



**THE NATIONAL COMPANY LAW TRIBUNAL BENCH AT  
INDORE**

**CP (IB) No.59 (MP)/2024**

**1. Tanay Securities & Services Private Limited &Ors.**

**(CIN: U74120MH2011PTC211734)**

Registered office at 13, Gujarati Society, Nehru Road,  
Vile Parle (East), Mumbai-400057

**2. Mrs. Shashi Jain,**

W/o Shri Rajesh Jain

New Bungalow No. 25,

R/o NEEMUCH-458441 M.P.

**...Applicant/Financial Creditor**

**Vs**

**Mittal Soya Protein Private Limited**

**(CIN: U15203MP2020PTC054086)**

Registered office at Plot No. 57-60,

Industrial Area No.3, A.B. Road,

Dewas -455001, M.P.

**...Respondent/Corporate Debtor**

**IA No. 448/2024 in C.P. (IB) No. 59/2024**

**Tanay Securities & Services Private Limited &Ors.**

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**(CIN: U15203MP2020PTC054086)**



Registered office at Plot No. 57-60,  
Industrial Area No.3, A.B. Road,  
Dewas -455001, Madhya Pradesh

**...Respondent/Corporate Debtor**

**C O R A M:**

**SH. MOHAN P. TIWARI, HON'BLE MEMBER (JUDICIAL)**

**SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)**

**A P P E A R A N C E:**

For the Applicant/F.C. : Mr. Anupam Lal Das, Sr Adv a.w. Mr. Shrey  
Nikhilesh, Adv, Mr. Nayan Dubey, Advocate, Adv.  
Mr Parth Davar, Adv Mr. Swastik Verma, Md. Faraaz  
Khan, Adv., Mr. Naman Kapoor, Adv. & Mr.  
Shashank Shekhar Singh, Adv.

For the Respondent/CD : Mr. Vijayesh Atre, Adv, a/w. Ms. Arya Chhangani, Adv.

**O R D E R**

**Delivered on 11.09.2025**

1. The present Petition is filed on 23.10.2024 by the Applicant Tanay Securities and Services Private Limited and Mrs. Shashi Jain (hereinafter referred to as “Financial Creditor”) against the Respondent- Mittal Soya Protein Private Limited (hereinafter referred to as “Corporate Debtor”) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “IBC, 2016”) read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016(hereinafter referred to as “IB (AAA) Rules, 2016”) for initiation of Corporate Insolvency Resolution Process (CIRP), to appoint Interim Resolution Professional (hereinafter referred to as “IRP”) and declare the moratorium for having defaulted in payment of its outstanding dues of Rs.4,08,78,824/-.



2. In brief the Financial Creditors namely M/s Tanay Securities and Services Private Limited was incorporated on 03.01.2011 with CIN: U74120MH2011PTC211734, having Registered office at 13, Gujarati Society, Nehru Road, Vile Parle (East), Mumbai- 400057, Maharashtra; & Mrs. Shashi Jain, w/o Shri Rajesh Jain, New Bungalow No. 25, R/O Neemuch-458441, Madhya Pradesh.

3. The Financial Creditor is engaged in the business of Legal, accounting, book-keeping and finance management services. Mrs. Shashi Jain, w/o Shri Rajesh Jain is an individual who had lent the short-term Unsecured Loan in her private capacity in the above captioned transaction.

4. The Corporate Debtor is having CIN No. U15203MP2020PTC054086. The Corporate Debtor was incorporated on 11.12.2020 and has a registered office at Plot No. 57-60, Industrial Area No.3, A.B. Road, Dewas, Madhya Pradesh, India 455001.

5. Further the Financial Creditor as provided under section 13 (1)(c) of the Code, has named Mr. Vakiti Vineeth Reddy, Insolvency Professional having Registration No. IBBI/IPA-002/IPN01250/2022-2023/ 14240, and his address at Flat No. 301, Plot No. 426, Radhamohan Enclave, Mathrusreenagar, Miyapur, Ranga Reddy District, Hyderabad, Telangana, 50004, to act as Interim Resolution Professional (IRP). He has filed his written communication in Form-2 dated 18.09.2024 as per the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. Form B reveals that his AFA was valid upto 12.12.2024. A copy of written communication is annexed at page no. 182-188 to the application.

6. The Applicants, M/s. Tanay Securities and Services Pvt. Ltd. and Mrs. Shashi Jain, advanced several short-term unsecured loans to the Corporate



Debtor, M/s. Mittal Soya Protein Pvt. Ltd., aggregating to Rs. 3,45,04,494/-.  
The transactions include disbursements of:

- a- Rs. 1,50,00,000/- on 23.12.2020 (Annexure A2);
- b- Rs. 2,70,00,000/- on 19.01.2021 (Annexure A3, acknowledged in Auditor's Report 2020–21, Annexure A4);
- c- Rs. 1,50,00,000/- on 02.12.2021 & 20.12.2021 (Annexure A5);
- d- Rs. 1,00,00,000/- advanced by Mrs. Shashi Jain on 14.02.2022 (acknowledged in Auditor's Report 2021–22, Annexure A7, supported by transaction Annexure A6);
- e- Rs. 9,71,000/- on 17.11.2022 (Annexure A10); and
- f- Rs. 36,88,500/- on 18.11.2022 (Annexure A11).

7. Further, it is averred that the Corporate Debtor repaid Rs. 1,80,00,000/- to M/s. Tanay Securities and Services Pvt. Ltd. (Annexure A8) and Rs. 50,60,000/- to Mrs. Shashi Jain (Annexure A9) on 01.07.2022. Despite partial repayments, significant outstanding remained, which was acknowledged in the Auditor's Reports for FY 2022–23 (Annexure A12) and in the confirmation of accounts (Annexure A13).

8. The Corporate Debtor deposited TDS of Rs. 1,03,025/- against interest of Rs. 10,30,254/- payable to M/s. Tanay Securities and Services Pvt. Ltd. and Rs. 19,973/- against interest of Rs. 1,19,731/- payable to Mrs. Shashi Jain for financial year 2022-2023, thereby acknowledging its debt obligation (Annexures A14 & A15). Consequently, as on 31.03.2023, the outstanding stood at Rs. 3,31,15,729/- in favour of M/s. Tanay Securities and Services Pvt. Ltd. and Rs. 63,74,330/- in favour of Mrs. Shashi Jain, with further accrued interest of Rs. 13,88,765/- from 01.04.2024 to 20.08.2024, as reflected in the ledger maintained by the Financial Creditor (Annexure A16).

9. The Financial Creditors issued recall notices dated 21.08.2024 (Annexures A17 & A18) demanding payment of Rs. 4,08,78,824/- (inclusive of



interest). The Corporate Debtor failed to comply, leading to the filing of the present Petition under Section 7 of the IBC, 2016 for initiation of CIRP.

**10.** In compliance with the requirement of furnishing documents under Part IV of Form No. 1 to establish financial debt, amount, and default, the Applicants submitted copies of transaction details from 23.12.2020 to 31.03.2023 along with the Corporate Debtor's ledgers (Annexures A2–A17), auditors' reports for FY 2020–2021, 2021–2022, and 2022–2023 acknowledging debt (Annexures A4, A7 & A12), confirmation of accounts for 2022–2023, and TDS certificates reflecting acknowledgment of short-term unsecured loans. Specifically, TDS deposits of Rs. 1,03,025/- against interest of Rs. 10,30,254/- in favour of M/s. Tanay Securities & Services Pvt. Ltd. and Rs. 19,973/- against interest of Rs. 1,19,731/- in favour of Mrs. Shashi Jain evidenced dues amounting to Rs. 3,31,15,729/- and Rs. 63,74,330/- respectively as on 31.03.2023.

**11.** Pursuant to Tribunal's order dated 12.11.2024, the Corporate Debtor filed its reply on 08.01.2025 denying averments and contending that the petition is premature and baseless. It stated that the application was jointly filed by M/s. Tanay Securities & Services Pvt. Ltd. (promoted by CA Rajeev Dak and his son CA Shreyans Dak) and Smt. Shashi Jain (sister of CA Rajeev Dak). The Respondent, M/s. Mittal Soya Protein Pvt. Ltd., incorporated on 14.12.2020 (Annexure R-2), was formed for processing soybean and related products. It was highlighted that liquidation of M/s. Dhanlaxmi Solvex Pvt. Ltd. had been ordered on 27.02.2020 in CP (IB) 515/2018, and its solvent extraction plant was put to e-auction on 15.12.2020. During this period, the Applicants and Shri Sitaram Mittal, having already incorporated the Respondent company a day prior, were in continuous discussions for a joint venture, with shareholding divided between them. The Applicants were involved in all decisions relating to purchase of the plant at Dewas (Annexures R-1 to R-3).



12. The undisputed equity shareholding of the Respondent company as on 26th December 2023 was under:

Sr.	Name Shareholder	No. of Shares	% of Shares
1.	Shri Shrey Mittal	31,500	45
2.	Shri Yash Mittal	7,000	10
3.	Blue Lotus LLP	24,500	35
4.	Smt. Shashi Kala Jain	7,000	10
	<b>Total</b>	<b>70,000</b>	<b>100</b>

The undisputed preference shareholding pattern of the Respondent Company as on 26<sup>th</sup> December, 2023 was as under:

Sr.	Name Shareholder	No. of Shares	% of Shares
1.	Shri Shrey Mittal	36,000	45
2.	Shri Yash Mittal	8,000	10
3.	Smt. Shashi Kala Jain	8,000	10
4.	Tanay Securities & Services Pvt. Ltd.	28,000	35
	<b>Total</b>	<b>80,000</b>	<b>100</b>

The details of the directorship of the Respondent Company have been as under:

Sr.	Name of Director	Appointment Date	Cessation Date
1.	Shri Shrey Mittal	11/12/2020	-
2.	Shri Yash Mittal	09/03/2024	-
3.	Shri Ashok Kumar Singh	01/11/2021	-
4.	Smt. Shashi Kala Jain	05/02/2022	09/09/2023

13. The Respondent, M/s. Mittal Soya Protein Pvt. Ltd., was incorporated jointly by the Mittal family and the Applicants (Tanay Securities Pvt. Ltd., promoted by CA Rajeev Dak & CA Shreyans Dak, and Mrs. Shashi Jain) to acquire the solvent extraction plant of M/s. Dhanlaxmi Solvex Pvt. Ltd. (in liquidation). The plant was purchased through an NCLT auction on 15.12.2020, with a sale certificate and possession memo issued on 06.04.2021. Initially, the



Applicants held shares (equity and preference) and also provided unsecured loans (USLs) as margin money for SBI credit facilities but avoided joining the Board or acting as guarantors. Mrs. Shashi Jain, however, later served as a director between 05.02.2022 and 09.09.2023.

14. The Respondent claims the Applicants acted as promoters and partners in day-to-day operations pointing to leased accommodation, rent of ₹29,700/month, a domestic help paid by the company, WhatsApp and email exchanges, and even ₹18.88 lakh paid to S.P. Jain College for CA Rajeev Dak's son. The Respondent argues the Applicants enriched themselves, were deeply involved in decision-making, and later forced Mrs. Shashi Jain's resignation. Two Company Act petitions under Sections 241–242 (CP No. 25/2023 & CP No. 9/2024) alleging mismanagement are pending.

14.The Respondent asserts the USLs were subordinated shareholder contributions, not financial debts, and cannot be repaid without SBI's consent. SBI's letter dated 02.01.2025 confirmed repayment of USLs would require infusion of matching long-term funds. The Respondent highlights improved performance with FY 2023–24 turnover of ₹53,251 lakhs and profit of ₹710 lakhs. It denies default, claiming repayment is restricted only due to SBI's conditions, and argues that the Applicants are misusing IBC for recovery of shareholder loans despite ongoing shareholder disputes.

15. The Applicants' rejoinder (07.02.2025) counters that they are financial creditors under Sections 3(11) & 5(8) IBC, having disbursed ₹4,08,78,824 (inclusive of interest) as loans with the commercial effect of borrowing, evidenced by TDS deductions, interest payments, and auditors' reports. They contend the Respondent's reliance on their "promoter" status is irrelevant since loans with interest remain financial debt regardless of shareholder relationship, supported by NCLAT precedents (Sanjay D. Kakade, Shilesh Sangani). They



argue SBI never prohibited repayment but only required matching funds, so liability is clear.

16. The Applicants further stress they were not directors, had no role in management, and only extended loans, invoking the doctrine of indoor management. They argue that disputes under the Companies Act cannot block IBC proceedings, citing Section 238 IBC and the Supreme Court's ruling in *Innoventive Industries Ltd. v. ICICI Bank*. They characterize the Respondent's "pre-existing dispute" claim as a sham defense to evade repayment and insist the petition under Section 7 IBC must be admitted.

17. The Respondent in its reply has denied the averments made in para 19 of the application concerning college fee. It is stated that the Applicant never authorised or requested any such transaction, nor has any approval been given by the Applicant. The Respondent has not placed on record any document to establish that such a request was ever made. It is further stated that the said transaction has no relation to the loan advanced by the Applicant, inasmuch as the Respondent has been depositing TDS on the accrued interest of the loan every year without any deduction. The Respondent has relied upon the submissions made in the application as well as preliminary submissions, which are to be read as part of the reply.

18. With respect to para 20, the Respondent submits that except those facts which are matters of record, the rest are denied. It is submitted that Mrs. Shashi Jain, the Applicant, did not voluntarily resign from the directorship of the Respondent Company but was compelled to do so in view of circumstances created by the Respondent Company. It is further stated that the intention of the Respondent was to keep only members of the Mittal family in the Board of Directors and as the final decision-making authority.



19. As regards para 21, the Respondent submits that the contents are matters of record and legal in nature, which are required to be strictly proved. It is further submitted that the proceedings under Sections 241–242 of the Companies Act, 2013, referred to by the Respondent, are independent proceedings having no connection with the present application under Section 7 of the IBC, 2016.

20. With respect to para 22, the Respondent has denied the contents in toto. It is submitted that the plea regarding pendency of proceedings under Sections 241–242 is frivolous and concocted, raised only to shield liability. According to the Respondent, at this stage, the Tribunal is only required to consider whether a case under Section 7 of the IBC, 2016 is made out, namely, whether a financial debt exists in terms of Section 5(8) of the Code and whether default has occurred.

21. As regards para 23, the Respondent states that the contents are not relevant to the present case and are denied. The Respondent reiterates the earlier submissions made in the application and preliminary submissions. The Respondent submits that the contents of paras 24, 25 and 26 are matters of record and therefore need no reply. However, in respect of para 25, it is submitted that even in response to the recall notice, the Respondent admitted its liability but failed to discharge the same, giving vague reasons.

22. With reference to para 27, the Respondent submits that while the contents are matters of record, the Respondent has wrongly contended that repayment could not be made on account of rejection by the State Bank of India. It is pointed out that SBI never denied repayment but only required infusion of matching long-term funds in compliance with sanction conditions. The Respondent has placed on record the extract of SBI's communication to that effect.



23. The contents of para 28 are stated to be matters of record, and no specific reply is offered. The Respondent has denied each and every contention raised by the Applicant in para 29(i) to (xiii) and reiterated its earlier submissions. It is stated that the Applicant has filed the present application under Section 7 of the IBC, 2016 in its capacity as a Financial Creditor, having advanced a loan of ₹4,08,78,824/- (inclusive of interest), which the Respondent defaulted in repaying on 28.08.2024 despite recall notice dated 21.08.2024.

24. The Respondent submits that in view of the aforesaid facts and circumstances, adjudication of the present application has become necessary, failing which grave prejudice would be caused to the Applicant. It is recorded that in compliance with order dated 11.03.2025, both parties filed written submissions – the Financial Creditor on 31.03.2025 and the Corporate Debtor on 07.04.2025 – which are taken on record.

25. The Respondent thereafter filed an affidavit on 05.06.2025 stating that it had settled the account of the Applicant. During the hearing on 06.06.2025, learned counsel for the Respondent/CD submitted that the entire principal amount of ₹3,80,99,500/- has been paid, whereas the claim of ₹27,00,000/- towards interest was never agreed between the parties. On this basis, it was urged that the petition be dismissed. An affidavit with bank statement was also filed on 05.06.2025.

26. Learned counsel for the Applicant/FC, however, disputed the said contention and submitted that the Respondent is still liable to pay ₹46,74,000/-, which includes shortfall in principal as well as interest. It was further submitted that the petition cannot be dismissed merely on the ground that the residual amount is below the threshold, since at the time of filing, the debt was above threshold.



27. Accordingly, vide order dated 11.06.2025, both sides were directed to exchange balance sheets and ledger accounts from the date of loan till date, with liberty to file rebuttal within one week. Thereafter, as recorded in order dated 02.07.2025, the Corporate Debtor filed an additional affidavit on 01.07.2025 asserting that the remaining amount of interest had also been paid. Learned counsel for the Applicant/FC objected to this assertion, maintaining that the liability was not fully discharged. Both sides were directed to file short written submissions along with calculation charts of the financial debt and payments made/received, not exceeding three pages, within one week.

28. The Financial Creditor filed its short-written submission on 01.08.2025.

29. We have heard the Learned Counsels in detail and examined the records filed by the parties. The present Application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“IBC”) has been filed by M/s Tanay Securities and Services Pvt. Ltd. and Smt. Shashi Jain. It is alleged that an aggregate sum of ₹4,08,78,824 (inclusive of interest) was advanced to M/s Mittal Soya Protein Pvt. Ltd. by way of unsecured loan. M/s Tanay Securities advanced ₹1,50,00,000 on 23.12.2020, followed by further advances up to 18.11.2022, with part repayments made during the period. Similarly, Smt. Shashi Jain advanced ₹1,00,00,000 on 14.02.2022, and further transactions of advancing and receiving funds took place till 17.11.2022. As on 31.03.2023, the net balance allegedly due stood at ₹3,31,15,729 (in the name of M/s Tanay Securities) and ₹63,74,330 (in the name of Smt. Shashi Jain).

30. There was no agreement between the parties either characterising the transaction as a loan or stipulating payment of interest. M/s Tanay Securities belongs to Mr. Rajeev Dak, with Mr. Rajeev Shantilal Dak and Mr. Shreyansh Rajeev Dak as Directors. Smt. Shashi Jain, co-applicant herein, is sister of Mr. Rajeev Dak.



31. The Application was filed on 23.10.2024. As on 26.12.2023, the shareholding structure of the CD reflected that the Mittals (Shrey Mittal and Yash Mittal) held 55% of the equity, while the remaining 45% was held by M/s Blue Lotus LLP and Smt. Shashi Kala Jain (relative of the Applicants). Further, Smt. Shashi Kala Jain and M/s Tanay Securities held 10% and 35% of the preference shares of the CD, respectively. Thus, the Applicants and their relatives had significant investments in the CD and qualify as related parties.

32. Smt. Shashi Kala Jain was a Director in the CD between 05.02.2022 and 09.09.2023. TDS certificates issued by the CD to M/s Tanay Securities and Smt. Shashi Jain for FY 2022–2023 show deduction of tax at source on interest payments. Ledger accounts of M/s Tanay Securities show that no interest was charged or accounted in FY 2020–2021 and 2021–2022. The ledger for FY 2022–2023 reflects adjustments of advances towards subscription of optionally convertible preference shares, along with a single entry of interest on 31.03.2023.

33. The Corporate Debtor/respondent has filed printouts of WhatsApp chats exchanged between CA Rajeev Dak and the Mittals (pages 61–124 of Reply), which include references to financial transactions, approval of payments, salary matters, and rental expenses. The CD has also filed printouts of email communications between CA Rajeev Dak and the CD (pages 125–245 of Reply), including discussions on the proposed purchase of Dhanlaxmi Solvex Pvt. Ltd. and Rights Issue approvals.

34. The CD, by affidavit dated 01.07.2025, stated that the alleged outstanding of ₹4,08,78,824 (comprising principal and interest) stood fully settled. The affidavit details dates, amounts, and bank UTRs of such payments, many of which were made in June 2025. This includes a payment of ₹18,88,000 made on 08.08.2023 directly to SP Jain School of Global Management Pvt. Ltd. towards education fees of Mr. Shreyansh Dak, Director of M/s Tanay



Securities. Vide order dated 02.07.2025, this Tribunal noted the CD's affidavit of settlement and directed both sides to file short written submissions with calculation charts (not exceeding three pages), after exchange between them, within one week.

35. On 17.07.2025, the CD filed another affidavit annexing WhatsApp chats of Mr. Shreyansh Dak, evidencing his request for the payment of admission fees. The affidavit enclosed a bank statement showing transfer of ₹18,88,000 to SP Jain School of Global Management Pvt. Ltd., based on the details shared by Mr. Shreyansh Dak himself. The Applicant, in written submissions dated 21.07.2025, admitted receipt of ₹3,23,15,994 against its claim of ₹3,45,04,494. It disputed a shortfall of ₹19,19,500, contending that the payment made towards educational fees cannot be appropriated towards repayment of loan liability. While correctness of the payment and WhatsApp evidence was not controverted, it was argued that such unilateral appropriation by the CD could not be treated as repayment.

36. In further submissions dated 01.08.2025, the Applicant reiterated its objection only with respect to the said ₹19,19,500, alleging that the CD was attempting to reduce the admitted liability below the statutory threshold of ₹1 crore. The CD relied upon the judgment of the Hon'ble NCLAT dated 09.09.2024 in *Imdadali M Momin & Ors. vs. Pellucid Lifesciences Pvt. Ltd. (Company Appeal (AT) (Ins) No. 1145 of 2024)*, wherein the Appellate Tribunal had upheld dismissal of a similar petition.

37. We note that there was no loan agreement between the parties stipulating tenure, rate of interest, or repayment terms. No interest was charged by the Applicants in FY 2020–2021 and 2021–2022. The requirement of “time value of money,” essential to classify an advance as “financial debt” under Section 5(8) of the IBC, is therefore not satisfied. The Applicants and their relatives



also held substantial equity and preference shareholding in the CD, besides being directly involved in management.

38. The Hon'ble NCLAT in *Imdadali M Momin* (supra) has categorically held that, absent stipulations as to repayment and interest, advances do not qualify as "financial debt," and IBC cannot be invoked as a recovery forum for disputed amounts. The facts of the present case are materially similar. The interest claimed at 3% p.a. is neither market-linked nor demonstrative of arm's-length lending; rather, it partakes the character of quasi-equity, especially given the Applicants' substantial investment and involvement in the CD.

39. In view of the above, we are of the considered view that the twin requirements of "debt" and "default" are not fully met. Moreover, the CD has substantially repaid the amounts claimed, except the disputed sum of ₹19,19,500, which in any event falls below the statutory threshold of ₹1 crore. Accordingly, the petition under Section 7 of the IBC is rejected.

40. **IA No. 448/2024**, filed under Rule 11 of the NCLT Rules, 2016 for restraining alienation of assets of the CD, has become infructuous with the rejection of the main petition and therefore **dismissed** being **infructuous** accordingly.

41. Before parting, we observe that the Applicants have suppressed material facts, including their significant shareholding, preference shareholding, and directorships in the CD. The Petition was not filed for resolution of insolvency of the CD, which is otherwise solvent, but for recovery of alleged dues. Such conduct falls within the mischief of Section 65 of the IBC, 2016. Considering the financial capacity of the Applicants, we impose a penalty of ₹10,00,000 on M/s Tanay Securities and Services Pvt. Ltd. and ₹5,00,000 on Smt. Shashi Jain. The said penalty shall be deposited in the Prime Minister's Relief Fund within 15 days. Compliance to be reported on 29.09.2025.



42. In view of the above findings, we reject the Application filed under Section 7 of the IBC, 2016.

Sd/-

**SANJEEV SHARMA**  
**MEMBER (TECHNICAL)**

Sd/-

**MOHAN P. TIWARI**  
**MEMBER (JUDICIAL)**