



NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT VI

Item No. P2.

C.P. (IB)/699(MB)2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **04.12.2025**

NAME OF THE PARTIES: **Miracle Carrier & Trading Company**

Vs.

KL Enterprises LLP

Under Section 7 of the IBC.

ORDER

The case is fixed for pronouncement of the order. The order is pronounced in the open court, *vide* separate order. Detailed order is being uploaded on the NCLT portal today.

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)

Sd/-

NILESH SHARMA
MEMBER (JUDICIAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI - BENCH-VI

CP (IB) No. 699/MB/2025

*[Under Section 7 of the Insolvency and Bankruptcy Code, 2016
r/w Rule 4(1) of the Insolvency and Bankruptcy (Application to
Adjudicating Authority) Rules, 2016]*

In the matter of:

Miracle Carrier & Trading Company .,

PAN: [AAAFM8346B]

N.H.-14, P.O. Pipliya Kalan,

Dist- Pali, Rajasthan-306 307.

...Applicant/Financial Creditor/Petitioner

Vs.

KL Enterprises LLP

LLPIN: [AAA-5012]

Registered Office: 42, 1st Floor, 8-10, Bara

Chawl, Sitaram Jadhav Marg, Delisle Road,

Mumbai, Maharashtra 400013.

...Respondent/Corporate Debtor

Pronounced On: 04.12.2025.

CORAM:

SHRI NILESH SHARMA, MEMBER (JUDICIAL).

SHRI SAMEER KAKAR, MEMBER (TECHNICAL).

Hearing: Hybrid.

Appearances:

Financial Creditor: Adv. Mily Ghoshal a/w Adv. Ms. Sweta Thanekar

Corporate Debtor: Adv. Mr. Shon Gadgil



ORDER

[PER: CORAM]

1. This is an application filed on 16.07.2025 by the Applicant- Miracle Carrier & Trading Company (hereinafter also referred to as the “Financial Creditor” or “Applicant”), against the Respondent- KL Enterprises (hereinafter referred to as the “Corporate Debtor”), under Section 7 of the Insolvency & Bankruptcy Code 2016 (in short, ‘the Code’) read with Rule 4(1) of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, seeking commencement of the Corporate Insolvency Resolution Process (‘CIRP’) of the Corporate Debtor, appointment of Interim Resolution Professional (‘IRP) and declaration of moratorium. The amount claimed in default is Rs. 2,19,82,397/- including interest.
2. From Part-I of Form 1, it is seen that the present application is filed by Miracle Carrier & Trading Company through Mr. Ayush Abhay Shah, Partner.
3. Part II of the Application in Form 1 reveals that the Respondent/Corporate Debtor i.e. KL Enterprises LLP, is a Limited Liability Partnership governed by the Limited Liability Partnership Act, 2008, having its registered office at 42, 1st Floor, 8-10, Bara Chawl, Sitaram Jadhav Marg, Delisle Road, Lower Parel, Mumbai- 400 013.
4. Part-III of Form 1 reveals that the Applicant has proposed the name of Mr. Pradeep Kumar Kabra to be appointed as the IRP of the Corporate Debtor in the event that this application gets admitted. The Applicant has also obtained the Written Consent from the proposed IRP above-named in Form 2, the copy of which is annexed to this Application as Exhibit H.



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5. Part IV of the application vide Form 1 reveals that the amount claimed to be in default by the Applicant/Financial Creditor is Rs. 2,19,82,397/- including interest. The principal is stated to be Rs. 2,00,00,000/- and balance towards interest.
6. The date of default as stated by the Applicant in Part IV is 23.05.2025.
7. The facts narrated by the Applicant in Part IV of the Application are stated hereinbelow:
 - i. The Applicant is a Partnership Firm registered under the provisions of Indian Partnership Act, 1932 and is engaged in the business of transportation, investments and providing loans and advances.
 - ii. The Corporate Debtor is a Limited Liability Partnership governed by the Limited Liability Partnership Act, 2008, registered under the Registrar of Companies, Mumbai.
 - iii. In September 2024, the Corporate Debtor approached the Financial Creditor seeking interim financial assistance for an amount of Rs. 2,00,00,000/- (Rupees Two Crore only).
 - iv. On 25.09.2024, the Financial Creditor and the Corporate Debtor entered into a Loan Agreement (“Agreement”) to formalize the terms and conditions under which the Financial Creditor agreed to extend an interim financial facility to the Corporate Debtor for a specific purpose, as detailed in the Schedule to the Agreement.
 - v. The amount was disbursed to the Corporate Debtor in the following manner:



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Sr. No.	Date	Amount Paid (Rs.)
1.	25.09.2024	25,00,000/-
2.	25.09.2024	15,00,000/-
3.	26.09.2024	1,60,00,000/-
Total		2,00,00,000/-

- vi. Under the terms of the Agreement, the Financial Creditor agreed to lend, and the Corporate Debtor agreed to borrow, a sum of up to Rs. 2,00,00,000/- (Rupees Two Crore only) for a fixed tenure of three months. The loan amount was to be disbursed in one or more tranches at the sole and absolute discretion of the Financial Creditor. The disbursement of the loan amount was to be effected through cheque, demand draft, RTGS, NEFT, or any other permitted banking channels, with all collection and transmission charges to be borne by the Corporate Debtor. It was further stipulated that interest on the loan would accrue only upon the credit of funds to the Corporate Debtor's designated account.
- vii. As per the terms of the Agreement, interest was payable at the rate of 12% (twelve percent) per annum, to be computed and paid at the end of 90 (ninety)



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days from the date of execution of the Loan Agreement, unless otherwise mutually agreed in writing between the parties.

- viii. In the event of default, the Corporate Debtor was liable to pay default interest at the rate of 5% (five percent) per annum. It was further stipulated that any unpaid interest at the expiry of 90 (ninety) days from the date of execution of the Loan Agreement would be capitalised and added to the principal amount, thereby forming part of the outstanding loan liability. The interest was to be computed on a 365/366-day year basis and was to accrue prospectively from the date of disbursement of the loan amount.
- ix. The disbursement clause in the loan agreement states as follows:
- The decision of the Lender in this regard as to disbursal of the Loan shall be final, conclusive and binding on the Borrower.
- x. The loan was stipulated to be repayable on demand. The Corporate Debtor was obligated to repay the principal loan amount, together with interest and all related costs, charges, and expenses, immediately upon demand by the Financial Creditor. It was further provided that if the due date for any payment fell on a Saturday or a bank holiday, such payment was to be made on the preceding working day. In the event of any delay or default in payment, the Corporate Debtor was liable to reimburse the Financial Creditor for any amounts paid or incurred by the Financial Creditor on behalf of the Corporate Debtor, and such amounts would carry interest from the date of such payment until full and final repayment of the amount.



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- xi. Clause 15 of the Agreement enumerated the Events of Default, including non-payment of dues, breach of terms, insolvency or arrangement with creditors, failure to provide information as required, or any other event which, in the sole discretion of the Financial Creditor, was prejudicial to its interests.
- xii. Upon the occurrence of a default, the Financial Creditor was entitled to declare all outstanding amounts immediately due and payable, initiate appropriate legal proceedings, and take such other actions as deemed necessary. The Corporate Debtor was further made liable to bear all legal, enforcement, and recovery expenses incurred by the Financial Creditor.
- xiii. The Agreement was to remain in force until full repayment of the loan and all related dues to the satisfaction of the Financial Creditor. The facility could be renewed by mutual consent of the parties, without the requirement of executing a fresh agreement, and the right to approve such renewal vested exclusively with the Financial Creditor.
- xiv. The Agreement prescribed the manner of appropriation of payments made by the Corporate Debtor, which were to be applied in the following order of priority: (i) towards costs and expenses, (ii) towards default interest, (iii) towards regular interest, (iv) towards principal, and (v) towards any other charges. It further provided that notices issued under the Agreement would be deemed valid if sent by email, prepaid post, or recorded telephonic communication, in accordance with the stipulated rules of receipt. Copy of the Loan Agreement dated 25.09.2024 is annexed as Exhibit "C" with the application.



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- xv. Pursuant to the Loan Agreement dated 25.09.2024, the Financial Creditor disbursed the loan facility in three tranches- Rs. 15,00,000/- (Rupees Fifteen Lakh only) and Rs. 25,00,000/- (Rupees Twenty-Five Lakh only) on 25.09.2024, and Rs. 1,60,00,000/- (Rupees One Crore Sixty Lakh only) on 26.09.2024. a Copy of the Bank Statement of the Financial Creditor evidencing the said disbursements is annexed as Exhibit "D" with the application.
- xvi. It is submitted that the period of 90 (ninety) days from the date of execution of the Loan Agreement expired on 24.12.2024. However, the Corporate Debtor failed to repay the loan within the said period. In terms of Clause 5 of the Loan Agreement, the Financial Creditor became entitled to interest at the rate of 12% (twelve percent) per annum on the total amount disbursed to the Corporate Debtor from the respective dates of disbursement. Furthermore, the unpaid interest at the expiry of the said 90-day period was capitalised and added to the principal outstanding.
- xvii. The Financial Creditor repeatedly called upon the Corporate Debtor to repay the outstanding loan amount along with the interest accrued thereon. However, despite repeated requests and reminders, the Corporate Debtor failed and neglected to make payment of the said facility.
- xviii. On 08.05.2025, the Financial Creditor issued a Demand Notice to the Corporate Debtor, recalling the entire loan facility. By the said notice, the Financial Creditor called upon the Corporate Debtor to make payment of Rs. 2,00,00,000/- (Rupees Two Crore only) along with accrued interest of Rs.



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- 14,72,877/- (Rupees Fourteen Lakh Seventy-Two Thousand Eight Hundred Seventy-Seven only) within a period of seven (7) days from the date of service of the Demand Notice. A copy of the Demand Notice dated 08.05.2025 is annexed as Exhibit "E" with the application.
- xix. The Demand Notice dated 08.05.2025 was duly dispatched to the Corporate Debtor through RPAD on 10.05.2025. As per the tracking report issued by India Post, the said notice was delivered to the Corporate Debtor on 15.05.2025. Accordingly, the debt became due and payable on 15.05.2025. copies of the postal receipt and tracking report evidencing service of the Demand Notice is annexed as Exhibit "F" with the application.
- xx. The default occurred on 23.05.2025, i.e., upon expiry of seven (7) days from the date of service of the Demand Notice dated 08.05.2025, on account of the Corporate Debtor's failure to make payment of the entire outstanding amount within the stipulated period. Consequently, the Corporate Debtor became liable to pay additional default interest at the rate of 5% (five percent) per annum from the date of default.
- xxi. In the given circumstances set out hereinabove, the Corporate Debtor failed to repay the financial debt owed to the Financial Creditor. After failing to pay the outstanding amount with interest, the Corporate Debtor rendered itself liable for Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016.
- xxii. Hence this Application.



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8. Applicant has attached the following documents with the Application:

- I. A copy of Loan Agreement dated 25.09.2024.
- II. A copy of master data of Corporate Debtor.
- III. Copy of working for calculation of principal, interest amount due and days of default.
- IV. A copy of bank statement.
- V. Copy of the Demand Notice dated 08.05.2025 along with postal receipts and tracking report.
- VI. A copy of NESL Form C.
- VII. Copy of Form 2 written communication by Proposed IRP.

9. Additional affidavits dated 19.08.2025 and 12.09.2025 filed by the Applicant along with which following document have been attached:

- I. Copy of letter of Authority of Partners.
- II. Copy of NeSL Form D dated 10.09.2025. The said Form-D states that the status of authentication of default is "Deemed to be Authenticated", date of default is 23.05.2025 and default amount is Rs. 2,19,82,397.48/-.
- III. Copy of email received from State Bank of India dated 05.08.2025.
- IV. Copy of email received from Corporate Debtor dated 10.09.2025.



10. **Reply Affidavit dated 20.08.2025** was filed and affirmed by one Mr. Nitesh Kabra, the Authorised Representative of the Corporate Debtor. The contents of the aforesaid Affidavit are summarised hereinbelow:
- i. The Corporate Debtor has denied allegations made by the Applicant seeking the initiation of the Corporate Insolvency Resolution Process (CIRP) under Section 7 of the Insolvency and Bankruptcy Code, 2016. The Corporate Debtor asserts that the application is inconsistent, legally untenable, challenging the maintainability of the application and deserves to be dismissed.
 - ii. It is submitted that the purported Loan Agreement dated 25.09.2024, forming the basis of the Applicant's claim, is inadequately stamped, unregistered, and not duly executed in accordance with law.
 - iii. As per the provisions of the Maharashtra Stamp Act, 1958, read with the Indian Stamp Act, 1899, any instrument chargeable with stamp duty cannot be admitted in evidence, relied upon, or acted upon unless it is duly stamped. The purported Loan Agreement relied upon by the Applicant is not duly stamped in accordance with law and, therefore, cannot be considered for the purpose of establishing the existence of debt or default under Section 7 of the Insolvency and Bankruptcy Code, 2016.
 - iv. It is further submitted that the said Agreement is neither notarised nor registered under the provisions of the Registration Act, 1908, despite purporting to create rights and obligations pertaining to repayment of money over a specified period. Such a document, being compulsorily registrable, cannot be admitted in evidence unless duly registered in accordance with law.



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- v. In view of the aforesaid defects, the said Agreement cannot be treated as a valid or enforceable “financial contract” within the meaning and scope of the Insolvency and Bankruptcy Code, 2016.
- vi. It is submitted that the Insolvency and Bankruptcy Code, 2016, is not intended to serve as a debt recovery mechanism. The Hon’ble Supreme Court has consistently held that proceedings under Section 7 of the Code cannot be invoked for extraneous or mala fide purposes. Where the underlying intent behind advancing funds is to earn exorbitant interest and to misuse the provisions of the IBC as a tool for coercive recovery, such proceedings are liable to be dismissed at the threshold, even at the stage of admission.
- vii. Admitting the present Application in the absence of a legally enforceable debt would be contrary to the objectives and spirit of the Insolvency and Bankruptcy Code, 2016, and would cause irreparable prejudice to the Corporate Debtor and its ongoing business operations.
- viii. Without prejudice to the foregoing submissions, it is respectfully submitted that the Corporate Debtor is presently facing temporary financial constraints and expresses its bona fide intention to amicably resolve the matter with the Financial Creditor.
- ix. In light of the foregoing facts, legal provisions, and circumstances, it is evident that the present Petition is fundamentally defective and not maintainable either on facts or in law. The Applicant has placed reliance on a purported Loan Agreement which is inadequately stamped, unregistered, and consequently



inadmissible in evidence under the provisions of the Maharashtra Stamp Act, 1958 and the Registration Act, 1908. These defects strike at the root of the matter and clearly establish that there exists no valid or enforceable financial contract between the parties.

Rejoinder by the Applicant

11. Order dated 16.09.2025, records that the Applicant chose not to file a rejoinder.
12. Written submission were filed on 10.09.2025 by the Applicant and on 15.09.2025 by the Respondent, we have considered the respective written submissions.

ANALYSIS AND FINDINGS

13. We have heard the learned Counsel for the Applicant and the learned Counsel for the Respondent. We have perused the materials and documents placed by both the parties on record of this Tribunal.
14. The Applicant has placed on record a loan agreement dated 25.09.2024, executed between the Applicant and the Corporate Debtor, under which a sum of Rs. 2,00,00,000/- (Rupees Two Crore Only) was advanced as an interim financial facility. The disbursement was made in three tranches- Rs. 25,00,000/- and Rs. 15,00,000/- on 25.09.2024 and Rs. 1,60,00,000/- on 26.09.2024. The Applicant has produced copies of bank statements evidencing the said disbursements. The said agreement set out the terms of financial facility, including repayment obligations, interest terms, and default clauses.



15. As per the terms of the Agreement, the loan carried an interest of 12% per annum, repayable within 90 days from the date of execution, and in the event of default, the Corporate Debtor was liable to pay additional interest at the rate of 5% per annum. The 90-day period from the date of execution expired on 24.12.2024, although the Corporate Debtor failed to make repayment. Consequently, the Applicant issued a Demand Notice dated 08.05.2025, recalling the facility and demanding repayment of Rs. 2,00,00,000/- along with interest of Rs. 14,72,877/-. The notice was duly served and delivered to the Corporate Debtor on 15.05.2025 and default occurred on 23.05.2025, upon expiry of the stipulated period of 7 days. Thus, default occurred within the meaning of 3(12) of the IBC. The amount of claim stands at Rs. 2,18,82,397/- which comprises of the principal and interest.

16. The Corporate Debtor, in its Affidavit in Reply dated 20.08.2025, has not disputed the receipt of funds from the Applicant. The primary contention of the Corporate Debtor pertains to alleged defects in stamping and registration of the Loan Agreement. It is argued that the Agreement is inadequately stamped and unregistered, and therefore cannot be relied upon in evidence to establish a “financial debt” under Section 7 of the IBC.

Defects in the Loan Agreement

17. The Corporate Debtor in its Reply Affidavit has contended that the Loan Agreement is inadequately stamped and unregistered, and therefore, inadmissible in evidence and the said agreement cannot be treated as a valid or enforceable “financial contract” within the meaning of the IBC.



18. The Applicant in its written submission stated that the Corporate Debtor's objection regarding non-stamping or non-registration of the loan agreement is without merit. For admitting an application under Section 7 of the IBC, it is sufficient to prove that a financial debt exists and that a default has occurred. These are clearly shown through bank records, Demand Notice and the Corporate Debtor's acknowledgement. Even without stamped or registered document, once, disbursement and time-value of money are established, the debt qualifies as a financial debt under the IBC.
19. The said Loan Agreement dated 25.09.2024 bears the signature from both the parties which discloses the execution of the agreement between the parties.
20. Upon perusal of the records, it is observed that the Applicant has substantiated the disbursement of funds to the Corporate Debtor through banking channels. The corresponding entries in the Applicant's bank statements clearly establish the outflow of funds to the Corporate Debtor's account. The Corporate Debtor has not disputed the receipt of these amounts and vide its email dated 10.09.2025, expressly acknowledged the outstanding liability towards the loan amounting to Rs. 2,00,00,000/- and requested for an extension of the payment timeline by 2 to 3 years to enable for clearing the outstanding dues.
21. The Corporate Debtor received and utilised the funds under a structured repayment arrangement carrying interest. The disbursement and corresponding liability to repay, supported by documentary evidence, satisfy the essential ingredients of a financial debt within the meaning of Section 5(8) of the IBC.



22. We rely on a judgement of Hon'ble NCLAT in the matter of ***Vinayak Exports, Mrs. Divya M. Jain Versus M/s. Colorhome Developers Pvt. Ltd.- Company Appeal(AT)(Insolvency) No. 06 of 2019***, wherein it was held that –

*“12. In view of the above reasons, we are of the view that the amounts borrowed by the Respondent is a debt due and payable and it is borrowed against a time value of money. The Hon'ble Supreme Court in the matter of **“Innoventive Industries Ltd. Vs. ICICI Bank and Anr.” – (2018)1 SCC 407**, in paragraphs 27, 28, 29 & 30 held which read as under:*

“27. The scheme of the Code is to ensure that when a default takes place, in the sense that a debt becomes due and is not paid, the insolvency resolution process begins. Default is defined in Section 3(12) in very wide terms as meaning nonpayment of a debt once it becomes due and payable, which includes non-payment of even part thereof or an instalment amount. For the meaning of “debt”, we have to go to Section 3(11), which in turn tells us that a debt means a liability of obligation in respect of a “claim” and for the meaning of “claim”, we have to go back to Section 3(6) which defines “claim” to mean a right to payment even if it is disputed. The Code gets triggered the moment default is of rupees one lakh or more (Section 4). The corporate insolvency resolution process may be triggered by the corporate debtor itself or a financial creditor or operational creditor. A distinction is made by the Code between debts owed to financial creditors and operational creditors. A financial creditor have been defined under Section 5(7) as a person to whom a financial debt is owed and a financial debt is defined in Section 5(8) to mean a debt which is disbursed against consideration for the time value of money. As opposed to this, an operational creditor means a person to whom an operational debt is owed and an operational debt under Section 5 (21) means a claim in respect of provision of goods or services.

28. When it comes to a financial creditor triggering the process, Section 7 becomes relevant. Under the explanation to Section 7(1), a default is in respect



of a financial debt owed to any financial creditor of the corporate debtor – it need not be a debt owed to the applicant financial creditor. Under Section 7(2), an application is to be made under sub-section (1) in such form and manner as is prescribed, which takes us to the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Under Rule 4, the application is made by a financial creditor in Form 1 accompanied by documents and records required therein. Form 1 is a detailed form in 5 parts, which requires particulars of the applicant in Part I, particulars of the corporate debtor in Part II, particulars of the proposed interim resolution professional in part III, particulars of the financial debt in part IV and documents, records and evidence of default in part V. Under Rule 4(3), the applicant is to dispatch a copy of the application filed with the adjudicating authority by registered post or speed post to the registered office of the corporate debtor. The speed, within which the adjudicating authority is to ascertain the existence of a default from the records of the information utility or on the basis of evidence furnished by the financial creditor, is important.

This it must do within 14 days of the receipt of the application. It is at the stage of Section 7(5), where the adjudicating authority is to be satisfied that a default has occurred, that the corporate debtor is entitled to point out that a default has not occurred in the sense that the “debt”, which may also include a disputed claim, is not due. A debt may not be due if it is not payable in law or in fact. The moment the adjudicating authority is satisfied that a default has occurred, the application must be admitted unless it is incomplete, in which case it may give notice to the applicant to rectify the defect within 7 days of receipt of a notice from the adjudicating authority. Under subsection (7), the adjudicating authority shall then communicate the order passed to the financial creditor and corporate debtor within 7 days of admission or rejection of such application, as the case may be.

29. The scheme of Section 7 stands in contrast with the scheme under Section 8 where an operational creditor is, on the occurrence of a default, to first deliver



a demand notice of the unpaid debt to the operational debtor in the manner provided in Section 8(1) of the Code. Under Section 8(2), the corporate debtor can, within a period of 10 days of receipt of the demand notice or copy of the invoice mentioned in subsection (1), bring to the notice of the operational creditor the existence of a dispute or the record of the pendency of a suit or arbitration proceedings, which is pre-existing – i.e. before such notice or invoice was received by the corporate debtor. The moment there is existence of such a dispute, the operational creditor gets out of the clutches of the Code.

30. On the other hand, as we have seen, in the case of a corporate debtor who commits a default of a financial debt, the adjudicating authority has merely to see the records of the information utility or other evidence produced by the financial creditor to satisfy itself that a default has occurred. It is of no matter that the debt is disputed so long as the debt is “due” i.e. payable unless interdicted by some law or has not yet become due in the sense that it is payable at some future date. It is only when this is proved to the satisfaction of the adjudicating authority that the adjudicating authority may reject an application and not otherwise.”

13. We find that there is a debt due and payable which is more than Rs. 1 lakh and the same has been defaulted by the Respondent and being satisfied with the grounds as mentioned by the Appellants and in view of the judgment of Hon’ble Supreme Court (supra), we hereby set aside the impugned order dated 25th October, 2018, and hold that it is a fit case to trigger Insolvency Resolution Process.”

23. The default is clearly evidenced by the Demand Notice dated 08.05.2025 and the Corporate Debtor’s failure to make payment within the stipulated period. The Corporate Debtor has not produced any material to show the outstanding amount has been settled or repaid.



24. Further, the Corporate Debtor also failed to respond to the said Demand Notice and did not comply with the requirement to make payment within the stipulated period of 7 days. The documents placed on record such as bank statements, demand notice and loan agreement also support the claim of default on 23.05.2025. Therefore, the contention of the CD with regard to unstamped and non-registered agreement holds no water.

Misuse of Insolvency Proceedings

25. The Corporate Debtor has contended that the IBC is not a debt recovery mechanism.

26. We find that the Applicant has produced sufficient documentary evidence to establish the existence of financial debt and the occurrence of default as contemplated under Section 7 of the IBC. The loan agreements, bank statements clearly demonstrate that a financial facility was extended to the Corporate Debtor and the Corporate Debtor has failed to discharge its repayment obligations. The default is further corroborated by the record of the Information Utility in NeSL Form D.

27. The Corporate Debtor has not denied the sanction or disbursement of the loan and also not produced any material to rebut or disprove the debt and default. On perusal of the Corporate Debtor's reply more specifically para 10 it is seen that the Corporate Debtor has accepted that it was facing financial constraints and expresses its bona fide intention to amicably resolve the matter with the Applicant which shows that Corporate Debtor has admitted its liability.



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28. The Corporate Debtor has failed to bring anything on record to establish that the Applicant has filed the application for making coercive recovery and not for resolution. Therefore, the contention of the Corporate Debtor that the Applicant is misusing the insolvency proceedings is misplaced and untenable.
29. Upon perusal of the records and hearing the submissions by the both the parties, this Tribunal is satisfied that a financial debt exceeding the threshold of Rs. One Crore as per Section 4 of IBC, 2016 exists, there has been a default in repayment, the application is within limitation, Application is complete as all the required documents have been attached along with the Application, all procedural requirements under Section 7 of the IBC, 2016 and Rule 4 of the Adjudicating Authority Rules are satisfied.
30. Further, the Applicant has proposed the name of Mr. Pradeep Kumar Kabra, registration no. **IBBI/IPA-001/IP-P01104/2017-18/11790** to be appointed as the IRP, attached its consent in Form 2 and from the said Form 2 it is observed that there is no disciplinary proceeding pending against the proposed IRP. His AFA is valid till 31.12.2025.
31. In view of the above, we are of the view that the Application filed by the Applicant herein deserves to be admitted.
32. We make it clear that at this stage, we have not crystalized the amount as claimed in this application and the same is left to be collated by the IRP.
33. In view of above, we pass the following order:



ORDER

- i. The Corporate Debtor- **KL Enterprises LLP** [LLPIN: AAA-5012], is admitted into the Corporate Insolvency Resolution Process under Section 7(5)(a) of the Code.
- ii. As a consequence thereof, moratorium under Section 14 of 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 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;
 - 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 the Corporate Debtor.



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- iii. The order of moratorium shall have 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 Corporate Debtor under Section 33 of the IBC, 2016, as the case may be.
- iv. It is further directed that the supply of essential goods/services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period as per provisions of sub-sections (2) and (2A) of Section 14 of IBC, 2016.
- v. We hereby appoint **Mr. Pradeep Kumar Kabra**, an Insolvency Professional having (Email: ippradeepkabra@gmail.com) registration no. **IBBI/IPA-001/IP-P01104/2017-18/11790**, as the Interim Resolution Professional ('IRP') of the Corporate Debtor.
- vi. The Financial Creditor is directed to pay an advance of **Rs. 3,00,000/-** (Rupees Three Lakhs Only) to the above-named IRP within a period of 7 days from the date of this order **to meet the cost of CIRP** arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- vii. The IRP shall perform all his functions as contemplated, inter-alia, under Sections 17, 18, 20 & 21 of the IBC, 2016. 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 under section 19 of the IBC, 2016 for extending assistance



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and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate, the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

- viii. This Adjudicating Authority directs the IRP to make a public announcement for the initiation of CIRP and call for the submission of claims under Section 15, as required by section 13(1)(b) of the IBC, 2016.
- ix. The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever.
- x. The IRP or the RP, as the case may be, shall submit to this Adjudicating Authority monthly reports with regard to the progress of the CIRP in respect of the Corporate Debtor.
- xi. The IRP shall be under duty to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern, to the extent possible, as a part of obligation imposed by Section 20 of the IBC, 2016.
- xii. The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the IRP and the concerned Registrar of Companies, after completion of necessary formalities on the same day and upload the same on the website immediately after the pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specifically mentioning



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regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

- xiii. The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.
- xiv. **Accordingly, CP (IB)/699(MB)2025 stands admitted.** A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

**Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)**

**Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)**

// C. Sarkar-LRA VI //