IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **01.09.2026** THROUGH VIDEO CONFERENCING

PRESENT: **HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)**
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER	**:**
PETITION NUMBER	**:** CP(IB)/87/(CHE)/2025
NAME OF THE PETITIONER(S)	**:** Dhanalakshmi Srinivasan Energy pvt Ltd
NAME OF THE RESPONDENTS	**:** Madras Asset Recovery Company Pvt Ltd
UNDER SECTION	**:** Sec 7 Rule 4 of IBC, 2016

ORDER

Present: Ld. Counsel Shri. Allan Jarvis for the Petitioner.

Ld. Counsel Shri. Gowthaman for the Respodent / Corporate Debtor.

Vide separate order pronounced in Open Court, petition is dismissed.

File be consigned to records.

Sd/- **Sd/-**

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

(SANJIV JAIN)
MEMBER (JUDICIAL)

MG

Date: 01.09.2026

IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – I, CHENNAI

CP(IB)/87(CHE)/2025

(filed under Section 7 of Insolvency & Bankruptcy Code, 2016 R/w Rule 4 of Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016)

In the matter of ***Madras Asset Recovery Company Private Limited***

Dhanalakshmi Srinivasan Energy Private Limited,
274-C, Thuraiyur Road,
Perambalur,
Tamilnadu, - 621212

... Petitioner / Financial Creditor

Vs

Madras Asset Recovery Company Private Limited
No. 221, First Floor, Fountain Plaza,
Pantheon Road, Egmore,
Chennai, Tamilnadu – 600008

... Respondent / Corporate Debtor

Present:

For Petitioner : Rohan Rajasekaran, Advocate

For Respondent : E.Om Prakash, Senior Advocate
N.P. Vijaykumar, Advocate

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

Order Pronounced on 01st September, 2026

ORDER

(Heard through Hybrid Mode)

1. This petition CP(IB)/87(CHE)/2025 under Section 7 of IBC has been filed by the Financial Creditor Dhanalakshmi Srinivasan Energy Private Limited (Petitioner) against the Corporate Debtor Madras Asset Recovery Company Private Limited, Respondent for initiating Corporate Insolvency Resolution Process.

2. Part – I of the petition provides the details of the Financial Creditor. It was incorporated on 30.07.2010 having its office at 274-C, Thuraiyur Road, Perambalur, Tamilnadu – 621212. Part – II of the petition provides the details of the Corporate Debtor. It was incorporated on 24.03.2011 having its registered office at No. 221, First Floor, Fountain Plaza, Pantheon Road, Egmore, Chennai, Tamilnadu – 600008 within the jurisdiction of this Tribunal. Its authorized share capital is Rs. 1,00,000/-. In Part – III of the petition, Petitioner has proposed the name of Interim Resolution Professional namely Shri. Ramakrishnan Sadasivan having IBBI Registration No. IBBI/IPA-001/IP-P00108/2017-2018/10215. In Part – IV of the petition, the Petitioner has given the amount of debt and date of disbursement. The amount claimed to be in

default is Rs. 11,68,11,645/- and the date of default is stated as 07.03.2025. The Petitioner has placed ledger statement, bank statements showing the disbursements, interest calculation, extract of balance sheets of the Corporate Debtor for the financial year ended on 31.03.2022 and demand letters.

3. The case of the Petitioner is that the Corporate Debtor had approached the Petitioner for short term loans to meet its final commitments and working capital requirements. It promised to repay the loans on demand carrying an interest @ 24% per annum. The Petitioner disbursed a total sum of Rs. 2,50,00,000/- in 2018 through banking channels. When the Petitioner raised demand for repayment, the Corporate Debtor though acknowledged its liability promising to repay the same but did not pay the amount. It sent a demand notice dated 28.02.2025 calling upon the Corporate Debtor to repay the loan which the Corporate Debtor did not respond nor repaid the debt. This made the Petitioner file this petition.

4. On getting notice of the petition, Respondent filed the reply stating that it never approached the Petitioner for any loan. The Respondent is a Resolution Service Manager for CFM Asset Reconstruction Private Limited. In fact, the Petitioner had approached the Respondent for restructuring of debt in respect of a group Company 'Sribasveshwara Sugars Limited'. Payments were made by various Companies / entities of Dhanalakshmi group. These payments were deposited by the Respondent with CFM Asset Reconstruction Private Limited. It has placed the proof in respect of deposits with CFM Asset Reconstruction Private Limited as under.

> *a. Resolution service agreement between CFM Asset Reconstruction Limited and the Respondent dated 05.11.2018 in respect of Sribasveshwara Sugars Limited.*
>
> *b. Statement of Account showing receipt of money from various Dhanalakshmi group entities and payment of such money by the Respondent at the contemporaneous period of time to CFM Asset Reconstruction.*
>
> *c. Ledger statements of Sribasveshwara Sugars Limited, Sri Dhanalakshmi Super Speciality Hospitals, Dhanalakshmi Housing Finance Private Limited, Dhanalakshmi Hotels Private Limited, Dhanalakshmi Srinivasan Charitable Trust, Dhanalakshmi Srinivasan Builders Private Limited, Dhanalakshmi Srinivasan who have all made payments between 2018-2019 with regard to the account of Sribasveshwara Sugars which payment has been deposited by the Respondent with CFM Asset Reconstruction Private Limited.*

5. The Respondent also produced the annual report of the Petitioner for the period ended 31.03.2019 stating that the balance sheet shows that there were no short term loans and advances as alleged. There was only investment. It is stated that there is no borrower lender relationship, no loan agreement, no time value of money agreed and the entire transaction is in fact being the Respondent acting as a resolution service manager for restructuring of loan of Sribasveshwara Sugars. There are common directors and promoters of the Petitioner and Sribasveshwara Sugars Limited. It is stated that the Petitioner and its group entities have filed two FIRs against the Respondent and the representatives of CFM Asset Reconstruction Private Limited before the District Crime Branch, Trichy, in connection with the very same transactions vide FIR No. 94 /2024 and FIR No. 102/2024 which after investigation have been closed by the police.

6. It is stated that the petition is hopelessly barred by limitation. The principal amount was allegedly disbursed on 05.09.2018, 06.09.2018, 10.09.2018, 11.09.2018 and 14.09.2018, but this petition has been filed on 22.03.2025 showing the date of default as 07.03.2025. The Petitioner has not filed any loan agreement providing the details of loan, tenure of

loan, purpose of loan, interest rate applicable and has filed this petition after a lapse of seven years. There are no documents to demonstrate that it was a loan for a fixed tenure or there is time value for money. NeSL report of financial debt is not a report but a help desk querry.

7. The Petitioner filed the Rejoinder stating that the absence of formal loan agreement does not change the nature of transaction. In the case of *Orator Marketing Pvt. Ltd. Vs. Samtex Desinz Pvt. Ltd. (2021) 6 SCC 519,* it was held that even interest free loans are financial debt. The date of default is correctly stated as 07.03.2025 being the date on which Respondent refused to refund. Limitation commences from the date of default and not from the date of disbursement. Acknowledgment of liability extends the limitation. The balance sheets acknowledge such liability. The Petitioner has produced bank transfer showing disbursement. The Petitioner is neither a party nor privy to restructuring of debt. As per the agreement, the term was for five years starting from 26.10.2018. This would suffice a proof of underlying obligation to repay the sums advanced. The disbursement was against the consideration of time value of money. The resolution service agreement was entered on 05.11.2018 for five years from 26.08.2018.

The Covid period exclusion as per the orders of Hon'ble Supreme Court in suo moto W.P. No. 3 of 2020 is from 15.03.2020 to 28.02.2022. The Respondent had signed the balance sheets for the year ending 31.03.2022 on 30.09.2022. The alleged service resolution agreement expired on 26.08.2023. Demand notice was issued on 28.02.2025. Hence the petition filed on 22.03.2025 is within limitation. Filing of record of default from an information utility is directory and not mandatory as held by Hon'ble NCLAT and confirmed by Hon'ble Supreme Court in *Vijay Kumar Singhania Vs. Bank of Baroda (2024) SCC Online SC 5539.*

8. It is stated that the Respondent's ledger maintained as on 28.02.2026 in respect of the Petitioner acknowledges receipt / credit of Rs. 2,50,00,000/- as closing balance / outstanding. Its failure to repay the said sum to the Petitioner constitutes default. Hon'ble Supreme Court in *EPC Constructions India Limited Vs. Matrix Fertilizers and Chemicals Limited, Civil Appeal No. 11077 of 2025* has held that entries in ones books of accounts to comply with maintenance of books for accounting standards are not determinative of the true nature of the transaction.

9. We have heard Ld. Counsel for the parties and perused the record.

10. In the present case, except the disbursement entries, the Petitioner has not placed any document that the disbursement was against the loan borrowed by the Corporate Debtor. The Corporate Debtor has denied availing any loan and stated that it had never approached the Petitioner for any loan. It is the Resolution Service Manager for CFM Asset Reconstruction Private Limited. In fact, the Petitioner had approached the Respondent for restructuring of debt in respect of a group company called Sribasveshwara Sugars Limited. Payments were made by various companies / entities of Dhanalakshmi group and these payments were deposited by the Respondent with CFM Asset Reconstruction Private Limited. The Respondent has placed the statement of account showing receipt of money from various Dhanalakshmi group entities and payment of such money by the Respondent at the contemporaneous period to CFM Asset Reconstruction Private Limited. The Respondent has also given the details of payment made by NEFT / RTGS. It has produced the ledger statements of the above companies which had made the payments between 2018-2019 with regard to the account of Sribasveshwara Sugars which payments had been deposited by the Respondent with CFM

Asset Reconstruction Private Limited. The annual report of the Petitioner for the period ended 31.03.2019 shows that in the balance sheet there were no short term loans / advances as pleaded. There was only investment. The documents placed by the Respondent show that there are common Directors and Promoters of the Petitioner and Sribasveshwara Sugars Limited. The FIRs lodged by the Petitioner and its group companies against the Respondent and representatives of CFM Asset Reconstruction Private Limited in connection with the same very transaction after investigation have been closed.

11. In the instant case, the Petitioner has not referred to any resolution service agreement dated 05.11.2018 of which the Petitioner has taken shelter in the Rejoinder for pleading limitation. The agreement clearly shows that the Respondent is a Resolution Service Manager under the provisions of SARFAESI Act to facilitate CFM Asset Reconstruction Private Limited in resolution of debts / assets of the Borrower etc.,. It is relevant to reproduce some of the terms of the agreement and statement of account at page 11 and 12 of reply showing receipt of money from various Dhanalakshmi group entities and payment of such money by the Respondent.

2.1 The consideration of this Agreement is the obligations undertaken by the Second party to realize the outstanding contractual dues from the Borrowers including its mortgagors & guarantors either through settlement of dues by recovering from the promoters of the Borrower's company or enforcement of underlying securities or any other mode as permissible under SARFAESI Act, 2002 or IBC 2016 or any Act, Rules or regulations, time being in force, as an Resolution Service Manager of First party within a period of 05 (five) years from the date of acquisition of debt by CFMARC i.e 26th October 2018 or such other extended period beyond the period of 5 years as may be permitted under RBI guidelines and as approved by the Board of Directors of First Party.

2.2 The Second Party being Resolution Service Manager of the First Party has deposited an amount of Rs. 12,39,00,000/- (Rupees Twelve Crore Thirty-Nine Lakh only) as non-interest-bearing Security deposit ("SD") to secure the compliance of its obligations undertaken and commitment for safekeeping of secured assets, resolution and or realizing the outstanding contractual dues.

6.7 Termination: This agreement shall come to an end on complete resolution of the Assets to the extent that no further recovery/ realization is expected from the Borrower by either Parties or after 5 years from the date of the acquisition of the Assets by the First Party or the extended period as per clause 2.1 above.

However, in case the Second Party is in breach of any terms & condition of this agreement or not able to make substantial development in the resolution of assets, the First Party shall have right to terminate this agreement after giving a 30 days' prior notice to the other party.

S.No	Date	Received from	Amount	Ref#	FROM Account	Sent Date	To Account Company Name	Amount	NEFT/RTGS Number
1	05-09-2018	Dhanalakshmi Srinivasan Energy Private Ltd	5000000	NEFT - IDIBH18248495050	MARC				
2	05-09-2018	Dhanalakshmi Srinivasan Energy Private Ltd	2000000	NEFT - IDIBH18248495177	MARC				
3	06-09-2018	Dhanalakshmi Srinivasan Energy Private Ltd	3000000	NEFT - IDIBH18249147878	MARC				
4	10-09-2018	Dhanalakshmi Srinivasan Energy Private Ltd	2500000	RTGS -IDIBR520180910169	MARC				
5	10-09-2018	Dhanalakshmi Srinivasan Energy Private Ltd	2500000	RTGS -IDIBR520180910169	MARC				
6					MARC	11-09-2018	CFM ARC	1,00,00,000	ICICR52018091100541382
7	11-09-2018	Dhanalakshmi Srinivasan Energy Private Ltd	2500000	NEFT - IDIBH18254351862	MARC				
8	11-09-2018	Dhanalakshmi Srinivasan Energy Private Ltd	2500000	NEFT - IDIBH18254362016	MARC				
9					MARC	12-09-2018	CFM ARC	75,00,000	ICICR52018091200691651
10	14-09-2018	Dhanalakshmi Srinivasan Energy Private Ltd	50,00,000	RTGS -IDIBR520180914169	MARC				
11	14-09-2018	DHANALAKSHMI SRINIVASAN BUILDERS	50,00,060	NEFT - IOBAN18257414861	MARC				
12					MARC	14-09-2018	CFM ARC	50,00,000	ICICR52018091400224812
13					MARC	14-09-2018	CFM ARC	50,00,000	NEFT - 000052193065
14	15-09-2018	DHANALAKSHMI SRINIVASAN BUILDERS	25,00,060	NEFT - IOBAN18258578899	MARC				
15	15-09-2018	DHANALAKSHMI SRINIVASAN BUILDERS	25,00,060	NEFT - IOBAN18258599502	MARC				
16					MARC	18-09-2018	CFM ARC	**25,00,000**	ICICR52018091800546071
17	27-09-2018	DHANALAKSHMI SRINIVASAN CHARIEDU TRUST	50,00,000	NEFT - N270180641111844	MARC				
18					MARC	28-09-2018	DSS	25,00,000	[illegible]0728897661/DSS

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19					MARC	28-09-2018	CFM ARC	35,00,000	ICICR52018092800800704
20					MARC	28-09-2018	CFM ARC	50,00,000	ICICR52018092800872051
21					MARC	28-09-2018	CFM ARC	40,00,000	NEFT:0000052944304
22					MARC	28-09-2018	CFM ARC	24,00,000	NEFT:0000052945332
23	28-09-2018	DHANALAKSHMI SRINIVASAN CHARIEDU TRUST	47,50,000	HDFCR52018092895947058	MARC				
24	28-09-2018	DHANALAKSHMI SRINIVASAN CHARIEDU TRUST	2,50,000	HDFCR52018092895981981	MARC				
25	28-09-2018	DHANALAKSHMI SRINIVASAN CHARIEDU TRUST	37,50,000	NEFT - N271180642107367	MARC				
26	28-09-2018	DHANALAKSHMI SRINIVASAN CHARIEDU TRUST	24,00,000	NEFT - N221180642192369	MARC				
27	28-09-2018	DHANALAKSHMI SRINIVASAN DLS	56,00,000	NEFT - LVBN18271397170	MARC				
28					MARC	29-09-2018	CFM ARC	1,15,00,000	ICICR52018092900250729
29					MARC	29-09-2018	CFM ARC	50,00,000	ICICR52018092900260543
30					MARC	29-09-2018	CFM ARC	50,00,000	ICICR52018092900273898
31					MARC	29-09-2018	CFM ARC	70,00,000	ICICR52018092900293430
32					MARC	29-09-2018	DSS	25,00,000	INF/020732326161/DSS
33	29-09-2018	DHANALAKSHMI SRINIVASAN	60,00,000	RTGS - KVBLR52018092900340349	MARC				
34	29-09-2018	DHANALAKSHMI SRINIVASAN	50,00,000	RTGS - KVBLR52018092900343362	MARC				
35	29-09-2018	DHANALAKSHMI SRINIVASAN	25,00,000	RTGS - LAVBR52018092900001400	MARC				
36	29-09-2018	DHANALAKSHMI SRINIVASAN	25,00,000	RTGS - KVBLR52018092900345551	MARC				

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12. The documents placed at page 21 to 25 of the reply relate to the ledger account of the Petitioner and its group companies for the period from 01.04.2018 to 28.02.2026. There is no document to show that any loan was borrowed by the Respondent as alleged.

13. The loan was allegedly disbursed to the Respondent / Corporate Debtor in 2018. This petition has been filed on 20.04.2026 on the basis of the demand notice without any loan agreement except the disbursal. In the absence of any loan documents and on considering the documents placed by the Respondent, the alleged disbursal / payment cannot be said to be a debt disbursed against the consideration for the time value of money. It is not known as to when the debt was repayable. Considering the disbursal which was allegedly made in 2018, this petition filed in 2026 is hopelessly barred by limitation. The documents placed by the Respondent rather support the case of the Respondent that it was only a Resolution Service Manager for CFM Asset Reconstruction Private Limited and on the request made by the Petitioner for the restructuring of debt in respect of the group companies of the Petitioner, the payments were received from the various group companies of the Petitioner which were deposited in

CFM Asset Reconstruction Private Limited through the banking channels at the contemporaneous period of time between 2018-19. The balance sheets clearly show that there are no short term loans or advances. There was no borrower / lender relationship between the parties and the entire transaction was in fact for the purposes of restructuring of loan of Sribasveshwara Sugars where Respondent acted as a Resolution Service Manager and there are common Directors and Promoters of the Petitioner and Sribasveshwara Sugars Limited.

14. In the light of above discussions, the petition has no merits and is **dismissed** with no orders as to cost.

15. File be consigned to records.

Sd/-

VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

Sd/-

SANJIV JAIN
MEMBER (JUDICIAL)