



IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH (COURT – II)

Item No. 203
IB-490/ND/2024

IN THE MATTER OF:

Stove Kraft Ltd.

No.81/1, Harohalli Industrial Area,
Kanakapura Taluk, Ramanagara District,
Bangalore Rural- 562112

**... Applicant/
Operational Creditor**

Versus

Pathways Retail Private Limited

2nd Floor, Khasra no. 136/2, Rithala road,
Near SBI Bank, Badli, North Delhi,
Delhi-110042

**... Respondent/
Corporate Debtor**

Under Section: 9 of IBC, 2016

Order delivered on 04.05.2026

CORAM:

SH. ASHOK KUMAR BHARDWAJ, HON'BLE MEMBER (J)
SH. ATUL CHATURVEDI, HON'BLE MEMBER (T)

PRESENT:

For the OC : Adv. Abhishek Anand, Rupesh Gupta, Adv. Kritika T.

For the CD : Adv. Karan T., Adv. Rohit Pandey

Hearing Through: VC and Physical (Hybrid) Mode

ORAL ORDER

The present petition has been preferred under Section 9(2) of IBC, 2016.
The amount of debt and default has been mentioned in Part-IV of the petition
which reads thus:-



PART- IV

PARTICULARS OF OPERATIONAL DEBT	
<p>TOTAL AMOUNT OF DEBT, DETAILS OF TRANSACTIONS ON ACCOUNT OF WHICH DEBT FELL DUE, AND THE DATE FROM WHICH SUCH DEBT FELL DUE</p>	<ol style="list-style-type: none">1. That the present Application under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "Code") read with Rule 6 of the of the Insolvency and Bankruptcy Board of India (Application Adjudicating to Authority) Rule, 2016, is being filed by the Operational Creditor against the Corporate Debtor for the purpose of initiating Corporate Insolvency Resolution Process, due to the failure on the part of the Corporate Debtor in making the payment to the Operational Creditor amount of Rs. 5,87,90,837/- (Rupees Five Crores Eighty Seven Lakhs Ninety Thousand Eight Hundred and Thirty Seven Only) in respect of the invoices issued by the Operational Creditor to the Corporate Debtor, alongwith interest @18% per annum from 03.01.2024 i.e. INR 52,91,175/-.2. A Supply Agreement was entered into on 09.09.2022 by and between Corporate Debtor and the Operational Creditor. As per Annexure B, Clause IV (Margin Terms), Clause 3, a payment term of 21 days from the invoice date for Corporate Debtor to settle its obligations of payment to the Operational Creditor is annexed herewith as ANNEXURE- 1.3. Under the Supply Agreement, invoices to the tune of more that INR 15 Crores were raised. The present petition related to the invoices to the tune of INR 6,80,34,066/-.4. That the Operational Creditor received purchase orders from Corporate Debtor of supplying the kitchen appliances under the brand name PIGEON (hereinafter referred



as "said product") whereby Operational Creditor had to deliver the said products demanded by Corporate Debtor. Upon the delivery of the said products by the Operational Creditor, invoices were raised by the Operational Creditor to the Corporate Debtor. Copy of the Purchase Orders i.e., - (a) Purchase Order No.- PO23510153 dated 30/10/2023 (b) Purchase Order No.- PO23310171 dated 30/10/2023 (c) Purchase Order No.- PO23610127 dated 30/10/2023 (d) Purchase Order No.- PO23210193 dated 30/10/2023 (e) Purchase Order No.- PO23410127 dated 30/10/2023. The value of the purchase orders was increased through communications, totalling to the amount of INR 6,80,34,066/-. The true copy of the purchase orders, emails and excel sheet relating to the purchase orders is annexed herewith as ANNEXURE- 2 (COLLY).

5. That as per the requests of the Corporate Debtor, the Operational Creditor supplied the said products to the Corporate Debtor and duly raised invoices to the Corporate Debtor to the tune of INR 6,80,34,066/-.

(a) Invoice Number 2310036216 on 31.10.2023

(b) Invoice Number 2310039954, 2310039955, 2310039956, 2310039957, 2310039958, 2310039961, 2310039961, 2310039962, 2310040186, 2310040221, 2310040222, 2310040223, 2310040224, 2310040228, 2310040229, 2310039953, 2310039959 and 2310039960, on 29.11.2023.



(c) Invoice Numbers 2310040548, 2310040549, 2310040732, 2310040732, 2310040733, 2310040822, 2310040923, 2310041066, 2310041089, 2310041089, 2310041090, 2310041091, 2310041118, 2310041120, 2310041131, 2310041267, 2310041267; 2310040830, 2310041263 and 2310041117 on 30.11.2023.

(d) Invoice Number 2310041332, 2310041333, 2310041334, 2310041335, 2310041268 and 2310041331 on 01.12.2023.

(e) Invoice Number 2310041337 and 2310041338 on 02.12.2023.

(f) Invoice Number 2310041604 on 04.12.2023

The invoices are annexed herewith as **ANNEXURE- 3 (COLLY)**.

6. Against the ^{SAFT /}invoices of total amount of Rs. 6,80,34,066/-, Rs. 43,21,959/- were adjusted against the part payment, sales returns and the remaining balance due as on 25.03.2024 was Rs. 6,37,12,107/-.

7. Accordingly, the Operational Creditor sent a Legal Notice dated 25.03.2024 claiming INR 6,37,12,107/- from the Corporate Debtor. The notice was not returned back to the Operational Creditor and also no reply to the said legal notice was received from the Corporate Debtor. The legal notice on 25.03.2024 alongwith postal receipt is annexed herewith **ANNEXURE- 4**.



8. The last payment of Rs. 49,21,270/- was received by the Operational Creditor on 14.05.2024 and that even through the NBFC namely Deciderata Impact Ventures Pvt. Ltd. (Progcap) which had entered into a buyer finance agreement with the Operational Creditor.

The bank statement of Operational Creditor depicting transactions between the Corporate Debtor and the Operational Creditor is annexed herewith as ANNEXURE- 5.

9. Deciderata Impact Ventures Pvt. Ltd. (Progcap) had entered into a buyer finance agreement with the Operational Creditor. As per the Agreement, for any payment that Progcap remits to the Operational Creditor on behalf of the Corporate Debtor, the Corporate Debtor is bound to pay Progcap and in case of its failure to pay Progcap, Progcap is entitled to recover back the amount paid to Operational Creditor. Hence, the said agreement does not absolve the liability of the Corporate Debtor to pay the operational debt to the Operational Creditor. To the best of the knowledge, as on date, the amount to the tune of INR 2,86,73,471/- paid by Progcap to the Operational Creditor on behalf of the Corporate Debtor is to be paid by Operational Creditor. This further shows the incapability and default of the Corporate Debtor to repay the debt. The agreement entered into between the Operational Creditor and Deciderata Impact Ventures Pvt. Ltd. (Progcap) dated 23.01.2020 and 01.02.2020 is annexed herewith as ANNEXURE- 6 (Colly).

10. As on date, the unpaid operational debt payable by the Corporate Debtor is INR 5,87,90,837/-.

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	<p>11. That, in light of the above facts and circumstances, the Operational Creditor was constrained to issue a Demand Notice on 12.07.2024 as per Form- 3 under Section 8 of the Code read with Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules,2016 (hereinafter referred to as the "Demand Notice"), upon the Corporate Debtor for the outstanding payment of Rs. 5,87,90,837/- (Rupees Five Crores Eighty Seven Lakhs Ninety Thousand Eight Hundred and Thirty Seven Only) due to the Operational Creditor alongwith interest @18% per annum from 03.01.2024 i.e. INR 52,91,175/-. The notice was duly served on 13.07.2024 at the registered office of the Corporate Debtor. That the Corporate Debtor received the demand notice dated 12.07.2024 but did not respond to the said Demand Notice or made the payment of the operational date of INR 5,87,90,837/-. The demand notice dated 12.07.2024 alongwith DTDC post receipt is annexed herewith as ANNEXURE- 7.</p> <p>12. That it is further submitted that there is no dispute which has been raised or intimated by the Corporate Debtor as regards the said Outstanding Debt which is admittedly due and payable, since 03-01-2024 and there is default in payment of the same.</p>		
<p>AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED (ATTACH THE WORKINGS FOR COMPUTATION OF AMOUNT AND DATES OF DEFAULT IN TABULAR FORM)</p>	<p>Sr. No.</p>	<p>Particulars</p>	<p>Amount</p>
	<p>1.</p>	<p>Total Outstanding Amount</p>	<p>Rs. 5,87,90,837/- (Rupees Five Crore Eighty-Seven Lakh Ninety Thousand Eight Hundred Thirty Seven Only) alongwith interest @18% per annum from 03.01.2024 i.e. INR 52,91,175/-.</p> <p>Date of default is 03-01-2024.</p>



2. The Applicant has also placed on record the Supply Agreement entered into between the Applicant and the Respondents as Annexure-1 to the petition. Purchase orders, e-mails and excel sheet relating to the purchase order are placed on record as Annexure-2 of the petition. The Applicant has also placed on record invoices raised by Operational Creditor upon the Corporate Debtor as Annexure-3. The demand notice under Section 8 of Insolvency and Bankruptcy Code, 2016 served upon the Corporate Debtor by the Operational Creditor is placed on record as Annexure-7. The Creditor has also filed an affidavit indicating therein that the Corporate Debtor did not raise any dispute regarding the amount of operational debt.

3. As can be seen from the provisions of Section 9(3) of the Code, this Tribunal need to satisfy itself regarding the invoice raised by the Operational Creditor, demand notice served upon the Respondent and the evidence that the amount of operational debt could not be paid by the Corporate Debtor to the Petitioner.

4. To satisfy the requirement of the provisions of Section 9(3)(c)&(e) as also Section 9(5)(i)(b) of the Code, Ld. Counsel for the Applicant could draw our attention to Para 10 of the affidavit filed under Section 9(3)(b) of the Code, wherein the Operational Creditor did not receive any response to the demand notice and the Corporate Debtor also failed to pay the due amount of Rs. 5,87,90,837/-. The Para 10 (ibid) of the affidavit reads thus:-

“10. That the Corporate Debtor received but did not respond to the said Demand Notice and also failed to pay the due amount of Rs. 5,87,90,837/- (Rupees Five Crore Eighty-Seven Lakh Ninety



Thousand Eight Hundred Thirty Seven Only) alongwith interest @18% per annum from 03.01.2024 i.e. INR 52,91,175/- and thus the same gives rise to cause of action to the Operational Creditor as per Section 9(1) of the Code to file the instant Application. No dispute which has been raised or intimated by the Corporate Debtor as regards the said Outstanding Debt which is admittedly due and payable, since 03-01-2024 and there is default in payment of the same.”

5. Here it would not be out of context to make reference to order dated 19.11.2024, wherein the admission of the Corporate Debtor to the effect that it had liability to pay the defaulted amount and that it was inclined to enter into settlement in respect thereof as has been recorded. The order reads thus:-

“The present petition was preferred by Stove Kraft Ltd. (hereinafter referred to as “Applicant/ Operational Creditor”) to initiate CIRP against Pathways Retail Private Ltd. (hereinafter referred to as “Respondent/ Corporate Debtor”) under Section 9 of the Code. The particulars of debt are given in Part- IV of the application, which reads thus: -

AMOUNT CLAIMED TO BE IN DEFAULT AND THE DATE ON WHICH THE DEFAULT OCCURRED (ATTACH THE WORKINGS FOR COMPUTATION OF AMOUNT AND DATES OF DEFAULT IN TABULAR FORM)	Sr. No.	Particulars	Amount
	1.	Total Outstanding Amount	Rs. 5,87,90,837/- (Rupees Five Crore Eighty-Seven Lakh Ninety Thousand Eight Hundred Thirty Seven Only) alongwith interest @18% per annum from 03.01.2024 i.e. INR 52,91,175/-. Date of default is 03-01-2024.



2. The Applicant has enclosed with the application the demand notice dated 12.07.2024 sent to the Corporate Debtor in terms of Rule 5 of the Insolvency and Bankruptcy (Application to the Adjudicating Authority) Rules, 2016 as Annexure A-7(Colly.) of the application. Relevant excerpt of the demand notice read thus: -

ANNEXURE- 7 (colly.)

Form 3

186

(See clause (a) of sub rule (1) of Rule 5)

**FORM OF DEMAND NOTICE OF DEMANDING PAYMENT UNDER THE
INSOLVENCY AND BANKRUPTCY CODE, 2016**

**Under Rule 5 of the Insolvency and Bankruptcy (Application to the Adjudicating
Authority) Rules, 2016**

12/07/2024

To:
Pathways Retail Private Limited,
2nd Floor, Khasra no. 136/2,
Rithala road, Near SBI Bank,
Badli, North Delhi,
Delhi- 110042
Email IDs: accounts@pathwaysmarketing.in,
amit.yadav@losung360.com,
charan@losung360.com

From:
Stove Kraft Limited,
No.81/1, Harohalli Industrial Area,
Kanakapura Taluk,
Ramanagara District,
Bangalore Rural- 562112

Subject: Demand notice under Section 8 of the Insolvency and Bankruptcy Code, 2016 demanding payment in respect of unpaid operational debt due from Pathways Retail Private Limited.

Madam/Sir,

1. This letter is a demand notice under Section 8 of the Insolvency and Bankruptcy Code, 2016 demanding payment of an unpaid operational debt due from Pathways Retail Private Limited.

2. Please find particulars of the unpaid operational debt below:

3. Today, the Ld. Counsels for the parties appeared and submitted that the amount of default is being settled between the parties. From the stand taken by the Applicant and the Creditor, it appears that the settlement plan offered by the debtor is acceptable to the creditor. In the wake, the



insolvency of the Corporate Debtor in respect of the amount defaulted to be paid, as referred to in IB-490/ND/2024 stands resolved.

4. *In view of the stand made by them, **the present application is disposed of.** It is made clear that if such settlement is not materialised and implemented within 10 days, it would be open to the Applicant to mention before this Bench for revival of the petition. Let a copy of this order be sent to Registrar for maintaining record/data.”*

6. From the aforementioned it is clear that there is sufficient material on record to arrive at a conclusion that the amount mentioned in the invoices raised by the Operational Creditor has not yet been paid by the Corporate Debtor to the Applicant. The Corporate Debtor has not raised any plea regarding completeness of the application.

7. **As the requirement of Section 9(5)(i) of IBC, 2016 is satisfied, we are left with no option but to admit the application and make an order under Section 9(6) of the Code viz. for commencement of CIRP. Ordered accordingly. Resultantly, moratorium in terms of the provision of Section 13 for the purposes referred to in Section 14 of the IBC, 2016 is declared.** As the Operational Creditor has not proposed name of any Insolvency Professional to be appointed as IRP, in terms of the provisions of Section 13(1)(c) read with Section 16(3)(a) of the IBC, 2016, the Insolvency Professional namely, **Mr. Rajesh Kumar Parakh, having IBBI Registration No. IBBI/IPA-001/IP-P00272/2017-2018/10516, email id: parakh.rajesh@gmail.com** is appointed as IRP in the matter. The Court Officer/Registrar of this Tribunal/Adjudicating Authority is



directed to inform the IRP about confirmation of his appointment forthwith. The term of the Interim Resolution Professional shall continue till the date of appointment of the Resolution Professional under Section 22 of the IBC, 2016 or the development if any under Section 12A of the Code or otherwise, whichever is earlier. The IRP is directed to act in terms of the provisions 13(1)(b) and Section 13(2) read with Section 15 of the IBC, 2016 immediately. In other words, the IRP shall cause a public announcement of initiation of Corporate Insolvency Process be made qua the Corporate Debtor and call for submission of claim under Section 15 immediately. The public announcement shall contain the information stipulated in Section 15(1) of the IBC, 2016. We are sanguine that the IRP shall act in due deference to the provisions of IBC, 2016, particularly Section 12,15,17,18,20 & 21 thereof as also Regulation 6, 6A, 12A, 13, 14, 16A and 17 of the IBBI (Insolvency Resolution Process for Corporate Person) Regulations, 2016 inter alia. It goes without saying that in the wake of the moratorium, there shall be prohibition of all the following: -

- (a) The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority;
- (b) Transferring, encumbering, alienating or disposing off 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 Securitization 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.

8. Nevertheless, it is made clear that a license, permit, registration, quota, concession, clearance or similar grant or right (if any) given by the Central Government, State Government, Local Authority, Sectoral Regulator or any Authority constituted under any other law for the time being in force shall not be suspended or terminated qua the Corporate Debtor on the ground of Insolvency, subject to the conditions that there is no default in payment of current dues arising for the use of continuation of the license, permit, registration, quota, concession, clearance or similar grant or right during the moratorium period. Besides, the supply of essential goods or services to the Corporate Debtor shall not be terminated or suspended or interrupted during the moratorium period, except where the Corporate Debtor does not pay the dues arising from such supply during the moratorium period or any other explainable situation.

9. The Operational Creditor shall deposit an amount of Rs. 2,00,000/- with the IRP to enable him to meet the expenses to be incurred at the initial stage of the CIRP. The expenses shall be reimbursed by the Committee of Creditors, to the extent the same are ratified by it. The amount of expenses ratified by the Committee of Creditors shall be treated as CIRP cost. It goes without saying that in terms of Regulation 34 of IBBI (Insolvency Resolution Process for Corporate



Person) Regulations, 2016, the CoC shall fix the expenses to be incurred by the IRP/ RP and the expenses shall constitute IRP cost.

10. A copy of this Order shall be communicated to the Operational Creditor, the Corporate Debtor and the IRP mentioned above by the Court Officer/Registry of this Adjudicating Authority. In addition, a copy of the Order shall also be forwarded by the Court Officer/Registry to the IBBI for their records.

Sd/-
(ATUL CHATURVEDI)
MEMBER (T)

Sd/-
(ASHOK KUMAR BHARDWAJ)
MEMBER (J)

Iqraa/Ruchita