



NATIONAL COMPANY LAW TRIBUNAL
INDORE BENCH
COURT NO. 1

ITEM No.146
CP(IB)/67(MP)2025

Order under Section 7 IBC

IN THE MATTER OF:

OXYZO Financial Services Ltd
V/s
Kamco Chew Food Pvt Ltd

.....Applicant

.....Respondent

Coram:

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

Delivered on 22/09/2026

The case is fixed for pronouncement of the order.

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

Sd/-

Sd/-

**MAN MOHAN GUPTA
MEMBER (TECHNICAL)**

Tomar

**BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)**



IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL

INDORE BENCH

COMPANY PETITION IB (IBC)/67(MP)2025

(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:

M/s OXYZO Financial Services Limited

(Formerly Known as

"OXYZO Financial Services Private Limited")

Registered Office: - Shop No. G-22C (UGF) D-1 (K-84),

Green Park Main, New Delhi - 110016

Email ID: - legalcasefiling@oxyzo.in

...Applicant/Financial Creditor

Versus

M/s Kamco Chew Food Private Limited

Having its Registered Office at: -

Office No. 706-711 Princess Business Skypark

PU3 Commercial Scheme No. 74,

Indore, Madhya Pradesh,

Email Id:- kcfpl10@gmail.com

...Corporate Debtor/Respondent

CORAM:

Brajendra Mani Tripathi, Hon'ble Member (J),

Man Mohan Gupta, Hon'ble Member (T)

Order pronounced on: 22.09.2026



PRESENT:

For the Applicant: Mr. Abhyankar, Adv (Online) a.w. Ms. Yachna Sharma, Adv (Online) & Ms. Arushi Chopra, Adv (Online)

For the Respondent: Mr. Rohit Dubey, Adv (Online)

ORDER

1. This is a Company Petition filed by **M/s OXYZO Financial Services Limited**, formerly known as OXYZO Financial Services Private Limited (“Applicant”/“Financial Creditor”), under **Section 7 of the Insolvency and Bankruptcy Code, 2016** (“Code”/“IBC”), read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking initiation of **Corporate Insolvency Resolution Process (“CIRP”)** against **M/s Kamco Chew Food Private Limited** (“Respondent”/“Corporate Debtor”) on the ground of default in repayment of financial debt.

B. FACTS OF THE CASE

2. On perusal of **Part-I of Form-1**, it is noted that the Applicant/Financial Creditor is **OXYZO Financial Services Limited**, a Non-Banking Financial Company registered under the Companies Act, 2013, having its registered office at Shop No. G-22C, (UGF) D-1 (K-84), Green Park Main, New Delhi – 110016. The Applicant has stated its date of incorporation as **21.09.2016** and its CIN as **U65929DL2016PLC306174**. The Application has been stated to have been presented through **Mr. Ravish Kumar**,



Assistant Manager-Litigation, authorised pursuant to Board Resolution dated **14.06.2025**.

3. On perusal of **Part-II of Form-1**, it is noted that the Corporate Debtor is **M/s Kamco Chew Food Private Limited**, incorporated on **15.03.2012**, bearing CIN **U15400MP2012PTC027971**. Its authorised share capital is stated to be **₹9,00,00,000/-** and paid-up share capital **₹8,29,00,160/-**. Its registered office is stated to be at Office No. 706-711, Princess Business Skypark, PU3 Commercial Scheme No. 74, Indore, Madhya Pradesh.
4. On perusal of **Part-III of Form-1**, it is noted that the Applicant has proposed **Ms. Aakriti Sood**, bearing Registration No. **IBBI/IPA-002/IP-N01224/2022-2023/14221**, as the Interim Resolution Professional. Her written communication in Form-2 has been annexed with the Petition.
5. On perusal of **Part-IV of Form-1**, the Applicant has stated that a sum of **₹3,49,76,458/-** was due and payable as on **04.08.2025**. The said amount comprises principal of **₹3,27,85,031/-**, interest of **₹14,89,628/-** at 14.25% per annum and penal charges of **₹7,01,798/-**. The Applicant has specifically mentioned **04.08.2025 as the date of default** and has stated that the present Application is within limitation.



C. PLEADINGS OF THE APPLICANT / FINANCIAL CREDITOR

6. The Applicant has pleaded that Corporate Debtor approached it seeking financial assistance by way of a **business loan of ₹5,00,00,000/-**. The facility was sanctioned vide Sanction Letter bearing Reference No. **OXYTL01JPZY dated 28.06.2024**, for a tenure of **24 months** carrying interest at **14.25% per annum**. A Master Facility Agreement dated 28.06.2024 was thereafter executed between the parties.
7. The Applicant has stated that the Corporate Debtor was required to repay the loan with interest in accordance with the repayment schedule and that any unpaid or overdue amount would attract penal interest at **2% per month**. It has further stated that the Corporate Debtor failed to adhere to the repayment schedule and that such conduct constituted an event of default under Clause 8.1 of the Master Facility Agreement.
8. The Applicant has pleaded that the Corporate Debtor defaulted in repayment of the amount due as on **04.08.2025** and that, despite repeated reminders, it failed to repay the outstanding amount.
9. The Applicant has further stated that the **first default occurred in April 2025**, after which the Corporate Debtor made irregular payments. Thereafter, a Demand-cum-Loan Recall Notice dated **05.06.2025** was issued, seeking payment of **₹3,49,80,233/-** as outstanding as on 02.06.2025, along with other charges, within seven days from receipt of the notice.



10. The Applicant has stated that three cheques of ₹1,00,00,000/- each and one cheque of ₹49,76,458/- issued by the Corporate Debtor were presented and dishonoured on **25.09.2025** with the remark **“Account Blocked”**. A statutory Legal Demand Notice dated **29.09.2025** under Sections 138 and 141 of the Negotiable Instruments Act, 1881 was thereafter issued.
11. The Applicant has stated that information regarding the financial debt was submitted to the Information Utility through Form-C, recording a default amount of **₹3,49,76,458/-** with days past due as 144 days. It has thereafter filed the present Petition stating that the Corporate Debtor has failed to discharge its liability.
12. The Applicant has relied upon the Sanction Letter, Master Facility Agreement, Statement of Account, Demand-cum-Loan Recall Notice, security cheques, return memos and NeSL records in support of the existence of financial debt and default.

PLEADINGS OF THE RESPONDENT / CORPORATE DEBTOR

13. The Respondent has denied each and every allegation, averment, submission and contention made by the Applicant which is not specifically admitted and has stated that the Petition is **“not maintainable, for being incomplete and for falsely alleging a default on the Respondent.”**
14. The Respondent has submitted that the Petition, in its original form and without additional documents, does not



contain sufficient evidence to demonstrate the existence of a financial contract, disbursement of loan, obligation to repay, existence of debt or occurrence of default.

15. The Respondent has contended that the Applicant in **PART-IV**, itself states that ₹5,00,00,000/- was disbursed in June 2024 and that, according to the Applicant's own version, the same was repayable through 24 EMIs ending in June 2026.
16. It has therefore contended that the date of default could arise only if the 24 EMIs remained unpaid and that, since the repayment schedule had not concluded, the Petition was premature.
17. The Respondent has relied upon Clause 18.1 of the alleged loan agreement and has contended that recall of the facility would happen only upon termination of the Agreement. It has stated that the notices relied upon by the Applicant were never received and, consequently, the Agreement had not been terminated.
18. That the Petitioner has, even on the basis of statements and enclosed documents mentioned a contradictory date of default in the Part-IV. The Petitioner in Part-IV has stated the date of default to be 04.08.2025, whereas also states that 3 cheques amounting total of INR 1,47,76,458/- have been presented for payment on 25.09.2025, and upon default on 29.09.2025 it had vide notice demanded the Respondent to make payment within 15 days.
19. The Respondent has contended that, once the Applicant granted 15 days' time by notice dated 29.09.2025, its right to claim a default prior to expiry of that period stood waived



and therefore the Petition mentioning 04.08.2025 as the date of default was premature.

20. It has further contended that **no proof of issuance of the notice dated 29.09.2025** was attached to the Petition and that the Applicant had failed to establish whether this notice has ever been issued or not. Therefore, even otherwise this notice cannot be treated as an event where the Petitioner has demanded the debt from the Respondent but the Respondent failed to honour and now the Petitioner could treat it as a default. In this scenario, since the Petitioner itself has waived its rights to claim a default of a date prior to this notice, and it had failed to demonstrate sending this notice to the Respondent, there is not debt that exists and which could be said to be defaulted. Hence, the Petition is premature.
21. The Respondent has alleged suppression of material facts and has stated that the Applicant deliberately concealed the delivery receipts of the notices dated 05.06.2025 and 29.09.2025, misrepresented the status of the dishonoured cheques and concealed the existence of default insurance policy, the Petitioner has attempted to mislead this Hon'ble Tribunal. Such deliberate suppression of material facts demonstrates mala fide intent and renders the petition liable to be dismissed at the very threshold.
22. That the Petitioner has completely failed to establish the foundational requirement of Section 7 of the IBC, which is the conclusive proof of "**disbursement**" against the "consideration for the time value of money." The reliance on a mere "internal ledger" (Page 32 of the Petition) to claim a



disbursement of INR 4,89,57,161/- is legally untenable. An internal ledger is self-serving document and that, in the absence of an authenticated bank statement evidencing actual transfer, the Applicant has failed to establish a legally recognizable financial debt.

23. The Respondent has contended that initiation of the proceedings is an abuse of process and that the Applicant is treating the IBC as a coercive recovery mechanism rather than a resolution framework. The Hon'ble Supreme Court of India has repeatedly held that the provisions of the IBC cannot be weaponized for debt recovery. The fact that the Petitioner has filed a premature petition-well before the 24-month EMI schedule concludes in June 2026, and without terminating the agreement as required under Clause 18.1-clearly indicates that this petition is a pressure tactic to force a premature recovery, which goes entirely against the objective and spirit of the Code.
24. The Respondent has challenged the authority of Mr. Ravish Kumar to execute the Vakalatnama and has stated that the Board Resolution specifically authorised Mr. Soumya Kumar and Mr. Armaan Grover whereas the Vakalatnama was signed by Mr. Ravish Kumar.
25. That without prejudice to the aforementioned submissions, the Petitioner lacks the requisite locus standi to maintain this petition due to the existence of the default insurance. Since the Respondent has dutifully paid the premiums to indemnify the Petitioner against default, the Petitioner is obligated to first exhaust its remedies by invoking the



insurance claim. If the Petitioner has already received the insurance payout, the debt stands satisfied/discharged qua the Petitioner, extinguishing their status as a Financial Creditor. Conversely, if the Petitioner has not claimed it, it acts as an admission that no definitive "default" has actually occurred. In either scenario, the financial debt cannot be said to be due, payable, and defaulted under Section 7.

26. The Respondent has disputed the Applicant's assertion regarding dishonour of the cheques and has alleged that the statements in Part-IV are contradicted by the documents.
27. The Respondent has stated that it is a solvent company carrying on its core business for more than 25 years having a chain of high valued customers, is a company of high repute and high business value. Some of the company's financials as per the audited financial statements ended 31.03.2024 and 31.03.2025, are as under:

Particulars	31.03.2024 Audited	31.03.2025 Audited
Net Worth	₹1,16,00,24,191.63/ -	₹75,65,52,926.99/-
Total Assets	₹2,83,73,34,381.99/ -	₹2,55,30,64,772.29/ -
Total Turnover	₹4,67,40,73,670/-	₹3,17,96,29,256.46/ -



28. That the respondent company is a solvent and professionally managed company which employs several people whose entire life has been spent while working for the company, additionally the respondent company holding the networth of INR 116 Crores is an operationally and financially viable company which is far above the situation.
29. Relying upon **Vidarbha Industries Power Limited v. Axis Bank Limited**, the Respondent has submitted that the viability and overall financial health of the Corporate Debtor are relevant considerations while exercising jurisdiction under Section 7.
30. The Respondent has alleged that the Petition is an arm-twisting method, that material facts have been suppressed and that false and concocted facts have been stated.
31. The Respondent has further pleaded that there is no outstanding amount, that the amount and interest calculation shown by the Applicant are false and incorrect and that there is no debt due and payable by the Respondent.
32. It has also submitted that the Tribunal is not a forum for adjudicating disputed facts and accounting issues and that the account is not classified as NPA. The factum of default is seriously disputed and the account is not classified as NPA. Thus, where there exists a dispute or objection on factual or legal issues, the Tribunal ought not to admit the petition under Section 7. Reliance is placed on M/s. Innoventive Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407, where the Supreme Court clarified that the Adjudicating Authority is to



examine whether a default has occurred based on legally acceptable material.

33. The Respondent has relied upon ***Sree Metaliks Ltd. v. Union of India, Dalip Singh v. State of U.P., K.K. Modi v. K.N. Modi and K.D. Sharma v. Steel Authority of India Ltd.***
34. The Respondent has ultimately prayed for dismissal of the Petition with exemplary costs, contending that there is no admitted debt due and payable, the alleged date of default is erroneous and unsupported by documentary proof and the Respondent is a solvent and operational company.

REJOINDER OF THE APPLICANT/FINANCIAL CREDITOR

35. In Rejoinder, the Applicant has stated that the Reply is false, incorrect and frivolous and has identified the principal defences raised by the Respondent as alleged suppression, absence of financial debt, inconsistency in the date of default, solvency of the Corporate Debtor and alleged lack of authority of the authorised representative.
36. The Applicant has stated that the financial facility is evidenced by the Sanction Letter dated 28.06.2024 and the Master Facility Agreement dated 28.06.2024. It has specifically denied the contention of respondent that action could be initiated only upon completion of the entire 24-month tenure and has stated that the EMI begins on the 5th day of the month and that Clause 9.1 of the Master Facility Agreement entitles it to recall the entire outstanding amount upon default. Thus, the defence of the Petition being premature as contended in the said reply is misconceived.



37. The Applicant has stated that the Corporate Debtor itself issued the Disbursement Letter dated 28.06.2024 requesting disbursal and that ₹4,89,57,161/- was disbursed after deductions, as reflected in the ledger maintained in the ordinary course of business.
38. It has stated that the Corporate Debtor made irregular partial payments and failed to adhere to the repayment schedule, constituting an event of default under **Clause 8.1 of the Master Facility Agreement**.
39. Upon continued default, a **demand-cum-loan recall notice dated 05.06.2025** was issued by the Financial Creditor to the Corporate Debtor and its Directors, thereby invoking **clause 9.1** of the MFA and demanding payment of an outstanding amount of Rs. 3,49,80,233/ (Rupees Three Crores Forty-Nine Lakhs Eighty Thousand Two Hundred and Thirty-Three Only). The notice was received by the Corporate Debtor on 16.06.2025 as reflected from the tracking receipt on Page 106 of the Petition.
40. A statutory **legal demand notice dated 29.09.2025 under Section 138** read with Section 141 of the Negotiable Instruments Act, 1881 was also issued to the Corporate Debtor pursuant to the dishonour of security cheques amounting to Rs. 3,49,80,233/- (Rupees Three Crores Forty-Nine Lakhs, Eighty Thousand Two Hundred and Thirty-Three Only). The statutory demand notice was duly received by the Corporate Debtor on 03.10.2025. Thus, all claims of the Corporate Debtor of non-receipt of the notices are completely false and an attempt to mislead the court.



41. The Applicant has stated that Complaint Case No. **CC NI Act 108942/2025** was filed under Sections 138 and 141 of the Negotiable Instruments Act before the Patiala House Court, New Delhi and that service of summons was recorded in the order dated 19.02.2026. Thus, without prejudice to the aforesaid submissions, any contention of the Corporate Debtor that it did not have the knowledge due to non-delivery of statutory demand notice dated 29.09.2025 is defeated as summons was also served in the complaint case.
42. That from the aforementioned facts, it is evident that a financial facility was extended to the Corporate Debtor and the due disbursal was made thereof, pursuant to the disbursal letter issued by the Corporate Debtor itself. According to the terms of the sanction letter dated 28.06.2024, the debt was to be discharged through EMLs and would become due and payable according to the repayment schedule.
43. On the date of default, the Applicant has specifically pleaded that the Petition as well as the supporting annexures has consistently reflected the date of default as 04.08.2025. The default had arisen on 04.08.2025 with respect to the debt. Only after this, the default had occurred, had the Financial Creditor invoked the security clause under the sanction letter and presented the security cheques which were again dishonoured. It is reiterated that the notice dated 29.09.2025 was a statutory legal demand notice under Section 138 read with Section 141 of the



Negotiable Instruments Act, 1881 and is therefore a separate proceeding altogether.

44. The Applicant has denied suppression and stated that the tracking receipt showing delivery of the notice dated 05.06.2025 on 16.06.2025 was already annexed with the Petition and that the statutory notice dated 29.09.2025 was received on 03.10.2025.
45. It has further stated that only thereafter the security clause invoked and the security cheques presented and that the notice dated 29.09.2025 was a separate statutory proceeding under the Negotiable Instruments Act.
46. The Applicant has denied the objection concerning the authority of Mr. Ravish Kumar and has stated that Annexure-I to the Board Resolution records his name as one of the authorised representatives having, inter alia, the power to execute the Vakalatnama.
47. It is specifically denied that the Petitioner lacks locus standi to maintain the present Petition on account of the existence of the default insurance and the submissions made in the present Rejoinder are relied upon. It is reiterated that the insurance policy is in the nature of a contract of guarantee, and accordingly, the liability arising thereunder is co-extensive. In such circumstances, the existence of the insurance cover does not absolve or extinguish the liability of the Corporate Debtor. The Applicant has stated that the policy was obtained in the name of Mrs. Kajal Jaiswani, who is a co-financed party to the loan facility for a sum insured of ₹38,00,000/- and that the premium was deducted from



the disbursement amount. It has contended that the policy covers death, accidental death or critical illness and not default in repayment.

48. The insurance policy in question, is in the nature of a contract of guarantee and is thus governed by the provisions of the Indian Contract Act, 1872 (hereinafter referred to as "the Act"). Section 128 of the Act provides that the liability of the guarantor is co-extensive with that of the principal debtor. In light of the aforesaid, the contention of the Corporate Debtor that the insurance policy is required to be exhausted first is devoid of merit. It is submitted that the Corporate Debtor cannot be permitted to evade or defer its liability by seeking to compel prior recourse to the insurance policy, particularly when its liability remains co-extensive and subsisting.
49. Notwithstanding the existence of such a policy, the occurrence of default gives rise to an immediate and independent right in favour of the Financial Creditor to enforce payment. It is pertinent to note that Event of Default provided under clause 8.1 of the MFA does not stand modified by any such insurance policy.
50. The Applicant has further denied the Respondent's reliance upon *Vidarbha Industries Power Limited v. Axis Bank Limited* and has relied upon subsequent decisions including *Suresh Kumar Reddy v. Canara Bank* and *Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan & Others*.
51. The Applicant has maintained that NPA classification is not a prerequisite for initiation of proceedings under Section 7



and that occurrence of default in payment of financial debt suffices.

ADDITIONAL REPLY OF THE RESPONDENT

52. By way of Additional Reply, the Respondent has stated that the same is being filed to place on record the alleged contradictions, factual impossibilities and legal misrepresentations appearing from the Rejoinder. It has reiterated its original Reply.
53. The Respondent has specifically contended that the Rejoinder contains a contradiction regarding the date of default. According to the Respondent, the Applicant states that a Demand-cum-Loan Recall Notice was issued on 05.06.2025 upon **"continued default"**, while in the same Rejoinder it states that the default arose on 04.08.2025.
54. The Respondent has contended that it is factually impossible for a recall notice to be issued on 05.06.2025 for a default which, according to the Applicant's own pleading, arose only on 04.08.2025 and has submitted that the cause of action is therefore premature.
55. The Respondent has reiterated its objection regarding actual disbursement and has submitted that the Disbursement Letter relied upon by the Applicant is merely a request for disbursal and does not establish actual credit of funds into the Corporate Debtor's bank account by the Corporate Debtor. However, a bare perusal of this document reveals that it is merely a "request" for disbursal. Even otherwise, a formal request letter for funds does not, by any stretch of legal imagination, equate to the actual, physical credit of



funds into the Corporate Debtor's bank account.
Furthermore, the

56. It has further contended that the internal ledger showing ₹4,89,57,161/- as disbursed is self-serving and that it is a settled position of law that internal ledgers hold no evidentiary value unless corroborated by authenticated bank account statements reflecting the actual transaction, duly supported by a certificate under Section 658 of the Indian Evidence Act, 1872.
57. The Respondent has submitted that the Section 138 proceedings do not automatically establish a financial debt in default under the IBC and The dishonor of security cheques- presented in September 2025 - does not automatically crystallize a financial debt in default under the IBC, especially when the underlying loan recall mechanism (the notice dated 05.06.2025) is inherently defective and premature as it predates the Petitioner's own stated date of default (04.08.2025). The alleged pendency of a collateral penal proceeding before the Patiala House Court merely establishes that the Petitioner is simultaneously pursuing debt recovery mechanisms, further proving that the present IBC petition is being misused as a coercive recovery tool rather than a genuine resolution process.
58. Regarding the insurance policy, the Respondent has reiterated that the Petitioner admits that an insurance policy was obtained and the premium was unilaterally deducted from the disbursal amount. While the Petitioner argues that the policy only covers death or critical illness and acts in the



nature of a contract of guarantee, this admission solidifies the Corporate Debtor's defense that the Petitioner is heavily secured. The Corporate Debtor maintains a highly

59. The Respondent has reiterated that the Corporate Debtor has a substantial net worth and turnover and is a solvent and operational company.
60. The Respondent has reiterated its reliance upon *Vidarbha Industries Power Limited v. Axis Bank Limited* and *Swiss Ribbons Pvt. Ltd. v. Union of India*, contending that the IBC is not a recovery mechanism.
61. It has further reiterated its reliance upon *Innoventive Industries Ltd. v. ICICI Bank* and contended that the Adjudicating Authority must be satisfied that a default has actually occurred.
62. The Respondent has again challenged the Applicant's proof of disbursement and has submitted that the Disbursement Letter is merely a request and the ledger is insufficient without proof of actual transfer.
63. The Respondent has reiterated that the simultaneous Section 138 proceedings and the Section 7 Petition demonstrate, according to it, that the IBC is being used as a coercive recovery mechanism.
64. It has further contended that the 15-day period in the statutory notice dated 29.09.2025 shows that the Applicant itself treated the liability as capable of being cured and therefore could not claim an absolute default as on 04.08.2025.



65. The Respondent has reiterated the allegation of suppression of the insurance policy and has submitted that the explanation given in Rejoinder does not cure the alleged suppression.
66. The Respondent has lastly submitted that the authorities relied upon by the Applicant concerning *Vidarbha* do not assist the Applicant unless the existence of valid financial debt and legally recognised default is first established. It has maintained that the default is disputed and that the Corporate Debtor is solvent and operationally viable.

ANALYSIS AND FINDINGS

67. We have considered the Application, the documents placed on record, the Reply filed by the Corporate Debtor, the Rejoinder and Additional Reply filed by the Financial Creditor, the additional documents brought on record during the pendency of the proceedings and the submissions advanced by the learned Counsel for the parties.
68. The principal question for determination is whether the Financial Creditor has established the existence of a **financial debt** and occurrence of **default** within the meaning of Sections **5(8)** and **3(12)** of the Insolvency and Bankruptcy Code, 2016 (“the Code”).
69. From the material placed on record, it is evident that the Corporate Debtor availed a financial facility of **₹5,00,00,000/-** from the Financial Creditor pursuant to the



Sanction Letter dated **28.06.2024** and the Master Facility Agreement dated **28.06.2024**. The Corporate Debtor has not disputed the underlying financing arrangement or the execution of the aforesaid documents. The facility carried interest and was disbursed against consideration for the time value of money.

70. The Corporate Debtor had disputed the factum of disbursement and contended that the accounting ledger relied upon by the Financial Creditor was an internal document. In this regard, the Financial Creditor filed **Interlocutory Application (I.B.C)/488(MP)2026** for bringing additional documents on record. The said documents were taken on record vide order dated **03.09.2026**. The bank account statements placed on record pursuant thereto reflect disbursement of **₹4,89,57,161/-** to the Corporate Debtor. Thus, the objection that the disbursement is supported only by an internal ledger does not survive. The Sanction Letter, Master Facility Agreement, disbursement documents and the bank account statements, when read together, establish the financial transaction and the disbursement made pursuant thereto.
71. Section **5(8)** of the Code defines “financial debt” as a debt along with interest, if any, which is disbursed against the consideration for the time value of money. In the present case, the Sanction Letter and Master Facility Agreement evidence the grant of the aforesaid financial facility carrying interest, and the bank account statements establish the



disbursement made to the Corporate Debtor. The transaction, therefore, satisfies the essential ingredients of **Section 5(8) of the Code**, and the amount claimed by the Financial Creditor constitutes a financial debt.

72. Section **3(12)** of the Code defines “default” to mean non-payment of debt when the whole or any part or instalment of the amount of debt has become due and payable and is not paid by the Corporate Debtor. The contractual documents prescribe the payment obligations of the Corporate Debtor, while the statement of account reflects repayments made by the Corporate Debtor followed by non-payment of amounts which had become due and payable. The record of default also corroborates such non-payment. Accordingly, the essential ingredients of **default within the meaning of Section 3(12) of the Code** stand established.

73. The Corporate Debtor has contended that the Application is premature since the facility was sanctioned for a period of 24 months. This contention cannot be accepted. The agreed tenure of the facility does not postpone the due dates of the amounts payable thereunder. Clause 5.1 of the Master Facility Agreement provides for payment on the respective Due Dates and Clause 8.1 treats failure to pay the Outstanding amount when due and payable as an Event of Default. Where an amount has become due and payable and remains unpaid, the occurrence of default cannot be postponed merely because the overall facility was sanctioned for a longer tenure.



74. The further contention that recall could take place only upon a prior termination of the Master Facility Agreement also does not merit acceptance. Clause 18.1 provides that upon occurrence of an Event of Default, the Financial Creditor shall have the right to terminate the Agreement forthwith and shall be entitled to recall the Outstanding under the Facility as immediately payable. Further, Clause 9.1 empowers the Financial Creditor, upon an Event of Default and by written notice, to declare the Outstanding immediately due and payable. The Demand-cum-Loan Recall Notice dated **05.06.2025** was issued in exercise of the contractual rights available to the Financial Creditor. The objection as to prematurity, therefore, does not merit acceptance.
75. The Corporate Debtor has raised certain objections regarding the dates referred to in the Application and the accompanying documents. However, the discrepancy in reference to the date does not, in the facts of the present case, displace the underlying financial transaction, the liability arising therefrom or the subsequent non-payment. The material on record establishes that amounts which had become due and payable remained unpaid. We, therefore, do not find it necessary to dwell further upon the discrepancy in the dates.
76. As regards limitation, the Application has been filed on **16.10.2025**, whereas the date of default stated in Part IV of



the Application is **04.08.2025**. The Application having been filed within three years of the pleaded date of default, the same is not barred by limitation.

77. The Corporate Debtor has also questioned the authority of Mr. Ravish Kumar, who executed the Vakalatnama and presented the present Petition on behalf of the Financial Creditor. The Petition identifies Mr. Ravish Kumar as the person authorised to submit the Application and states that such authority flows from the Board Resolution annexed with the Vakalatnama. The Applicant further states that **Annexure-I to the Board Resolution at page 126 records the name of Mr. Ravish Kumar as one of the Authorised Representatives and confers upon the Authorised Representatives authority, inter alia, to appear before Courts/Tribunals and to sign and execute Vakalatnamas and Petitions.**
78. From plain reading of board resolution dated 14.07.2025 at page 124 of application, it is seen that as Mr. Ravish Kumar was duly authorised to execute all documents and as required by court. We therefore, find that the objection of the Corporate Debtor that the Vakalatnama was executed by a person not authorised under the Board Resolution is not sustainable.
79. The Corporate Debtor has relied upon the insurance policy and contended that the Financial Creditor ought to have first exhausted the insurance cover. The policy placed on record



provides benefits in respect of specified events including death, accidental death and covered critical illness. It does not provide for discharge of the Corporate Debtor's repayment obligation merely upon occurrence of a payment default. The existence of such insurance coverage, therefore, does not extinguish or suspend the Corporate Debtor's contractual obligation towards the Financial Creditor.

80. Further, the pendency of proceedings under **Section 138 read with Section 141 of the Negotiable Instruments Act, 1881**, arising from dishonour of cheques issued by the Corporate Debtor, does not determine the existence of the underlying financial debt for the purposes of Section 7 of the Code. The availability or pendency of another remedy does not, by itself, negate the financial debt or default established before this Tribunal.
81. The Corporate Debtor has alleged suppression of material facts on account of non-annexure of certain documents, including delivery receipts and the insurance policy, with the original Application. The Financial Creditor has dealt with these objections in its Rejoinder and has placed the relevant material on record. On consideration of the pleadings and documents as a whole, we do not find any suppression of such nature as would warrant dismissal of the Application at the threshold.
82. The Corporate Debtor has placed reliance upon its net worth, assets and turnover and has contended that it is financially



sound and viable. In **Innoventive Industries Ltd. v. ICICI Bank**, (2018) 1 SCC 407, the Hon'ble Supreme Court explained the nature of enquiry under Section 7. The position was subsequently considered in **M. Suresh Kumar Reddy v. Canara Bank**, (2023) 8 SCC 387, wherein the Hon'ble Supreme Court clarified the scope of *Vidarbha Industries Power Ltd. v. Axis Bank Ltd.*, (2022) 8 SCC 352, and reiterated that once the existence of financial debt and default is established, there is ordinarily little scope to refuse admission. The Hon'ble Supreme Court has subsequently reiterated the principles governing the consideration of a Section 7 application in **Power Trust (Promoter of Hiranmaye Energy Ltd.) v. Bhuvan Madan**, 2026 INSC 166. The net worth and turnover of the Corporate Debtor, however substantial, cannot by themselves displace the statutory requirements of Section 7 once financial debt and default stand established.

83. It is also noted that during the pendency of the present proceedings, the parties entered into a **Settlement Agreement**, which records the outstanding liability and provides for payment of an agreed settlement amount in instalments. The corporate debtor has failed to remit the first instalment of the agreed Settlement as again the cheque dated 24.07.2026 was dishonoured.
84. On an overall consideration of the material placed on record, we are satisfied that the Financial Creditor has established the existence of a **financial debt** and occurrence of **default**



by the Corporate Debtor. The disbursement is supported by the bank account statements subsequently taken on record, while the contractual documents, statement of account and record of default establish the unpaid liability. The objections raised by the Corporate Debtor do not dislodge these foundational facts.

85. In view of the aforesaid discussion, we are satisfied that the requirements of **Section 7(5)(a) of the Code** stand fulfilled. The Application is complete in all material particulars and the statutory conditions for initiation of the Corporate Insolvency Resolution Process are satisfied. The objections raised by the Corporate Debtor do not warrant rejection of the Application. The Application is, therefore, liable to be admitted and the **Corporate Insolvency Resolution Process** against the Corporate Debtor is required to be initiated in accordance with law.

ORDER

86. In view of the foregoing discussion, **CP (IB) No. 67 of 2025 is admitted under Section 7 of the Insolvency and Bankruptcy Code, 2016** and Corporate Insolvency Resolution Process is initiated against **M/s. Kamco Chew Food Private Limited**.
87. A moratorium under Section 14(1) of the Code is declared, prohibiting: (a) institution or continuation of suits or proceedings against the Corporate Debtor, including execution of any judgment, decree or order; (b) transferring,



encumbering, alienating or disposing of any asset or any legal right or beneficial interest therein by the Corporate Debtor; (c) any action to foreclose, recover or enforce any security interest created by the Corporate Debtor, including any action under the SARFAESI Act, 2002; and (d) recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor. The supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended during the moratorium period, in terms of Section 14(2) of the Code.

88. We hereby appoint the (Interim Resolution Professional) IRP as proposed by applicant, **Ms. Aakriti Sood**, Registration No. IBBI/IPA-002/IP-N01224/2022-2023/14221, is appointed as the **Interim Resolution Professional, AFA valid till 30.06.2027**, having furnished his written consent in Form 2 (Annexure P/2) and having disclosed no pending disciplinary proceedings against him, stands appointed, in terms of Section 16(2) of the Code, as the Interim Resolution Professional. He shall take charge of the management of the Corporate Debtor forthwith and exercise all powers contemplated under Sections 17 to 20 of the Code.
89. The IRP shall make a public announcement forthwith under Section 15 read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, calling for submission of claims, and shall proceed to



constitute the Committee of Creditors in accordance with law.

90. This Adjudicating Authority directs the IRP to also serve a copy of this order to the various Government Departments such as EPFO department, Income Tax, GST, VAT, etc., who are likely to have any claim upon the corporate debtor so that the authorities concerned are informed of the CIRP order timely.
91. The order of moratorium shall have effect from the date of this order till completion of the Corporate Insolvency Resolution Process, subject to the provisions of the Code.
92. With effect from this order, the powers of the Board of Directors of the Corporate Debtor shall stand suspended and shall vest in the Interim Resolution Professional. The officers and managerial personnel of the Corporate Debtor shall report to and provide all assistance and cooperation to the Interim Resolution Professional, and shall forthwith hand over all records, registers, assets, bank accounts and statutory documents of the Corporate Debtor to him.
93. The Applicant is directed to deposit a sum of **INR 1,00,000/- (Rupees One Lakh only)** with the Interim Resolution Professional, within one week of this order, towards initial CIRP costs, which amount shall be recovered as part of the



CIRP costs in terms of the Code and the Regulations made thereunder.

94. A copy of this order be communicated to the Applicant, the Respondent, and the Interim Resolution Professional forthwith. The Registry is further directed to forward a copy of this order to the Insolvency and Bankruptcy Board of India and to the Registrar of Companies, Madhya Pradesh, for records and necessary compliance.
95. **CP (IBC)/67 (MP)2025 is accordingly admitted in the above terms. No order as to costs.**

Sd/-

Sd/-

MAN MOHAN GUPTA
MEMBER (TECHNICAL)

Chandni – L.R.A

BRAJENDRA MANI TRIPATHI
MEMBER (JUDICIAL)