery purposes. The Adjudicating Authority is not a recovery forum. The Petition does not meet the requirements under Section 7 of the Code.
- 8.2. The Corporate Debtor is operational and is carrying on its business activities. The Corporate Debtor is in the process of arranging funds and financing. The Corporate Debtor intends to repay its liabilities. The initiation of insolvency proceedings will affect its operations.
- 8.3. No financial debt is due and payable as alleged in the Petition. The Petitioner has failed to establish the existence of a financial debt. The records relied upon by the Petitioner do not show any due amount. The claim of the Petitioner is not substantiated.

- 8.4. That in absence of any debt due and payable, there is no default under the Code. The alleged date of default is incorrect. The essential ingredients of Section 7 of the Code are not satisfied. The Petition is liable to be rejected on this ground.
- 8.5. The Respondent submits that the Petition may be dismissed in the interest of justice. The Respondent reiterates its opposition to the reliefs sought in the Petition.
9. The Financial Creditor has also filed a rejoinder on 30.03.2026 vide inward diary no. D-2783, denying most contentions raised by the Corporate Debtor in its reply. The contents of the Rejoinder are reproduced as follows: -
- 9.1. The Applicant has denied each averment, contention, and allegation made in the Reply and has stated that the same are not admitted. It is submitted that the Corporate Debtor has not produced any material to rebut the claim of the Applicant and the statements made in the Reply are not supported by records.
- 9.2. The Corporate Debtor has failed to establish that the financial debt is not due and payable. It is further submitted that no documents have been produced by the Corporate Debtor to support its contention regarding its financial position or to dispute the liability.
- 9.3. The Corporate Debtor has claimed that it is arranging funds for repayment, however no details of any repayment plan, source of funds, or timeline have been disclosed. It is stated that such submissions do not establish repayment capacity.
- 9.4. That no document has been produced by the Corporate Debtor to disprove the claim of the Applicant or to show that no default has occurred. The defence raised is not supported by any material record.

- 9.5. The Applicant has reiterated the contents of the Petition and has denied that the Petition is not maintainable or that it suppresses material facts. The Petition is in accordance with law and is liable to be admitted.
- 9.6. The Applicant has stated that the Petition is not filed for recovery but for initiation of CIRP under Section 7 of the Code. It is submitted that the Corporate Debtor has admitted financial stress by stating that it is arranging funds, which shows inability to pay the debt.
- 9.7. The Applicant has denied that the Corporate Debtor is financially sound or that no default has occurred. It is submitted that the financial records establish the debt and default, and the objections raised are not supported by documents. The Applicant has prayed for admission of the Petition.
10. In compliance of order dated 21.04.2026, the Corporate Debtor has filed an Additional Affidavit dated 24.04.2026 to place audited financial statements and master data on record. It is stated that Master Data and Index of Charges are annexed as Annexure A/1 and audited financial statements for the year ending 31.03.2025 are annexed as Annexure A/2.
- 10.1. As per Annexure A/1, the Corporate Debtor has disclosed company details, charges with financial institutions, and status of the company as active. The Index of Charges reflects borrowings and secured liabilities from various banks and financial institutions.
- 10.2. As per Annexure A/2, the audited financial statements for the year ending 31.03.2025 show total assets of Rs. 8,971.60 lakhs and negative other equity. The statements reflect borrowings, trade

payables, and financial liabilities indicating financial position of the Corporate Debtor.

- 10.3. The statement of profit and loss in Annexure A/2 shows loss for the year and prior year, along with finance costs and expenses. The cash flow statement reflects movement of funds and liabilities.
11. Today, we have heard Ld. Counsel for the Financial Creditor, Ld. Counsel for the Corporate Debtor, and considered the submissions of both parties and perused the material on record.
12. Upon perusal of the record, it is evident that the Financial Creditor has extended financial assistance to the Corporate Debtor, which qualifies as a financial debt under Section 5(8) of the Code. The disbursement is supported by the Loan Agreement dated 01.10.2024 (Annexure-G) and bank statements (Annexure-H). The Corporate Debtor has admittedly defaulted in repayment. Thus, existence of financial debt stands established.
13. The date of default i.e. 12.09.2025 is duly substantiated from record including communications and ledger entries. The Petition filed on 18.12.2025 is within limitation. Further, acknowledgment of debt through emails extends limitation under Section 18 of the Limitation Act, 1963. Hence, the Company Petition is within limitation and maintainable.
14. The Financial Creditor has duly proved default through documentary evidence including statements of account and computation of default (Annexure-M and N). The requirement under Section 7(3)(a) stands

satisfied. The Corporate Debtor has failed to place any material to dispute the correctness of such evidence. Accordingly, occurrence of default stands established.

15. The Corporate Debtor has not produced any credible material to disprove debt or default. Mere assertions regarding business operations or intention to repay do not constitute a valid defence. The emails dated 30.04.2025 and 29.08.2025 clearly reflect financial distress and inability to repay. Thus, the defence raised is unsupported and untenable.
16. The legal position under Section 7 stands settled by ***Innoventive Industries Limited Vs. ICICI Bank Limited & Anr. (2017) ibclaw.in 02 SC***, wherein it is held that the Adjudicating Authority is to ascertain existence of debt and default from records. This position has been reiterated in ***E S Krishnamurthy & Ors. Vs. M/s Bharath Hi Tech Builders Pvt. Ltd. (2021) ibclaw.in 173 SC***. Once satisfied, admission is mandatory if the application is complete.
17. Further, in ***M. Suresh Kumar Reddy Vs. Canara Bank & Ors. (2023) ibclaw.in 67 SC***, it is clarified that the ratio of Vidarbha Industries does not dilute the principle laid down in *Innoventive*. The Adjudicating Authority is not required to exercise discretion beyond verifying debt and default. Thus, the scope of enquiry remains limited and summary.
18. In ***Swiss Ribbons Pvt. Ltd. & Anr. v. Union of India & Ors., (2019) ibclaw.in 03 SC***, the Hon'ble Supreme Court has clarified that the Code

is not a recovery mechanism but a legislation for resolution of insolvency. Therefore, the contention of the Corporate Debtor that the Petition is filed for recovery is misconceived and liable to be rejected.

19. In *Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan IRP of Hiranmaye Energy Ltd. and Ors.*, (2026) *ibclaw.in* 87 SC., the Hon'ble Supreme Court has reiterated that at the stage of admission under Section 7, the Adjudicating Authority is confined to examining existence of financial debt and occurrence of default from records. The scope of enquiry is summary and does not extend to adjudication of disputes.
20. The audited financial statements placed on record reveal losses, liabilities and negative equity, which corroborate financial distress of the Corporate Debtor. These financial indicators further support the inability of the Corporate Debtor to discharge its debt. No material has been placed to rebut these findings.
21. The present Petition is complete in terms of Section 7(5)(a) of the Code and satisfies all procedural requirements under the Rules and Regulations. The amount in default exceeds the threshold prescribed under Section 4 of the Code. The date of default does not fall within the period covered under Section 10A.
22. Accordingly, this Adjudicating Authority is satisfied that a 'financial debt' within the meaning of Section 5(8) exists and that 'default' within the

meaning of Section 3(12) has occurred. The Corporate Debtor has failed to demonstrate that no default has occurred or that the debt is not due.

23. In view of the above facts and settled legal position, the Company Petition filed under Section 7 of the Code for initiation of CIRP against the Corporate Debtor deserves to be admitted.
24. Though the Financial Creditor in Part-III of the Form-1 has proposed the name of the Interim Resolution Professional ('IRP') Mr. Himanshu Govindram Agarwal having Registration No. IBBI/IPA-002/IP-N01286/2023-2024/14389. However, during the course of oral submissions Ld. Counsel for the Applicant/FC agreed and recorded consent if **IRP** is appointed by this Adjudicating authority from the IBBI Panel List.
25. Accordingly, in light of the above facts and circumstances, it is, **hereby ordered** as under: -
 - (i) The Respondent/Corporate Debtor - **Desai Agrifoods Private Limited** is **admitted** in the Corporate Insolvency Resolution Process (**CIRP**) under section 7 of the IBC, 2016.
 - (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) In view of consent of the Applicant/FC recorded in paragraph No.24 for appoint of IRP from the IBBI Panel List dated 16.01.2026, we appoint **Value plus Insolvency Resolution Professionals P. Ltd.**, having Registration No. IBBI/IPE-0102/IPA 2/2024-25/50089, (e-mail: valueplusip@gmail.com) under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP). It shall conduct the Corporate Insolvency

Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder. It shall submit consent Form-2 and Registration Certificate within three days.

- (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 his 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. He is also free to take police assistance in this regard, and the concerned jurisdictional police authorities shall extend necessary assistance to the IRP, if so requested.
- (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) Considering that the defaults in payment happened only recently and the Corporate Debtor is having paid up equity capital of Rs. 63,69,35,430/-. 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 to ensure that the insolvency is resolved in time. The first report be submitted within one month from the date of passing this order to among other things to include the status of taking control over the assets of the Corporate Debtor including the matching of the same with the assets in the fixed asset register and the inventory of stock (raw material and finished goods), and how the Corporate Debtor is being run as a going concern and any challenges being faced in running the CD as a going concern. The periodical report shall also report on the collections from the debtors and efforts made for the same.
- (xi) We direct the Financial 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 subject to ratification by the Committee of Creditors. 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 Financial Creditor or shortfall recoverable from the Corporate Debtor's estate as CIRP costs.
- (xii) The Registry is directed to communicate this order to the Financial 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.

26. Accordingly, Company Petition being **CP (IB) No.485/7/AHM/2025** is hereby **admitted**. Order is dictated and pronounced in open court. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)