NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.203
CP(IB)/72(MP)2024

Order under Section 7 IBC

IN THE MATTER OF:

M/s Samunnati Financial Intermediation and Services Pvt Ltd **........Applicant**
V/s
M/s Mahakali Foods Pvt Ltd **........Respondent**

Coram:

Hon'ble Shri Brajendra Mani Tripathi, Member (J)
Hon'ble Shri Man Mohan Gupta Member (T)

PRONOUNCEMENT OF ORDER
Delivered on 31/07/2026

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Sd/-

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)

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THE NATIONAL COMPANY LAW TRIBUNAL

BENCH AT INDORE

CP(IB) No. 72 of 2024

[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

SAMUNNATI FINANCIAL INTERMEDIATION & SERVICES PRIVATE LIMITED

(CIN: U65990TN2014PTC096252)

Baid Hi Tech Park, No 129 B, 8th Floor

SH 4, Thiruvanmiyur, Chennai, Tamil Nadu,

India, 600041. **... Applicant (Financial Creditor)**

Versus

Mahakali Foods Private Limited

CIN: Ul5499MP2002PTC015006

48 Bengali Colony, Kanadiya Road, Indore,

Madhya Pradesh – 452001 **... Respondent(Corporate Debtor)**

C O R A M:

HON'BLE SH. BRAJENDRA MANI TRIPATHI, MEMBER (J)

HON'BLE SH. MAN MOHAN GUPTA, MEMBER (T)

Order Pronounced on 31.07.2026

Appearance:

For the Applicant : Mr. Rohit Dubey, Adv

For the Respondent : Ms. Pragya Joshi, Adv (Physical) a.w.

: Mr. Harshit Mangal, Adv (Physical).

JUDGEMENT

1. This Company Petition has been filed by M/s. Samunnati Financial Intermediation & services Pvt. Ltd ("Financial Creditor"), seeking to initiate Corporate Insolvency Resolution Process (CIRP) against M/s Mahakali Foods Pvt Ltd ("Corporate Debtor") under Section 7 of the Insolvency and Bankruptcy Code, 2016 (IBC) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for having committed a default in payment of its outstanding debts amounting **Rs.4,41,12,323.99/-** the **date of default** is stated to be **30.09.2023** and additional interest thereupon.
2. Perusal of Part-I of the Form-1 indicates that the Financial Creditor is one M/s. Samunnati Financial Intermediation & services Pvt. Ltd withy CIN No. U65990TN2014PTC096252.The Registered office of the Financial Creditor is situated at Baid Hi Tech Park, No 129 B, 8th Floor SH 4, Thiruvanmiyur, Chennai, Tamil Nadu,India, 600041**.** This petition has been filed through Senior Manager Mr.Imatiaz Amin, S/o. Qamar, who has been authorised by Power of Attorney dated 19.11.2024.
3. Perusal of Part-II of the Form-1 indicates that the Corporate Debtor is one M/s Mahakali Foods Private Limited having CIN No. Ul5499MP2002PTC015006. The registered office of the Corporate Debtor is

situated at 48 Bengali Colony, Kanadiya Road, Indore , Madhya Pradesh-452001 .

4. Perusal of Part-III of the Form-1 indicates that the applicant has nominated Mr. Navin khandelwal, Insolvency Professional, having Registration No. IBBI/IPA-001/IP-P00703/2017-2018/11301 to act as Interim Resolution Professional ("IRP"). The proposed IRP has given written communication Form-2 dated 15.11.2024 as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules,2016 (Annexure-A2) being AFA valid up to 31.12.2026.
5. Perusal of Part-IV and Part-V of the Form-1 revealed that the Financial Creditor has placed the facts through this petition in the following manner:-
   i. The Corporate Debtor is a corporate entity engaged in the bussiness to meet the working capital requirement for procurement and processing of Soya and other commodities .
   ii. The Financial Creditor i.e. Ms. Samunnati Financial Intermediation & Services Pvt. Ltd during the course of its business has extended financial assistance to the Corporate Debtor vide Sanction Letter bearing No. SAMFTN/ ARF I 16712018-J 9 dated 5th March 2019 sanctioned a Short-Term Loan facility (ARF) in the favor of Corporate Debtor. Pursuant to this sanction various amounts were disbursed from time to time since March 2019.
   iii. Initially the Corporate Debtor was regularly repaying the loan, but subsequently the loan was converted into a long-term facility of Rs. 3,00,00,000 by sanction letter SAMFIN/AE/0234/2021-22 dated 20 September 2021, and the Corporate Debtor together with the Personal Guarantors executed fresh loan documents in favor of the Financial Creditor.

iv. The loan sanctioned on 20 September 2021 was repayable over 48 months in 24 EMIs, commencing after a 24 month moratorium however, immediately after the moratorium ended the borrower defaulted on the first instalments due on 30.09.2023 when the payment was dishonoured by the Corporate Debtor.

v. The outstanding debt worsened when cheques dated 22.12.2023 for INR 3,95,25,000 were dishonoured on presentation, and despite a Section 138 NI Act notice dated 04.01.2024 the amount remained unpaid. The Corporate Debtor further defaulted by ignoring the loan recall notice dated 12.02.2024 and by failing to comply with an arbitral award dated 05.08.2024 directing payment of INR 4,02,52,695 (plus interest), leaving the Financial Creditor's dues wholly unpaid.

vi. The long-term loan sanctioned by letters dated 20.09.2021 remains outstanding and in default with accrued interest. The Financial Creditor filed the default record with the information utility on 06.06.2024, which was **deemed to be authenticated on 23.06.2024.**

vii. The Applicant/ Corporate Debtor and its guarantors have executed following documents to secure the said credit facilities:

a. Application for credit facilities dated 20/09/2021(Annexure A3)
b. The Board Resolution Regulation dated 28.09.2021.
c. Agreement for Term Loan dated 20.09.2021 for the repayment of Rs. 3,00,00,000/- with interest 17%p.a.
d. Deed of Hypothecation dated 03/10/2021 of stock and book debts to the extent of loan outstanding from Samunnati , also secured by way of personal guarantees Paritosh Saha and Pankaj Saha.
e. Form of special power of Attorney dated 1/10/2021.

viii. The Applicant issued notice under section 138 of the Negotiable Instrument Act to the Respondent on **04.01.2024** (Annexure-A5).

The Respondent Company, M/s. Mahakali Foods Private Limited, being a chronic defaulter, failed to discharge its legally enforceable debt despite repeated demand notices issued by the client. Towards repayment of the outstanding liability, Respondent issued two post-dated cheques, as followed:

SI.No	Cheque No /Date	Bank	Amount in Rs
1.	'329157'/Dt:22.12.2023	BANK OF INDIA Sanket Nagar Branch, Indore, Madhya Pradesh - 462001	Rs.2,00,00,000/- (Rupees Two Crore Only)
2.	'329158'/Dt:22.12.2023	BANK OF INDIA Sanket Nagar Branch, Indore,Madhya Pradesh 462001	Rs.1,95,25,000/- (Rupees One Crore Ninety Five Lakhs Twenty five Thousand Only)

The said cheques were presented on 22.12.2023 for encashment through Axis Bank, Thiruvanmiyur Branch, Chennai, but were dishonoured and returned unpaid with the remark “EXCEEDS ARRANGEMENT” vide return memo dated **26.12.2023.**

ix. On account of default in repayment the applicant filed the present application before the Adjudicating Authority under section 7 of the IB Code for recovery of a default amount of Rs. as on 30.01.2024.

Reply Submitted by Respondent:

6. The Corporate Debtor, M/s Mahakali Foods Private Limited, through its authorized signatory (Board resolution at ANNEXURE R/1), has filed this reply to an application under Section 7 of the Insolvency and Bankruptcy Code, 2016, brought by M/s Samunnati Financial Intermediation & Services Pvt. Ltd. seeking initiation of the Corporate Insolvency Resolution Process against Mahakali Foods.
7. The Corporate Debtor denies all allegations and contentions in the Applicant's petition as misconceived, baseless and incorrect, expressly denies any matter not specifically admitted, and submits that the petition is defective, incomplete and non-compliant with mandatory requirements of the Insolvency and Bankruptcy Code, 2016, and therefore liable to be rejected at the threshold.
8. The Corporate Debtor contends that the Applicant's ascertained "date of default is arbitrary and unsupported by law or the agreement, arguing that courts require the date to be clearly discernible from the contract because the Applicant has chosen a date merely to suit a Section 7 filing without legal basis, the petition should be dismissed.
9. The Corporate Debtor submits that the Applicant failed to produce foundational documents such as the original loan agreement, sanction terms, disbursement records, and a certified complete statement of account and that the petition relies only on self-serving statements, tables and unilateral assertions which do not amount to legally admissible proof of debt or default.
10. The Applicant has failed to establish the existence of a financial debt under Section 5(8) of the Insolvency and Bankruptcy Code, 2016, as no evidence has been produced to show that any amount was disbursed in consideration

for the time value of money. Mere reliance on a revised agreement, without the original transaction documents, is insufficient to prove the debt. In the absence of complete and supporting documentation, the nature of the transaction remains uncertain, ambiguous, and disputed, and therefore cannot be regarded as a financial debt under the Code.

11. The Respondent argues that the Applicant did not produce bank statements, fund transfer proofs, or other primary financial records to prove actual disbursement of the alleged loan, relying instead on a self-generated tabular statement that is not independently verifiable or legally admissible. In the absent of evidence of actual disbursement, the claimed debt has no foundation and the application must be dismissed.
12. The Corporate Debtor contends that the NeSL record is only prima facie and cannot be treated as conclusive proof of default, especially where authentication is absent and the underlying transaction itself is disputed therefore, the Applicant must still prove debt and default with independent, cogent evidence.
13. The Corporate Debtor submits that the Applicant’s ledger entries are self-serving and unproved, and in the absence of foundational evidence of disbursement, agreement, and certified account records, they cannot establish debt or default, mere bald allegations of non-payment are insufficient in law.
14. The Corporate Debtor contends that the alleged transaction is really a commercial or trade arrangement, not a pure financial loan, and therefore its true nature, the existence of debt, the manner of disbursement and the computation of default all require detailed factual scrutiny that cannot be done in summary proceedings under Section 7 of the IBC, on that basis, the application is liable to be rejected.
15. The Corporate Debtor submits that the alleged computation of default is vague, inconsistent and unreliable, with discrepancies in the EMI structure and

repayment schedule, and that these inconsistencies show the claim is not a clear or undisputed financial debt.

16. The Corporate Debtor submits that the Tribunal's jurisdiction under Section 7 is only summary in nature and cannot be used to decide disputed factual issues or as a substitute for recovery proceedings, especially where the alleged debt itself is contested. Since the Applicant has failed to clearly establish both the existence of financial debt and default through cogent and reliable evidence, the application is liable to be rejected at the admission stage.

17. The Respondent, through this initial reply, prays that the Tribunal dismiss the Section 7 application under the Insolvency and Bankruptcy Code, 2016, and also pass any other order it deems fit and proper in the facts and circumstances of the case.

<u>Written submissions on behalf of applicant to the reply of respondent (corporate debtor):</u>

18. The Applicant submitted written submission to the reply of Respondent dated 02-07-2026 stating that the Corporate Debtor's reply is a deliberate, baseless attempt to evade its financial obligations and to deter the Section 7 petition by raising false and frivolous objections.The Applicant says those objections should be rejected because (a) the date of default is clearly established from the loan documents and NPA records, (b) all requisite documents proving disbursement and existence of financial debt have been filed in compliance with Section 7 and the Rules, and (c) the transaction qualifies as a "financial debt" under Section 5(8) of the IBC irrespective of end-use, so the matter is fit for admission of the CIRP.

19. The Applicant denies the Respondent's claim that the date of default is arbitrary, stating it is clearly established from the loan agreement/sanction letter and the agreed repayment schedule.The Petition (Form 1) specifies 30.09.2021 as the date of default, corroborated by cheque dishonour on

22.12.2023 for INR 3,95,25,000/-, non-compliance with a Section 138 notice dated 04.01.2024, and a Loan Recall Notice dated 12.02.2024, with supporting records including the statement of account and **NeSL entry dated 06-06-2024** which states that it is deemed to be authenticated **.**The Applicant submits that the Respondent has offered only bald, unsupported allegations and no counter-evidence, and therefore the challenge to the date of default is frivolous and aimed at evading Section 7 proceedings.

20. The Applicant rejects the Respondent's allegations (Paras 6, 7, 8 and 10) that foundational documents, proof of disbursement, or originals were not produced, calling those contentions false and baseless. The Applicant states it filed all required records with the Section 7 petition including the sanction letter/loan agreement (and revised/renewed agreement), statement of account, and NeSL default record, which together constitute legally admissible evidence of the financial debt, and that certified true copies comply with Section 7 and Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, so the Respondent's objections are misconceived and untenable.

21. The Applicant submits that the NeSL Record of Default is a valid record under the IBC and carries strong prima facie evidentiary value for proving default, so the Respondent's bare denial without any contrary material is untenable. The Applicant further states that the Respondent has produced no evidence to show non-disbursement of the loan or absence of financial debt, and that unsupported selective denial cannot displace the documentary record on file, including the authenticated default record maintained through the information utility.

22. The Applicant states that the ledger accounts maintained in the ordinary course of business are admissible proof of the financial debt and the amounts due, and that the Respondent's claim that they are "self-serving" is merely an

evasive defence rather than a bona fide dispute. The Applicant further relies on settled law that, for a Section 7 petition, it is enough to establish the existence of a financial debt and its default, the nature or purpose of the underlying commercial transaction need not be proved.

23. It is settled law that, at the Section 7 stage, the inquiry is limited to whether a financial debt exists and whether a default has occurred. The Applicant says that the Sanction Letter and agreed repayment schedule show when the first instalment became due after the contractual moratorium, and the Respondent's non-payment of that instalment constitutes the date of default, so the Section 7 application must be admitted if otherwise complete.

24. The Corporate Debtor has acknowledged the **debt through its OTS** dated **28th January, 2026,** requests, and the Petition also relies on an arbitral award at page 82, both of which support the existence of the liability.

25. The Applicant submits that the Corporate Debtor is liable to pay the outstanding financial debt of INR 4,41,12,323.99 to the Financial Creditor, and that the present case warrants commencement of the CIRP.Accordingly, the objections raised in the reply deserve rejection and the Section 7 petition ought to be admitted.

<u>Analysis and Observation:</u>

26. We have heard the counsel appearing for both the parties and have perused the records.

27. It is observed that the original petition was filed on 20-12-2024 , and in this petition the sanction letter dated 20-09-2021,is shown to be executed with moratorium of 12 months but in the amended petition filed on 28-07-2025, it is seen that the moratorium is 24 months from the date of sanction and the date of default is 30.09.2023.

28. The present Company Petition has been filed by the Financial Creditor 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, seeking initiation of Corporate Insolvency Resolution Process against the Corporate Debtor on account of default in repayment of financial **debt amounting to Rs. 4,41,12,323.99/- as on 30.09.2023**. It is evident from the record that the present petition was filed on 20.12.2024, while the date of default is 30.09.2023. Accordingly, the application has been filed well within the prescribed period of limitation.

29. The Financial Creditor has pleaded that it extended financial assistance to the Corporate Debtor under a sanction letter dated 05.03.2019 and thereafter under a revised sanction letter dated 20.09.2021, by which the earlier facility was converted into a long-term loan facility of Rs. 3,00,00,000/-. It is stated that the Corporate Debtor and its guarantors executed the necessary loan documents, including the agreement for term loan, deed of hypothecation and other connected documents, and that disbursement was made from time to time. It is further stated that the loan was repayable in instalments after a moratorium period, and that the Corporate Debtor committed default upon failure to pay the instalments as they fell due.

30. The Financial Creditor has placed on record the sanction letter, loan agreement, statement of account, ledger accounts, information utility record, cheque dishonour particulars, Section 138 notice dated 04.01.2024, loan recall notice dated 12.02.2024, OTS requests, and the arbitral award referred to in the petition. The petition also indicates that the proposed Interim Resolution Professional has furnished the requisite written communication in Form-2 and that the authorization in favour of the signatory is on record.

31. The Corporate Debtor has filed a reply opposing the petition, contending that the petition is defective and incomplete, that the date of default is arbitrary, that foundational documents and proof of disbursement have not been produced, that the NeSL record is only prima facie, that the ledger entries are

self-serving, and that the transaction is not clearly established as a financial debt. It has also contended that the petition seeks to use Section 7 as a recovery mechanism and that the claim requires detailed factual scrutiny.

32. The Financial Creditor, in its rejoinder/written submissions, has denied the objections and has reiterated that the date of default is clearly established from the loan documents and repayment schedule. It has relied upon the statement of account, information utility record, dishonour of cheques, statutory notice, loan recall notice, ledger accounts, OTS requests and arbitral award to contend that the debt and default are sufficiently established for admission of the petition.

33. The scope of inquiry under Section 7 of the IBC is confined to the ascertainment of the existence of a financial debt and occurrence of default. Referring to the case of **M/s Innovative Industries Limited V/s ICICI Bank** and Others, Hon'ble Supreme Court of India has held that: -

> *"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."*

On the materials placed before this Tribunal, the Financial Creditor has produced the loan documents, sanction letters, agreement, statement of account, ledger accounts, information utility record, and subsequent correspondence evidencing demand and non-payment. The Corporate Debtor has disputed the petition, but the objections raised do not dislodge the documentary record placed by the Financial Creditor. Since both the conditions are conclusively established here, the petition to initiate CIRP against M/s.Mahakali Foods Pvt Ltd. Should be admitted.

34. The contention regarding the date of default does not persuade this Tribunal in view of the loan documents and repayment schedule referred to in the petition, coupled with the subsequent dishonour of cheques, statutory notice, loan recall notice and the information utility record. The default appears to be clearly borne out from the material on record.
35. The objection that the petition is unsupported by foundational documents is also untenable in view of the sanction letter, loan agreement, statement of account, ledger accounts and information utility record filed along with the petition. The documents relied upon by the Financial Creditor are sufficient at this stage to establish the existence of financial debt and default. The objection that the transaction is not a financial debt is also not borne out from the record placed before the Tribunal, particularly in view of the sanction of loan facility, execution of loan documents, and disbursal of funds.
36. The information utility record filed by the Financial Creditor carries evidentiary value and supports the case of default. The Corporate Debtor has not produced material to negate the debt or disprove the default. The ledger accounts and OTS requests, the arbitral award referred to in the petition further supports the existence of liability.
37. In the facts and circumstances of the case, this Tribunal is satisfied that a financial debt is due and payable by the Corporate Debtor, and that default has occurred in payment of the same. The petition is complete in all respects and is fit for admission under Section 7 of the IBC.

38. The petition is supported by clear documentary evidence showing a financial debt, an admitted default by the Corporate Debtor, and consistent acknowledgements of the outstanding liability , thereby meeting the statutory requirements for admission under Section 7 of the Code. The consent of the insolvency professional has been obtained to act as IRP who is eligible to be appointed as an IRP as no disciplinary proceedings are pending against him. Hence, we pass the following directions:

ORDER

i. Corporate Debtor M/s. Mahakali Foods Private Limited **is admitted** in the Corporate Insolvency Resolution Process under Section 7 of Insolvency and Bankruptcy Code, 2016.

ii. We appoint Mr. Navin Khandelwal, Registration No. IBBI/IPA-001/IP-P00703/2017-2018/11301 under Section 13(1)(c) of the IB Code as IRP.

Name of IRP : Mr. Navin Khandelwal

IBBI Reg No. : IBBI/IPA-001/IP-P00703/2017-2018/11301

Address : 206, Navneet Plaza, 5/2, Old Palasia, Indore – 452018, Madhya Pradesh

E-mail : navink25@yahoo.com

iii. That the Moratorium under Section 14 of the Code shall come to effect from the date of the order till the completion of Corporate Insolvency Resolution Process or until this Bench approves the Resolution Plan under Sub- Section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, as the case may be.

iv. The Adjudicating Authority hereby prohibits the institution of suits or continuation of pending suit or proceedings against the Corporate Debtor including the execution of any judgment, decree or order in any Court of law and further prohibits a Tribunals, Arbitration Panels or other Authority(s), transferring, encumbering, alienating or disposing (of by the Corporate Debtor) any of Corporate Debtor assets or any legal right or beneficial interest therein; 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 SARFAESI Act, 2002 the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

v. The IRP so appointed shall make the Public announcement of the Corporate Insolvency Resolution Process (CIRP) be made immediately as specified under Section 13 of the Code and by calling for submissions of the claim under Section 15 of the Code.

vi. The IRP shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor constitute a Committee of Creditors (hereinafter referred as 'CoC") and shall file a report certifying the CoC to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene the first meeting of the CoC within seven days of filing the report of CoC.

vii. The IRP shall perform all his functions as contemplated, inter-alia, by Sections 17,18,20 &21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its Promoter, or any other person associated with management of the Corporate Debtor are under legal obligation as per Section 19 of the Code to extend every assistance and co-operation to the Interim Resolution Professional. 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 the appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

viii. 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 Insolvency & Bankruptcy Code, 2016.

ix. We direct the Applicant to deposit a sum of Rs. 1,00,000/- with the Interim Resolution Professional, to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation, 2016. The needful shall be done within one week from the date of receipt this of order by the Financial Creditor.

x. The Registry is directed to communicate this order to the Petitioner-Financial Creditor, Corporate Debtor, and the Interim Resolution Professional and the concerned Registrar of Companies, after completion of necessary formalities, within three working days and upload the same on the website immediately after pronouncement of the order.

xi. The commencement of the Corporate Insolvency Resolution Process (CIRP) shall be effective from the date of this order.

xii. Copy of the order shall be communicated to the Applicant, Corporate Debtor as well as to the IRP appointed herein, by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records and also to RoC for updating the Master Data. RoC shall send compliance report to the Registrar, NCLT.

xiii. Accordingly, **CP(IB) 72 of 2024** stands **allowed & admitted .**

Sd/-	Sd/-
MAN MOHAN GUPTA	**BRAJENDRA MANI TRIPATHI**
(MEMBER TECHNICAL)	**(MEMBER JUDICIAL)**

Anushka Rawat-L.R.A