



**NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – II
CHENNAI**

**ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 05.05.2026 AT
10.30 A.M. THROUGH VIDEO CONFERENCING:**

**PRESENT: SHRI. JYOTI KUMAR TRIPATHI, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)**

APPLICATION NUMBER : --
PETITION NUMBER : CP/IBC/76/CHE/2025
NAME OF THE PETITIONER : Supreme Plascare India Pvt Ltd
NAME OF THE RESPONDENT(S) : Shiroo Polymers Pvt Ltd
UNDER SECTION : Sec 7 Rule 4 of IBC, 2016

ORDER

Vide separate order pronounced in open court, **CP/IBC/76/CHE/2025** is
Dismissed.

Sd/-
RAVICHANDRAN RAMASAMY
Member (Technical)

Sd/-
JYOTI KUMAR TRIPATHI
Member (Judicial)

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**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH-I, CHENNAI**

CP/IB/76/CHE/2025

*(filed under section 7 of the Insolvency and Bankruptcy Code, 2016
r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)*

In the matter of SHIROO POLYMERS PRIVATE LIMITED.

SUPREME PLASCARE INDIA PRIVATE LIMITED

K 16, Phase II, Sipcot Indl park, Mambakkam,
Kanchipuram, Sriperumbdur, Tamil Nadu-602106

...Applicant/Financial Creditor

-Vs-

SHIROO POLYMERS PRIVATE LIMITED

No 20, Kundrathur main road, kundrathur,
Chennai 600069

...Respondent/Corporate Debtor

Order Pronounced on 05th May 2026

CORAM:

SHRI JYOTI KUMAR TRIPATI, MEMBER (JUDICIAL)

SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

For Applicant: Rohan Rajasekaran

For Respondent: Mr. Athiban Vijay



ORDER

(Heard Through Hybrid Mode)

This is an Application filed by Supreme Plascare India Private Limited (hereinafter the “Financial Creditor”) against Shiroo polymers private limited (hereinafter the “Corporate Debtor”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 seeking to initiate Corporate Insolvency Resolution Process against the Corporate Debtor.

2. In Part-I of the Application, it is stated that the Financial Creditor viz., Supreme Plascare India Private Limited was incorporated on 03.02.2022 with CIN: U22209TN2022PTC149625. In Part-II of the Application, the Registered office of the Corporate Debtor is stated to be No 20, Kundrathur main road, kundrathur, Chennai 600069.

3. In Part III of the application, the Financial Creditor has proposed one Mr K. J. Vinod as an “Interim Resolution Professional” of the Corporate Debtor. The Written Consent of the IRP is appended at Page No.56 of the Application typeset.

4. The Affidavit verifying the application is placed at Page No 15 of the Application typeset. Mr Sanjay Baid, managing director of the



Financial Creditor herein has sworn the Affidavit as the authorized representative of the Financial Creditor.

5. In Part-IV of the Application, it is stated that a total sum of Rs.1,13,75,929/- (Rupees one crore thirteen lakhs seventy-five thousand nine hundred and twenty nine only) is the amount claimed by the Financial Creditor as the Financial debt, due and payable by the Corporate Debtor. Further the date of default is stated to be 26.10.2024.

6. Part – V of the Application discloses the details of the documents which have been filed by the Financial Creditor to prove the existence of a 'Financial debt' and the same are enumerated hereunder:-

1. *NeSL report*
2. *Ledger statement maintained by the applicant.*
3. *Bank statements of the applicant showing Disbursement.*

7. Counsel for the Applicant submits that the Corporate Debtor had approached the Financial Creditor seeking short terms loans in order to meet their financial commitments and working capital requirement such as their payments towards EMI's, EB bills, bank interest, salaries, 3rd party payments. It is stated that corporate debtor acknowledged the



outstanding liability, it is stated that in the reply to the corporate debtor has falsely disputed the demand.

8. Counsel for the Respondent it is submitted that Applicant cannot be treated as a financial creditor under the Code. For a debt to qualify as a financial debt under Section 5(8), there must be disbursement of money against the consideration for time value of money. It is stated that Petitioner and Respondent both are in the business of manufacture of Plastic articles During the course of the business, the Petitioner got in touch with the Respondent and stated that they were interested in establishing a commercial relationship.

9. It is stated that there are purchase invoices raised by the petitioner on the respondent pass well as the sales invoices raised by the respondent on the petitioner. It is stated that the respondent states that the petitioner has raised invoice on the respondent for the sale of raw materials in relation to the manufacture of plastic containers from June to October 2024.

10. The respondent states that amount shown as having been transferred from the petitioner to the respondent in the bank account statements filed by the petitioner is nothing, but amount paid by the petitioner for purchase of the plastic containers from the respondent.



11. It is stated that entire relationship between the parties was purely commercial in nature and not a financial arrangement. The transactions, including the flow of funds, pertained to supply of raw materials and purchase of finished goods in the ordinary course of business.

12. It is stated that actual funds transferred by the Petitioner to the Respondent come to only Rs. 99,13,664. This figure is evident from the very same bank statements filed by the Petitioner. The core component of the alleged debt, therefore, falls below the statutory threshold of one crore rupees the Petitioner has unilaterally added an amount of Rs. 5,22,159 as interest, without any agreement between the parties for payment of interest. There is no written contract, invoice, or communication indicating that interest would be payable on the amounts in question.

13. Heard to Learned counsel for both the parties and perused the document on record. We have carefully considered the rival submissions of both the Applicant and the Respondent and have perused the documents placed on record. The primary issue for our consideration is whether the debt claimed by the Applicant qualifies as a "Financial Debt" under Section 5(8) of the Insolvency and Bankruptcy Code, 2016.

14. The Applicant contends that the disbursements were short-term loans provided to the Respondent to meet working capital requirements. Upon



perusal of the invoices produced, it is abundantly clear that the parties were engaged in a continuous business-to-business relationship. The documents reveal purchase and sales invoices, suggesting an operational rather than a financial arrangement.

15. To qualify as a "Financial Debt" under the Code, the essential requirement is that the debt must be disbursed against the consideration for the time value of money. The burden of proof lies heavily on the Applicant to demonstrate that the transaction was not merely a commercial payment but a loan with an inherent element of time value of money.

16. The Applicant has relied upon an NeSL Certificate, a Ledger Statement, and a WhatsApp communication with regard to the NeSL Record: The NeSL report produced is not duly authenticated, and the ledger account relied on is the ledger statement of the applicant also The Applicant relies on a message from the Respondent stating, "*Sir, please consider as loan, we will adjust within a month later.*" Even otherwise we are of the view not to enter into the realm of appreciation of evidences we find it relevant to consider the literal and contextual interpretation of the phrase "*please consider as loan*" implies that the amount was not a loan at its inception. It indicates an attempt to recharacterize a pre-existing



commercial liability. We are of the firm view that the nature of a debt is sacrosanct. The legal character of a transaction is determined at the time of its inception and cannot be shifted at the whims of the parties to suit the jurisdiction of this Adjudicating Authority. For a debt to be "Financial," the "time value of money" must be the triggering factor for the disbursement. In the present case, the Applicant has failed to produce any written loan agreement, interest clause, or board resolution that supports the transition of these commercial dues into a financial debt.

18. Furthermore, the Respondent has raised a credible challenge regarding the statutory threshold. While the Applicant claims a sum of Rs. 1,13,75,929/-, the Respondent asserts that the actual principal transferred was only Rs. 99,13,664/-, with the balance being unilaterally added as interest without any underlying agreement. Since the Applicant has failed to establish the existence of a financial contract or a provision for interest, the inclusion of such interest to cross the Rs. 1 Crore threshold appears legally untenable.

19. In light of the above, we find that the Applicant has failed to prove that the alleged default pertains to a "Financial Debt" as defined under Section 5(8) of the Code for the above-mentioned reasons and contention we are considered the opinion that the applicant has failed to establish the



amount due and payable is financial debt. In view of the above-mentioned reasons and contention the application is Dismissed and Disposed of.

-SD-

RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-SD-

JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)

Rannika/LRA