NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT VI

Item No. P3.

C.P. (IB)/503(MB)2026

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **20.07.2026**

NAME OF THE PARTIES: **L S Auxi Chem Pvt. Ltd.**

Vs

Infiiloom India Private Limited

Under Section 9 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/-
NILESH SHARMA
MEMBER (JUDICIAL)

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

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IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI

C.P. (IB)/503/MB/2026

[Under Section 9 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016]

IN MATTER OF:

L S AUXI CHEM PVT LTD.
[CIN No.: U24110MH2011PTC213739]
4624/25, G.I.D.C. Sarigam, Taluka- Umbergaon
Dist. Valsad, Sarigam-396155.

Having another address as: E-Square, 202,
Subhash Rd, Vishnu Prasad Society, Navpada
Netaji Subhash Nagar, Vile Parle
Mumbai, Maharashtra - 400057.

…Operational Creditor/Applicant

V/s

INFIILOOM INDIA PRIVATE LIMITED
[CIN No.: U17118PN1995PTC018285]
GAT NO. 1231 (Part), Sanaswadi, Taluka Shirur,
Dist. Pune
Pune, Maharashtra-412208.

...Corporate Debtor

Pronounced: 20.07.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)
HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant: Adv. Ms. Kajol Shah a/w Adv. P. Kataria.

For Respondent: None present.

ORDER

[PER: CORAM]

1. BACKGROUND

1.1 This C.P. (IB) No. 503 of 2026 (Application) was filed on 09.04.2026 by L S Auxi Chem Pvt Ltd., the Operational Creditor (OC), under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC), read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, through Mr. Manikant Mishra – Authorised Representative of the OC *vide* Board Resolution dated 11.03.2026, seeking initiation of Corporate Insolvency Resolution Process (CIRP) against Infiiloom India Private Limited, the Corporate Debtor (CD).

1.2 As per Part IV of the Application, the amount claimed to be in default is Rs. 1,15,56,674/- (One Crore Fifteen Lakh Fifty-Six Thousand Six Hundred Seventy-Four Rupees), i.e., principal amounting to Rs. 95,60,888/- (Ninety-Five Lakh Sixty Thousand Eight Hundred and Eighty-Eight Rupees) alongwith contractual interest at the rate of 18% p.a.

1.3 The date of default is mentioned as November,2024.

2. CONTENTIONS OF APPLICANT (OC)

2.1 The OC is a company engaged in the business of manufacturing of textile speciality chemicals and surfactant formulations. The CD is engaged in the business of manufacturing socks.

2.2 The CD has been associated with the OC since several years and has purchased goods from the Operational Creditor in the form of textile chemicals.

2.3 It is submitted that between June 2024 to May 2025, based on the request of the Corporate Debtor, the Operational Creditor has provided the said goods to the Corporate Debtor from time to time against which the Operational Creditor raised invoices for the goods purchased by the Corporate Debtor from the Operational Creditor. The said invoices were accepted by the Corporate Debtor without any dispute or demur. Further, no dispute was ever raised by the Corporate Debtor with respect to the payment against the invoices raised by the Operational Creditor, nor towards the quality, quantity, or timeline of delivery of the said goods. Copies of the invoices raised by the Operational Creditor against the Corporate Debtor are annexed as **Exhibit C "Colly"** to the Application**.**

2.4 The details of the invoices raised by the Operational Creditor to the Corporate Debtor are set out below:

Sr.No	Invoice No.	Invoice Date	Amt.	Due date (days)	Pending Default
1.	2071	20.11.2024	11,52,270.00	120	2,63,510.00
2.	2225	09.12.2024	3,62,921.00	120	3,62,921.00
3.	2296	17.12.2024	1,89,390.00	120	1,89,390.00
4.	2368	26.12.2024	3,78,780.00	120	3,78,780.00
5.	2396	30.12.2024	3,78,780.00	120	3,78,780.00
6.	2408	31.12.2024	1,89,390.00	120	1,89,390.00
7.	2523	15.01.2025	5,58,701.00	120	5,58,701.00
8.	2685	01.02.2025	2,81,996.00	120	2,81,996.00
9.	2686	01.02.2025	2,11,497.00	120	2,11,497.00
10.	2752	07.02.2025	2,11,497.00	120	2,11,497.00
11.	2753	07.02.2025	3,87,746.00	120	3,87,746.00
12.	2793	11.02.2025	8,78,746.00	120	8,78,746.00
13.	2842	18.02.2025	8,31,104.00	120	8,31,104.00
14.	2911	25.02.2025	8,78,746.00	120	8,78,746.00
15.	2976	05.03.2025	7,04,991.00	120	7,04,991.00
16.	3029	11.03.2025	8,78,746.00	120	8,78,746.00
17.	3079	20.03.2025	7,04,991.00	120	7,04,991.00
18.	154	14.04.2025	3,52,496.00	120	3,52,496.00
19.	491	22.05.2025	9,16,860.00	120	9,16,860
		Total	1,04,49,648.00		**95,60,888.00**

2.4 Notwithstanding the above, commencing from November 2024, the Corporate Debtor defaulted in making payment of the outstanding amounts due under the said invoices. Despite repeated verbal communications, written reminders, and follow-ups issued by the Operational Creditor, the Corporate Debtor failed and neglected to liquidate the outstanding dues. Copies of the reminder/ follow up emails between the Operational Creditor and the Corporate Debtor are annexed as **Exhibit "D"** to the Application**.**

2.5 On 05.11.2025 at 1.30 P.M. an email was sent to Mr. Vineet Baberwal, who is a DGM-Purchase at the Corporate Debtor, regarding sharing of the ledger upto 31.10.2025 to complete the bank formalities. Through an email communication, dated 13.11.2025, Mr. Vineet expressly admitted and acknowledged its outstanding liability of Rs.95,60,888/- and enclosed a detailed statement of account confirming the same. The Corporate Debtor further assured to clear the entire outstanding amount at the earliest. The said acknowledgment constitutes a clear and unequivocal admission of debt and liability. Copy of the email dated 13.11.2025 is annexed as **Exhibit "E"** to the Application.

2.6 However, despite the aforesaid admission and assurance, the Corporate Debtor failed to honour its commitment. Consequently, a sum of Rs.1,15,56,674/- i.e. (Principal amount 95,60,888/- along with contractual interest at the rate of 18% per annum] from 20.11.2024 till the date of realisation, remains due and payable by the Corporate Debtor to the Operational Creditor.

2.7 In view of the persistent default, the Operational Creditor was constrained to issue a demand notice dated 20.01.2026 under Section 8 of the Code, calling

upon the Corporate Debtor to pay the outstanding operational debt. The said notice was duly delivered upon the Corporate Debtor on 22.01.2026 as per the tracking report. Copies of the demand Notice dated 20.01.2026 and the Track Consignment Report dated 22.01.2026 are annexed as **Exhibit "F" Colly.**

2.8 Despite receiving of the statutory demand notice, the Corporate Debtor neither replied to the notice within the prescribed period nor raised any dispute regarding the debt. The Corporate Debtor has also failed to discharge the outstanding liability in terms of the said notice and the Operational Creditor was constrained to file this Application.

2.9 The Applicant has attached the following supporting documents along with the Application:

a) A copy of the Master Data of the Operational Creditor and the Corporate Debtor available on the MCA website.

b) A copy of the Board Resolution dated 11.03.2026

c) A copy of the invoices raised by the Operational Creditor against the Corporate Debtor.

d) A copy of the reminder/ follow up emails between the Operational Creditor and the Corporate Debtor.

e) A copy of the email dated 13.11.2025.

f) A copy of the demand Notice dated 20.01.2026, Postal receipt and the Track Consignment Report dated 22.01.2026.

g) Affidavit for No Dispute

h) IBBI Service proof

3. ADDITIONAL AFFIDAVIT (12.06.2026)

3.1. This Tribunal *vide* order dated 08.05.2026, pointed out certain defects in the application and directed the Applicant to cure the same and file written submissions on maintainability. The discrepancies identified by the Bench were as follows:

a. The total amount claimed in this Application is Rs.1.16 crore whereas the principal amount included in the same is Rs. 95.61 lakhs and the balance amount is towards interest.

b. No exact date of default has been mentioned in the Application, the Applicant states that the Default commenced from November, 2024.

c. Ledger Account of the Corporate Debtor at Page 95 of the Application reveals that neither the interest was charged in the account nor paid by the Corporate Debtor.

d. That the Purchase order issued by the Corporate Debtor has not been attached.

e. The Applicant has not attached the Record of Default with the Information Utility.

3.2 In compliance of the above, Applicant filed Additional Affidavit dated 12.06.2026 offering the following clarification:

3.3 It is submitted that while the principal amount due stands at Rs.95,60,888/-, the total claim amount inclusive of contractually agreed interest is Rs.1,12,52,832,57/- thereby comfortably exceeding the mandatory statutory threshold of Rs. 1 Crore prescribed under Section 4 of IBC.

3.4 The definition of “debt” under Section 3(11) IBC includes any liability or obligation in respect of a “claim”. Section 3(6) defines “claim” as a right to

payment, whether or not such right is reduced to judgment, fixed, disputed, undisputed, legal, equitable, secured or unsecured. The contractual interest @ 18% per annum on delayed payments is a clear “right to payment” and therefore forms an integral part of the operational debt under Section 5 (21) IBC.

3.5 The Corporate Debtor itself issued 19 Purchase Orders through its internal ERP system. A sample Purchase Order No. 4600019980 dated 04.02.2025 (placed at Annexure B to the Additional Affidavit) expressly states:

> *“Dear Sir, we are pleased to place the order on terms and conditions stipulated in the PO. Kindly confirm the PO within one month otherwise it will be treated as confirmed.*

3.6 The Operational Creditor supplied the goods in terms of these orders. No formal confirmation was required, the act of supply itself resulted in deemed confirmation as per the Corporate Debtor’s own stipulation**.** The goods were physically delivered, received, accepted, and consumed by the Corporate Debtor without a single complaint, rejection, or dispute regarding quality, quantity, or terms as per the Affidavit of no dispute annexed to the Company Petition.

3.7 It is submitted that both parties share a long-standing business relationship where the Corporate Debtor has always accepted past transactions and invoices, including the 18% interest clause for delayed payments, without any objections. This consistent history of doing business proves that there is a clear, ongoing contractual agreement between both parties to follow these exact terms. Copies of the previous invoices are annexed as **Annexure B** to the Additional Affidavit.

3.8 That the said Purchase Orders, read with the corresponding Tax Invoices, constitute a binding contract. The invoices explicitly stipulate interest at 18% per annum on delayed payments. The General Terms & Conditions annexed to the Purchase Orders further reinforce the obligation to make timely payment and the consequences of delay. The Corporate Debtor never disputed this interest term at any point.

3.9 That the said ledger account maintained by the Corporate Debtor at Page 95 of the petition reflects only the principal transactions. This is because interest is a contractual add-on that becomes payable only upon delay in payment as per the agreed terms. In this case, the interest is calculated after 120 days, as per the said invoices. Moreover, the interest is not required to be booked in the regular running account ledger in day-to-day transactions. However, this does not in any manner dilute or extinguish the contractual liability to pay interest, especially when the same is expressly recorded in the Purchase Orders and Invoices accepted by the Corporate Debtor. The Applicant has placed detailed written submissions on this issue citing relevant NCLAT judgments based on the maintainability of the Company Petition. Copies of the Purchase Orders issued by the Corporate Debtor are annexed as **Annexure C** to the Additional Affidavit**.**

3.10 The Operational Creditor states that the defaults are invoice-specific. The first default occurred on 20.03.2025 upon expiry of the credit period of the last invoice. Invoice-wise details of due dates and dates of default have been provided in the Company Petition on page 6 filed herewith. The Operational Creditor has already attached invoices as **Exhibit C Colly** in the Company

Petition but the Operational Creditor also craves leave to tender the invoices as and when required.

3.11 While the ledger account maintained by the Corporate Debtor may not reflect the interest component, but the same is clearly stipulated on the face of each Tax Invoice**,** which forms an integral part of the contract**.** The Corporate Debtor never disputed the interest term at any point. The ledger at page 95 only reflects the principal transactions. But the contractual interest is still payable and includible as per the Tax Invoice which is without any dispute**.** An Affidavit for No Dispute has already been attached in the Company Petition from page nos. 111-113.

3.12 The Operational Creditor states that Corporate Debtor had issued 10 Purchase Orders through its internal ERP system. The complete set of these Purchase Orders is now being placed on record and marked collectively as Annexure C. These documents establish the contractual relationship, proof of supply, acceptance of goods, and the basis for raising the invoices.

3.13 With reference to the NeSL Record of Default (Form C & D), it is hereby brought to attention of the Tribunal that the said Form C is generated and has been attached. With respect to the Form D, the same is in the process of generating by the relevant department, and once the said form is generated, the same will be tendered before this Tribunal for its kind perusal. In the meanwhile, the default is sufficiently proved by the Purchase Orders and the Tax Invoices which specifically mention about interest, unpaid invoices, admitted ledger extracts, bank statements, and the Corporate Debtor's own email dated 13.11.2025 admitting the outstanding liability of Rs.95,60,888/-. Copy of the said Form C is annexed as **Annexure D.**

3.14 The Applicant states that there was an inadvertent error on our part in calculating the interest values correctly. The total value of the interest is Rs.16,91,944.57 and the total claim amount is Rs.1,12,52,832.57. Copy of the interest calculation sheet, computed from the date of default until realization is annexed as **Annexure E** to the Additional Affidavit.

4. WRITTEN SUBMISSIONS (OC)

4.1 The Operational Creditor reiterated the facts of the Application and Additional Affidavit in the written submission. Hence, the same is not reproduced for the sake of brevity.

4.2 The Operational Creditor relies upon the following judgements:

a. Hon'ble NCLAT in Prashant Agarwal v. Vikash Parasrampuria & Anr. [Company Appeal (AT) (Insolvency) No. 690 of 2022, decided on 15.07.2022]

b. Hon'ble NCLAT in CBRE South Asia Pvt. Ltd. v/s United Concepts and Solutions Pvt. Ltd. [Company Appeal (AT) (Insolvency) No. 188 of 2022, decided on 30.08.2022]

c. Hon'ble NCLAT in Mr. Anuj Sharma V/s. Rustagi Projects Pvt Ltd. And Ors" [Company Appeal (AT) (Insolvency) No. 550 of 2023, decided on 04.07.2023]

5. ANALYSIS AND FINDINGS

5.1 We have perused the documents as placed before us and have heard the Ld. Counsel for the Applicant.

5.2 It is evident from the Applicant's own pleadings that the total amount claimed to be in default is **Rs.1,12,52,832.57/-,** comprising of principal

amount of **Rs. 95,60,888/-** and interest component of **Rs. 16,91,944.57/-** calculated at 18% p.a. from the due dates of invoices till the date of realization. Once the interest component is excluded, the principal amount admittedly falls below the statutory threshold of Rs. 1 crore prescribed under Section 4 of the IBC.

5.3 As such, the issue in this application is as to whether the Application filed under Section 9 is maintainable without including the interest in the total amount of claim, on the ground that interest is being charged on the basis of unilateral entry in the invoices, without any clause for payment of interest in the Purchase Orders and without any other evidence on record of an agreement between the parties for payment of interest as claimed in the invoice on account of delay.

5.4 The Applicant, further states that the Purchase Orders are issued through its internal ERP system and these documents establish the contractual relationship, proof of supply of goods and acceptance of goods. On perusal of the Purchase Orders we notice that there is no clause for payment of interest by the CD for delayed payments to be paid by the CD, though there is a clause stating that interest at the prevailing Bank rates on overdrafts will be charged from Applicant for the advances held beyond the delivery dates. Therefore, it is clear that in the Purchase Order there is no clause for payment of interest by the CD in case of delay in payment of invoices raised by the Applicant, though Purchase Orders provide that in case the advances paid by the CD to the Applicant for supply of goods, are held beyond the delivery dates, interest shall be paid by the Applicant to the CD. As these are the terms agreed between the two parties, this Tribunal

cannot rewrite the said terms and insist that as the CD is entitled to interest on its advances held beyond the delivery date, the CD should be made liable to pay the interest on the delayed payments towards the invoices raised by the Applicant though the Purchase Order does not contain any clause to the said effect, nor is there, any other document reflecting to agreement of the parties to the said effect under the said circumstances, we are of the view that the claim of interest as made by the Applicant is not legally maintainable.

5.5 This Tribunal relies on the judgment of Hon'ble NCLAT in ***Shah Paper Mills Ltd. v. Shree Rama News Print & Papers Ltd***., (2024) ibclaw.in 589 NCLAT wherein it is stated that,

> *"If purchase order is totally silent about the payment of interest of the delayed amount, Operational Creditor cannot be allowed to claim the interest on the basis of the invoice"*

5.6 Hence, relying on the aforesaid judgment and documents, it is safe to say there is no contractual agreement for interest payment between the parties.

5.7 The Applicant has not placed before this Tribunal any material to establish that in the past dealings between the parties any interest was charged by the Applicant, which was duly paid by the CD. It is also noted that the Applicant has in the pleadings submitted that the interest was never charged earlier and only delayed interest is being charged in the present Application.

5.8 The Applicant has relied on the judgment of Hon'ble NCLAT in ***Prashant Agarwal v. Vikash Parasrampuria [2022 SCC OnLine NCLAT 3781]*** stating that where invoices containing interest clauses are accepted by the

CD without dispute, the interest liability crystallizes into a valid debt. However, this Tribunal has relied on the recent judgement of a 3-member bench of Hon'ble NCLAT, New Delhi, in the matter of ***Ajay Rana (Director of Erstwhile Sarika Industries Pvt. Ltd.) vs. Sanjay Kumar Goel and Ors.***, Company Appeal (AT) (Ins) 1045 of 2023, wherein it was held in para 15 that:-

> *"15. In this regard, there is no dispute that the principal amount of Rs. 79,82,857/- is less than the threshold of Rs. 1 Cr. and the interest component is of Rs. 45,12,857/- which is claimed by the OC on the basis of the entry in the invoice for charging interest at the rate of 18% p.a. on delayed payment. There is also no dispute that there is no other evidence on record which may suggest or indicate that the parties had agreed to pay 18% interest p.a. on the delayed payment of the invoice. Thus, the only evidence possessed by the OC is the invoice regarding which this Court, in the case of Rishabh Infra (Supra) and Shitanshu Bipin Vora (Supra), after taking into consideration the decision in the case of Prashant Agarwal (Supra), relied upon by the OC, has categorically held that mere unilateral entry of interest in the invoice, in the absence of an agreement for interest or any other document showing that the CD had accepted the obligation to pay the interest, is not sufficient to claim the same. Thus, in our considered opinion, the Tribunal has committed an error in relying solely upon the unilateral entry in the invoice regarding the interest."*

5.9 Applying the ratio of the judgment of Ajay Rana (supra), the interest claimed by the Applicant on the basis of unilateral entries in the invoices, not being grounded in any contractual clause, and not supported by any other evidence on record suggesting that the parties had agreed to pay interest, is legally unsustainable. Though the OC has referred to various email correspondences with the CD in its Application, there is nothing on record to demonstrate that the CD has ever agreed to pay the interest. Even the Applicant has demanded payment of interest dues from the CD

for the first time vide its Demand Notice u/s 8 of the IBC, 2016 dated 20.01.2026.

5.10 This Bench also relies upon the judgments of Hon'ble NCLAT in the matters of ***Rishabh Infra v. Sadbhav Engineering Ltd, [(2024) ibclaw.in 707]*** and ***Shitanshu Bipin Vora v. Shree Hari Yarns Pvt. Ltd. And Mr. Rajan Garg in Company Appeal (AT) (Insolvency) No. 2204 of 2024,*** wherein Hon'ble NCLAT has held that where the agreement between the parties or purchase order does not provide for payment of interest on delayed payments, a unilateral provision in the invoices cannot be the basis of overriding the terms as agreed by the parties in the agreement or the work order. The relevant portions of the said judgments are reproduced hereunder:

"i. ***Rishabh Infra v. Sadbhav Engineering Ltd, [(2024) ibclaw.in 707]*** *wherein vide order dated 04.11.2024, it was held as below:*

"9. we are of the view that invoices which have been sent by the Operational Creditor containing the term of interest cannot be operated against the Corporate Debtor unless there is an agreement for interest or any other document showing that the Corporate Debtor has accepted the obligation for interest. 10. There is nothing to substantiate that the Corporate Debtor has accepted the obligation to pay the interest @24% per month, as claimed by the Operational Creditor. The entire Principal Amount having been paid, the Adjudicating Authority did not commit any error in rejecting the Section 9 Application filed by the Operational Creditor. There is no merit in the Appeal."

ii. ***Shitanshu Bipin Vora v. Shree Hari Yarns Pvt. Ltd. And Mr. Rajan Garg in Company Appeal (AT) (Insolvency) No. 2204 of 2024****, in which vide order dated 16.04.2025, it was held as below:*

"46. The Respondent has also relied upon the judgment of this Tribunal in Prashant Agarwal Vs. Vikash Parasrampuria & Anr. In Company Appeal (AT)(Insolvency) No. 690 of 2022 decided on15.07.2022, wherein this Tribunal has held that the total amount which includes both principal debt

and interest on delayed payment as was stipulated in the invoices itself will become the total debt outstanding as per the requirements of Section 4 IBC in a Section 9 Application. The facts of each case are different. We note contrasting judgments relied upon by the Respondent. The Appellant has relied upon the Judgment of this Tribunal in Rishabh Infra Through Hari Mohan Gupta Vs. Sadbhav Engineering Ltd in Company Appeal (AT) (Insolvency) No. 1881 of 2024 decided on 04.11.2024, wherein this Tribunal has held that in the view that invoices which have been sent by the Operational Creditor containing the term of interest cannot be operated against the Corporate Debtor unless there is an agreement for interest or any other document showing that the Corporate Debtor has accepted the obligation for interest at para 9,. On this basis, this Tribunal has not accepted claim of the Operational Creditor for claiming interest in a Section 9 Application filed by the Operational Creditor.

47. Similarly, the Appellate Tribunal in the case of SS polymers vs Kanodia Technoplast Limited, had held that relying on the invoices to raise claims for payment of interest is against the principle of the Code. Relevant extracts from this judgment are reproduced hereinbelow:

"4 The Learned Counsel for the appellant relied on 'invoices' to suggest that in the 'invoices,' the claim was raised for payment of interest. However, we are not inclined to accept such submission as they were one side Invoices raised without any consent of the 'Corporate Debtor'.

5. Admittedly, before the admission of an application under Section 9 of the Code, the 'Corporate Debtor' paid the total debt. The application was pursued for realisation of the interest amount, which, according to us is against the principle of the Code, as it should be treated to be an application pursued by the Applicant with malicious intent (to realise only Interest for any purpose other than for the Resolution of Insolvency, or Liquidation of the 'Corporate Debtor' and which is barred in view of Section 65 of the Code."

48. The Appellant has relied upon the judgments of this Appellate Tribunal in Krishna Enterprises vs. Gammon India Ltd [supra] wherein vide order dated 27.07.2018 it was held that 'debt' in terms of the Code does not include interest, unless payable in terms of any agreement among parties. The relevant extract of the judgment passed by the Appellate Tribunal is reproduced below:

"4. It is submitted that the 'debt' includes the interest, but such submission cannot be accepted in deciding all claims. <u>If in terms of any agreement interest is payable to the Operational or Financial Creditor then debt will</u>

include interest, otherwise, the principle amount is to be treated as the debt which is the liability in respect of the claim which can be made from the Corporate Debtor.

(emphasis supplied) ……

51. In the above background, we find that the claim of the Operational Creditor with respect to the interest is not maintainable and, in that situation, the claim does not meet the threshold for admitting Section 9 Application ……"

5.11 It is therefore safe to conclude that the present Section 9 Application has been filed by artificially inflating the alleged default through an interest claim which has no contractual, legal or practice between the parties. Such an approach is contrary to the object and scheme of the IBC and amounts to a misuse of the insolvency process as a recovery mechanism, which has been consistently criticized by the Hon'ble Supreme Court and the Hon'ble NCLAT.

5.12 The Applicant has relied on the judgments of Hon'ble NCLAT in *CBRE South Asia Pvt. Ltd. v/s United Concepts and Solutions Pvt. Ltd.* [Company Appeal (AT) (Insolvency) No. 188 of 2022 and *Mr. Anuj Sharma V/s. Rustagi Projects Pvt Ltd. And Ors* [Company Appeal (AT) (Insolvency) No. 550 of 2023 stating that where interest is expressly stipulated in the invoices or purchase orders, the same must be included while computing the threshold limit under Section 4 of the IBC. Considering the same, we find that the above judgments will not come to the rescue of the Applicant as there are judgments as mentioned above i.e., ***Rishabh Infra v. Sadbhav Engineering Ltd, [(2024) ibclaw.in 707]*** and ***Shitanshu Bipin Vora v. Shree Hari Yarns Pvt. Ltd. And Mr. Rajan Garg in Company Appeal (AT) (Insolvency) No. 2204 of 2024,*** wherein the Hon'ble NCLAT

has held that where the agreement between the parties or purchase order does not provide for payment of interest on delayed payments, a unilateral provision in the invoices cannot be the basis of overriding the terms as agreed by the parties in the agreement or the work order.

5.13 Accordingly, the interest component claimed by the Applicant cannot be included while computing the amount of default. Upon exclusion of the said interest, the principal amount falls below the statutory threshold under Section 4 of the IBC, and consequently, the present Application under Section 9 is liable to be dismissed as not maintainable.

5.14 Accordingly, we hold that the Application under Section 9 of the IBC is not maintainable as the principal operational debt which is **Rs**. **95,60,888/-** falls below the prescribed threshold limit. Further, the Applicant has failed to establish any legal or contractual entitlement to interest as required under law. The Application is thus liable to be dismissed on this ground alone. The principal amount being less than Rs. 1 Crore, the Application fails to satisfy the mandatory requirement under Section 4 and is therefore not maintainable.

5.15 We make it clear that the Applicant is free to approach any other forum, as permissible under the law, for the recovery of the outstanding dues.

5.16 Accordingly, CP(IB)/503(MB)2026 stands **rejected** being not maintainable.

5.17 A certified copy of this order may be issued by the Registry, if applied for, expeditiously.

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

//VM//