



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH, COURT-I**

**CP (IB)74 (MB)/2026**

*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*

**INFINITE PINNACLE PRIVATE  
LIMITED**

...Financial Creditor/Applicant

Versus

**MART OVERSEAS PVT. LTD**

...Corporate Debtor/Respondent

**Order Pronounced on 07.05.2025**

*Coram:*

**Sh. Prabhat Kumar**

Hon'ble Member (Technical)

**Sh. Sushil Mahadeorao Kochey**

Hon'ble Member (Judicial)

*Appearances:*

For the Financial Creditor

: Ms. Swastika Kumari

For the Corporate Debtor

: Mr. Piyush Singhal



## ORDER

### Brief Facts:

1. This Company Petition is filed on 23.01.2026 under section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") by **INFINITE PINNACLE PRIVATE LIMITED** (CIN: U51101MH2005PTC156132) ("hereinafter referred to as the Financial Creditor /Applicant") seeking to initiate Corporate Insolvency Resolution Process (CIRP) against **MART OVERSEAS PVT. LTD.** (CIN: U32109MH2009PTC190400) hereinafter referred to as the Corporate Debtor/Respondent").
2. The Applicant is a Private Limited Company registered under the Companies Act, 2013 incorporated on 16<sup>th</sup> September 2005 having registered address at Table No.1, Office No. 704, 7th Floor Palm Spring Centre, C.S.L Link Road, Malad (West), Mumbai, Maharashtra-400064
3. The Respondent is incorporated under the Companies Act, 1956 on 18<sup>th</sup> February 2009 having its registered office at A1003, Siddhi Co-Op. Housing Society Nallasopara New Link Road, Vasant Nagari, Vasai (E), Thane, Maharashtra-401209. It is a Limited Company having authorized share capital Rs. 1,00,000/- and Paid up share Capital Rs. 1,00,000/-.
4. The total default amount is stated to be **Rs.1,24,13,200.96/-** (Rupees One Crore Twenty-Four Lakhs Thirteen Thousand Two Hundred and Ninety-Six Paisa only) in Part IV of the Application as on 28<sup>st</sup> February 2025 together with further interest @24% p.a. compoundable quarterly and the date of default is **31<sup>st</sup> March 2021**.



**Submissions of the Applicant:**

5. It is submitted that the Corporate Debtor had initially approached Infinite Pinnacle Pvt. Ltd. (Financial Creditor) seeking financial assistance for the purpose of business expansion. Upon consideration of the representations and assurances made by the Corporate Debtor, the Financial Creditor sanctioned a business loan of ₹1,00,00,000/- on 15.02.2021, carrying interest at the rate of 24% per annum, with a stipulation that in the event of delay in repayment, the interest would be compounded on a quarterly basis. Pursuant thereto, a Business Loan Agreement came to be executed between the parties on 08.03.2021. It is further submitted that the entire loan amount was disbursed on 05.03.2021 in three tranches.
6. In furtherance of the aforesaid transaction, the Corporate Debtor, from time to time, executed various loan and security documents in order to secure the sanctioned credit facilities. The said documents, inter alia, include the following:
  - a. *Request letter dated 04.02.2021 issued by the Corporate Debtor;*
  - b. *Sanction letter dated 15.02.2021; and*
  - c. *Business Loan Agreement dated 08.03.2021.*
7. The Financial Creditor has also placed on record various documents in support of its case. The same, inter alia, include the following:
  - i. *Letter dated 01.04.2021;*
  - ii. *Acknowledgement letter dated 09.04.2021;*
  - iii. *Letter dated 03.01.2022 and reply dated 23.02.2022;*
  - iv. *Letter dated 03.10.2022 and 05.07.2023 by the Financial creditor and reply dated 12.01.2023 and 04.10.2023;*
  - v. *Letter dated 01.01.2024;*
  - vi. *Letter dated 01.07.2024 by the Financial creditor and reply dated 18.10.2024;*



- vii. *Copies of the Bank Account Statement of the Applicant reflecting transfer of loan advances to Corporate Debtor;*
- viii. *Final Loan Recall Notice dated 01.03.2025 by the Financial creditor.*
8. It is stated that the Corporate Debtor committed default in repayment of its dues on 31.03.2021. As per the agreed terms, the entire principal along with accrued interest became due and payable on the said date. However, despite repeated reminders and notices issued by the Financial Creditor, the Corporate Debtor failed to discharge its repayment obligations.
9. It is pertinent to note that the Corporate Debtor acknowledged its default in repayment vide letter dated 09.04.2021. It is further submitted that, upon persistent follow-ups, the Corporate Debtor made certain partial payments aggregating to ₹99,89,950/- during the period from 09.01.2024 to 16.02.2024. However, a substantial portion of the outstanding debt remains unpaid.
10. Despite issuance of several reminder letters dated 01.04.2021, 03.01.2022, 03.10.2022, 05.07.2023, 01.01.2024, and 01.07.2024, the Corporate Debtor failed to clear its dues. In view of the continued default, the Financial Creditor issued a Loan Recall Notice calling upon the Corporate Debtor to repay the outstanding amount of ₹1,24,13,200.96/- as on 28.02.2025.
11. Despite repeated demands, the Corporate Debtor has failed to liquidate its outstanding liability. Consequently, the Petitioner has preferred the present Company Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor, in accordance with law.

**Submissions of the Respondent:**

The Respondent–Corporate Debtor has filed its reply opposing the admission of the present Petition, inter alia, on the following grounds:



12. It is submitted on behalf of the Respondent that during the relevant period, it was facing significant financial constraints and business disruptions, which adversely impacted its cash flows and overall operational stability. Owing to such circumstances, the Respondent was unable to adhere to the repayment schedule in the manner originally contemplated.
13. The Respondent further submitted that the subsequent course of dealings between the parties, including the communications exchanged and payments made from time to time, constitute material factors which merit due consideration while adjudicating the present Application.
14. It is submitted that the record itself reflects continuous exchange of communications between the parties in relation to the outstanding account. The Respondent, on several occasions, apprised the Applicant of the financial difficulties being faced and sought reasonable accommodation to enable it to regularise the account.
15. The Respondent further submitted that the Applicant has placed on record replies dated 09.04.2021, 23.02.2022, 12.01.2023, 04.10.2023 and 18.10.2024 issued by the Respondent. A perusal of the said replies would indicate that the Respondent consistently acknowledged delays in repayment, expressed regret, referred to financial difficulties and business downturn, and sought feasible mechanisms for regularisation of the account, including restructuring, revised payment schedules, and settlement discussions.
16. The Respondent submitted that despite financial difficulties, it did not remain inactive. On the contrary, the Respondent made substantial repayments aggregating to ₹99,89,950/- during the period from 09.01.2024 to 16.02.2024, as reflected in the Applicant's own computation. Such payments demonstrate the bona fides of the



- Respondent and its intention to reduce and discharge its liability under the loan arrangement.
17. It is further submitted that the Respondent was making genuine efforts to service the loan and reduce its liability. Such conduct, according to the Respondent, is not indicative of wilful default or commercial dishonesty, but rather reflects a situation of financial distress wherein the Corporate Debtor was attempting to meet its obligations to the best of its ability.
  18. The Respondent contended that the claim set up by the Applicant is substantially interest-driven. It is submitted that while the original principal disbursed was ₹1 crore, the present claim has been inflated by addition of continuing interest over a prolonged period, including post-default compounding. The Respondent submits that the claim ought to be examined in its proper commercial perspective.
  19. The Respondent further submits that the Insolvency and Bankruptcy Code, 2016 is not a mere recovery mechanism but a legislation with serious and far-reaching consequences. Admission of an application under Section 7 entails commencement of CIRP, displacement of management, imposition of moratorium, and initiation of a process which may culminate in resolution or liquidation, thereby impacting employees, business operations, and enterprise value.
  20. It is submitted that the Respondent continues to be a going concern and is making efforts to stabilise its business affairs. Having already demonstrated its intention to address the liability by making substantial payments, the Respondent submits that continuation of business coupled with a structured mechanism for repayment would serve the larger interests of all stakeholders, rather than precipitating insolvency proceedings.
  21. In view of the above, the Respondent submits that the circumstances leading to default, the prolonged engagement between the parties, repeated requests for restructuring or settlement, and substantial



repayments already made, warrant due consideration before taking the extreme step of admission of the present Application under Section 7 of the Code.

**Findings-**

22. Heard learned counsel for both the parties and perused the material produced on record.
23. It is an admitted position that the Corporate Debtor executed a Business Loan Agreement dated 08.03.2021. The relevant terms of the said Agreement are reproduced hereinbelow:
  - i. *“The Lender Company has sanctioned an interest-bearing short-term loan as detailed above, which the Borrower has duly acknowledged and confirmed.*
  - ii. *The rate of interest shall be 24% per annum, payable on or before 31.03.2021 along with the principal amount. In the event of non-payment within the stipulated period, the said interest shall be compounded on a quarterly basis.*
  - iii. *The tenure of the aforesaid short-term loan shall be up to 31st March 2021.*
  - iv. *The Borrower undertakes to repay the principal amount along with interest on the due date, i.e., 31st March 2021.”*
24. It is further noted that no document evidencing renewal or extension of the loan tenure has been placed on record. Accordingly, the loan became due and payable on 31.03.2021, and the date of default is, therefore, held to be 31.03.2021. It is pertinent to note that the Corporate Debtor has acknowledged its liability under the loan transaction in its responses to the Loan Repayment Notices dated 09.04.2021, 23.02.2022, 12.01.2023, 04.10.2023 and 18.10.2024. It is further observed that the Financial Creditor issued a Final Recall Notice dated 01.03.2025 calling upon the Corporate Debtor to repay the outstanding loan amount.



25. It is also material to note that the Corporate Debtor has made part payments aggregating to ₹99,89,950/- during the period from 09.01.2024 to 16.02.2024, as reflected in the computation sheet placed on record by the Financial Creditor.
26. This matter was heard and Reserved for order on 23.03.2026, however, during the drafting of said order, this Tribunal noted that an amount equivalent to the principal amount has been paid by the Corporate Debtor and the financial statements of the corporate debtor for the relevant years are not on record to ascertain as to whether the amounts claim as due are reflecting in the financial statements of the corporate debtor to verify whether the amount of dues, after including interest thereon, claimed as due by the Applicant Creditors in its letter(s) dated 01.04.2021, 03.01.2022, 05.07.2023, 01.01.2024, 01.07.2024 and 01.03.2025 are acknowledged as due in the books of the corporate debtor in view of observation of this Tribunal on perusal of letter(s) dated 09.04.2021, 23.02.2022, 12.01.2023, 04.10.2023, 18.10.2024 that these letter(s) issued by the corporate debtor does not state the amount due to Applicant Creditor by the Corporate Debtor, instead all these letter(s) carries a subject "*Response to Loan Repayment Notice*" without any reference to which letter such response was. Accordingly, the matter was de-reserved, and the Corporate Debtor was direct to place on record its financial statements for the year 2021-23, 2022-23, 2023-24 and 2024-25 along with the ledger account of Applicant Creditor appearing in the books of Corporate Debtor. Further, the Corporate Debtor was also directed to place on record the ledger account of Corporate Debtor appearing in the books of Applicant Creditor.
27. Consequent thereto, the applicant creditor has place on record the ledger account of Corporate Debtor for the year 2025-26, and appearing in its books, and the Corporate Debtor placed on record its financial statements for the year 2021-23, 2022-23, 2023-24 and 2024-



25 along with the ledger account of Applicant Creditor appearing in its books.

28. On perusal of these records it is noted that
- a) the balance due from the corporate debtor in the books of applicant creditor as on 01.04.2025 (opening balance carried forward) was Rs.10,050/-, which was paid on 10.7.2025 by the corporate debtor, and an interest of Rs. 1,24,13,200.00 was debited to the account of corporate debtor on 01.04.2025, indicating thereby that the corporate debtor had not accounted for the interest accrued on the loan advanced to the Corporate Debtor in its books of account in any of the year earlier thereto, though a company is obligated to prepare its books of account on accrual basis under Section 129 of the Companies Act, 2013.
  - b) Further, the Corporate Debtor had also not accounted for any interest payable on the loan in its books of account in any financial year ending till 31.03.2025.
  - c) Further, the financial statement of the Corporate Debtor reflects on the amount received from the applicant creditor as “*Advance from Customer*” and there is a corresponding asset for the equivalent amount shown as “*Advance to Supplier*” in the financial statements for the year 2021-22 and 2022-23.
  - d) Further, the financial statements of the corporate debtor reveal that the corporate debtor had revenue for operations amounting to Rs. 646351/- during the year ended 31.03.2020, and thereafter, neither had any revenue from its operation nor any purchases are debited to the profit & loss account.
  - e) Further, the financial statement of the corporate debtor for the year ended 31.03.2024 disclosed the total liabilities of Rs. 12,22,595/- and the total loan & advances receivable to the amounting of Rs. 26,56,363/- & no fixed assets.

- f) Further, the financial statement of the corporate debtor for the year ended 31.03.2024 disclosed the contingent liabilities aggregating to Rs. 250 crores as detailed below:

#### 16. Contingent Liabilities

The details of various demands raised by the Income Tax, VAT, and CST departments in the previous years are as follows:-

##### i. Outstanding Demand under the VAT Act is detailed as under:-

Name of Statute	Nature of Dues	Amount unpaid (in Rs. )	The Financial Year to which the amount relates	Forum where litigation is pending
Mumbai Act	VAT and CST	16,25,38,832/- (as per previous appeal now been set aside)	2009-10	Criminal Case pending with court Law Against Company
Mumbai Act	VAT and CST	32,88,12,611/- (as per previous appeal now been set aside)	2010-11	Criminal Case pending with court Law Against Company
Mumbai Act	VAT and CST	1,28,55,23,909/- (as per previous appeal now been set aside)	2011-12	Criminal Case pending with court Law Against Company
Mumbai Act	VAT and CST	63,61,83,357/- (as per previous appeal now been set aside)	2012-13	Criminal Case pending with court Law Against Company

The VAT department has filed a criminal complaint case against the company and its director for recovery of outstanding demand as aforesaid with EOW and matter is pending with a court of law.

S. No.	Assessment Year	Demand u/s	Amount	Current status
1	2010-11	147	1,98,73,120	Appeal filed with CIT (Appeals)
2	2015-16	1433	1,77,506	Appeal filed with CIT (Appeals)
3	2012-13	147	9,46,13,944	Appeal filed with CIT (Appeals)

29. The above observations clearly demonstrate that the applicant creditor as well as corporate debtor had not passed any entry in relation to the interest, if any payable/receivable pursuant to the loan agreement in its books of account till 31.03.2025, and it is the applicant creditor only who had accounted for the interest receivable as on 01.04.2025, though in terms of the clause 2 of the loan agreement, the interest was chargeable @ 24% per annum on quarterly compoundable basis. It is pertinent to note that the audited financial statements of the applicant creditor for the year ended 31.03.2025 would have been finalized after 01.04.2025, even then the Statutory Auditor of the Applicant Creditor had not made any observation in their audit report on the annual accounts for the year ended 31.03.2025 in relation to non-accrual of interest receivable by the Applicant Creditor till 31.03.2025, while the statutory auditors were obligated to do so in view of accounting standard mandating the consideration of material events accruing after



- the balance sheet date and having bearing on the financial position as on balance sheet date.
30. It is further noted that all the letters issued by the corporate debtor as well as applicant creditor over 4 years are in identical type set and format. Further, the loan agreement dated 08.03.2021 is neither stamped nor witnessed by any person.
31. The above facts relating to non-accounting of the interest by either of the parties, the filing of this petition primarily for interest component, absence of any business in the corporate debtor since FY-2020-21, absence of any fixed asset and existence of loans and advances receivable for few lacs, and existence of statutory liability amount to approximately Rs. 250 crores lead to an inevitable conclusion that this petition is filed for the purpose other than the resolution of the corporate debtor. Having considered the facts of this case, we are of considered view that the parties hereto have caused filing of present petition by bringing purported story of interest bearing loan, which is not supported by their books of accounts till 31.3.2025 itself, to get away from the criminal consequences arising from the statutory demands of Rs. 250 crores pending against the corporate debtor for which the statutory authorities have already initiated criminal proceedings.
32. In view of the foregoing, the C.P. (IB) 74 of 2026 is dismissed as a fraudulent application filed for the purpose other than resolution of corporate debtor. In view of this finding, we consider it appropriate to impose a cost of Rs. 1,00,000/- on the Applicant creditor. The remittance shall be made to the “Bharatkhoosh” account in favour of “Pay and Accounts Officer, Ministry of Corporate Affairs, Mumbai”.

ORDER

The Petition bearing **CP(IB)/74(MB)/2026** filed by **INFINITE PINNACLE PRIVATE LIMITED** under **section 7** of the IBC read



with rule 4(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate Insolvency Resolution Process (CIRP) against **MART OVERSEAS PVT. LTD** is **rejected and disposed of accordingly.**

33. Ordered accordingly.

**Sd/-**

**Prabhat Kumar**

Member (Technical)

Vijay Andhale

**Sd/-**

**Sushil Mahadeorao Kochey**

Member (Judicial)