THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR
HON'BLE TECHNICAL MEMBER

In CP No. (IB)- 57/9/JPR/2025

IN THE MATTER OF:

ASIAN PHARMA
Through its Proprietor Bhupinder Choudhary
...Operational Creditor/ Applicant

VERSUS

KEYLINK GLOBAL EXIM PVT. LTD.

...Corporate Debtor/ Respondent

MEMO OF PARTIES

ASIAN PHARMA
Through its Proprietor Bhupinder Choudhary
R/o- Khasra No. 105/106, Asian Pharma Unit of Asian Paper Converters, Baddi, Village Katha, Baddi, Solan, Himachal Pradesh, 173205

...Applicant/ Operational Creditor

Vs.

KEYLINK GLOBAL EXIM PRIVATE LIMITED
R/o 150/1, 3rd Floor, Shipra, Path Road, Mansarover, Jaipur, Rajasthan, India, 302020

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PRESENT: -

For the Applicant : Ankush Thakur, Adv
For the Respondent : Naresh Kumar Sejvani, Adv.

Order Pronounced On: 01.09.2026

ORDER

Per: Ms. Reeta Kohli, Judicial Member

1. The present Petition has been filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 ('IBC'/ 'Code') read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by *Asian Pharma* ('Petitioner'/ 'Operational Creditor') through its Proprietor, namely *Mr. Bhupinder Choudhary* seeking initiation of Corporate Insolvency Resolution Process ('CIRP') in respect of *Keylink Global Exim Private Limited (CIN:* U21001RJ2023PTC089076*)* ('Respondent'/ 'Corporate Debtor'), on account of default in payment of Rs. 4,85,10,169.51/- (Rupees Four Crore Eighty-Five Lakh Ten Thousand One Hundred Sixty Nine and Fifty-One Paisa Only), as on 15.04.2025.

2. The Operational Debt produced in Part IV of the Petition, is reproduced here as following:

PARTICULARS OF OPERATIONAL DEBT		
1.	*Total amount of debt, details of*	**I. TOTAL AMOUNT OF DEBT**

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	transaction on account of which debt fell due, and the date from which such debt fell due.	*The total operational debt due and payable by the corporate debtor as on the date of this notice is ₹6,64,24,482.66 (Rupees Six Crore Sixty-Four Lakhs Twenty-Four Thousand Four Hundred Eighty-Two and Sixty-Six Paisa Only), comprising:* ***Principal Amount:*** *₹6,33,24,648.66* ***Interest @ 24% p.a. till date:*** *₹30,99,834.* *It is submitted that there exists a mutual dealing between the operational creditor and the corporate debtor, whereby an amount of ₹1,79,14,313.15 (Rupees One Crore Seventy-Nine Lakhs Fourteen Thousand Three Hundred Thirteen and Fifteen Paisa Only) is payable by the operational creditor to the corporate debtor towards purchases. After adjusting the said amount, the net amount being claimed under this demand notice stands at ₹4,85,10,169.51 (Rupees Four Crore Eighty-Five Lakhs Ten Thousand One Hundred Sixty-Nine and Fifty-One Paisa Only).*
2.	*Amount claimed to be in default and the*	**TOTAL AMOUNT CLAIMED UNDER DEFAULT**:

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	date on which the default occurred (attach the workings for computation of amount and days of default in tabular form)	*The total operational debt due and payable by the corporate debtor as on the date of this notice is ₹6,64,24,482.66 (Rupees Six Crore Sixty-Four Lakhs Twenty-Four Thousand Four Hundred Eighty-Two and Sixty-Six Paisa Only), comprising:* ***Principal Amount:*** *₹6,33,24,648.66* ***Interest @ 24% p.a. till date:*** *₹30,99,834.* *It is submitted that there exists a mutual dealing between the operational creditor and the corporate debtor, whereby an amount of ₹1,79,14,313.15 (Rupees One Crore Seventy-Nine Lakhs Fourteen Thousand Three Hundred Thirteen and Fifteen Paisa Only) is payable by the operational creditor to the corporate debtor towards purchases. After adjusting the said amount, the net amount being claimed under this demand notice stands at* ***₹4,85,10,169.51*** *(Rupees Four Crore Eighty-Five Lakhs Ten Thousand One Hundred Sixty-Nine and Fifty-One Paisa Only).*

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		The Date on which the default occurred on multiple dates & the date of default is 28.02.2025

3. The Petitioner is a proprietary firm and engaged primarily in trading & manufacturing of medicine, operated under proprietorship of *Mr. Bhupinder Choudhary*, having PAN: ADOPC2464R. The present Petition is filed through its Proprietor, namely *Mr. Bhupinder Choudhary*.

4. The Corporate Debtor is a Company limited by shares incorporated under the provisions of the Companies Act, 2013 on *26.07.2023*, having authorised Share Capital of Rs. *1,00,000/- (Rupees One Lakh only)* and Paid-up Capital of *1,00,000/- (Rupees One Lakh only)*, having registered address at *150/1, 3rd Floor, Shipra Path Road, Mansarovar, Jaipur, Jaipur, Rajasthan, India, 302020.*

5. The Petition has been filed on the basis of the following set of facts:

5.1 The Petitioner is engaged in the business of trading and manufacturing of medicine.

5.2 The Petitioner is Proprietorship firm and engaged primarily in Trading and manufacturing of medicine. Respondent has been purchasing medicine from Petitioner from November 2023 against various invoices. Respondent duly received the goods upon a trust that it will be making the payment for these goods. The Petitioner has used First in First out (i.e.,

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FIFO) method, wherein all the payments made by the Respondent has been adjusted towards pending bills on that date.

5.3 That the Respondent has supplied material to the Petitioner against various invoice raised on different dates are reproduced below: -

Sr. No.	Invoice No.	Date of Invoice	Invoice Amount	Outstanding Amount
1	**A000970**	**24-Jan-25**	**1768704**	**698471.66**
2	A000974	24-Jan-25	10228310	10228310
3	A000975	24-Jan-25	564938	564938
4	A000976	25-Jan-25	120935	120935
5	A000985	27-Jan-25	1378389	1378389
6	A000999	31-Jan-25	2596752	2596752
7	A001004	31-Jan-25	3504520	3504520
8	A001009	31-Jan-25	4641370	4641370
9	A001021	05-Feb-25	2252040	2252040
10	A001023	06-Feb-25	912800	912800
11	A001024	07-Feb-25	3908836	3908836
12	A001036	11-Feb-25	1146680	1146680
13	A001039	12-Feb-25	640233	640233
14	A001044	13-Feb-25	473128	473128
15	A001049	14-Feb-25	619078	619078
16	A001059	17-Feb-25	2450560	2450560
17	A001069	19-Feb-25	675142	675142
18	A001072	20-Feb-25	737783	737783
19	A001073	20-Feb-25	1179136	1179136
20	A001079	22-Feb-25	473478	473478
21	A001080	22-Feb-25	291836	291836
22	A001082	22-Feb-25	935805	935805
23	A001087	24-Feb-25	910883	910883
24	A001091	24-Feb-25	504081	504081
25	A001092	24-Feb-25	221088	221088
26	A001095	25-Feb-25	123809	123809
27	A001096	25-Feb-25	318367	318367
28	A001097	25-Feb-25	862243	862243

29	A001099	26-Feb-25	269727	269727
30	A001107	27-Feb-25	716800	716800
31	A001114	27-Feb-25	795917	795917
32	A001115	27-Feb-25	2168589	2168589
33	A001116	27-Feb-25	924148	924148
34	A001119	28-Feb-25	593006	593006
35	A001120	28-Feb-25	4787104	4787104
36	A001151	10-Mar-25	2197931	2197931
37	A001178	21-Mar-25	602683	602683
38	A001180	21-Mar-25	513397	513397
39	A001181	21-Mar-25	1680269	1680269
40	A001183	22-Mar-25	424077	424077
41	A001231	31-Mar-25	2755771	2755771
42	A000037	15-Apr-25	1524538	1524538
	Total			63324648.7

The total operational debt claimed as due and payable by the respondent amounts to Rs. 6,64,24,482.66, comprising a principal sum of Rs. 6,33,24,648.66 and accrued interest of Rs. 30,99,834.00 calculated at 24% per annum.

5.4 It is contended that there exists a mutual dealing between the Petitioner and the Respondent, whereby an amount of Rs. 1,79,14,313.15/- (Rupees One Crore Seventy-Nine Lakh Fourteen Thousand Three Hundred Thirteen and Fifteen Paise Only) is payable by the Petitioner to the Respondent towards purchases. After adjusting the said amount, the net amount being claimed under this demand notice stands at 4,85,10,169.51/-

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(Rupees Four Crore Eighty-Five Lakh Ten Thousand One Hundred Sixty-Nine and Fifty-One Paise Only)

5.5 The Petitioner issued Notice under Section 8 of the Code read with clause (a) of sub-rule 5 of the code dated 06.06.2025 to Respondent to repay the outstanding amount in full within 10 days from the date of receipt of the Notice. The said notice was sent by registered post as well as by email dated 13.06.2025 to the registered email of the Respondent. The copy of demand notice dated 06.06.2025 sent by registered post was returned with the endorsement "*Addressee Left without instructions*", while the notice sent by email was delivered successfully. The petitioner received reply of the said abovementioned notice on 07.07.2025 after expiry of due time line of 10 days.

5.6 It is further contended that there is no similar petition has been filed before the Adjudicating Authority or any other court of competent Jurisdiction. However, the Petitioner has filed an application before MSME council Himachal Pradesh for recovery of outstanding amount.

6. Respondent in its preliminary objections raised the following issues:

6.1 The Respondent submitted that the Petitioner has failed to place on record the complete ledger account for the period 01.04.2024 to 29.03.2026, which contains merely a single entry reflecting an alleged balance of Rs.

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6,33,24,648/-. It is further submitted that the Petitioner had omitted 8 (eight) invoices aggregating to Rs. 38,62,128/- representing the value of goods duly supplied by the Respondent, on which GST was also paid and against which the Petitioner has admittedly availed input tax credit. Copies of the said invoices are annexed and marked as Annexure-2 to the Reply.

6.2 It is further submitted by the Respondent that goods worth Rs. 3,45,69,824/- were supplied by it to the Petitioner, a fact which is also evident from the ledger account statement of the Petitioner appearing at Page Nos. 135 to 137 of the Petition. However, the Petitioner has deducted a sum of Rs. 1,66,55,510/- through self-made journal entries, without furnishing any reasonable justification for such deduction and without any corresponding payment or substantiating proof of adjustment. It is evident from the Petitioner's own pleadings that only a sum of Rs. 1,79,14,313.15 has been adjusted against the aforesaid amount.

6.3 The Respondent further states that the rates of the products were duly agreed upon and communicated prior to the placing of purchase orders, through various e-mail correspondences exchanged between the parties. Notwithstanding the said agreed rates, the Petitioner raised invoices at inflated and inconsistent rates, without any justification, approval, or prior

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intimation. Copies of the e-mails dated 27.10.2023, 30.10.2023, 18.11.2023, 27.11.2023, 15.01.2024, 23.01.2024, 16.02.2024, and 09.11.2024, through which the rates were mutually agreed, are annexed and marked as Annexure-3 (Colly) to the Reply.

6.4 In this regard, the Respondent has placed on record certain instances where the invoiced rates were found to be inflated, in respect of which corresponding debit notes were issued, the details whereof are reproduced hereinbelow.

S. No.	Product Description	PO/Email Date & Rate (₹)	Invoice No., Date & Rate (₹)	Difference Rate (₹)	Remarks/Debit Note
1.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A000970 24.01.2025 ₹ 13.16 @ Pg No.32 of CP	₹ 1.56	Debit Note of ₹ 2,09,664.00 issued
2.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A000975 24.01.2025 ₹ 13.16 @ Pg No.32 of CP	₹ 1.56	Debit Note of ₹34,944.00 issued
	Intazole 40Mg	----	----	----	
3.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A000976 25.01.2025 ₹ 13.16 @ Pg No.52 of CP	₹ 1.56	Debit Note of ₹14,336.00 issued
4.	Nice INJ 1.5 gm	----	----	----	
	Glassunate 60 Mg	----	----	----	
	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A000985 27.01.2025 ₹ 13.16 @ Pg No.33 of CP	₹ 1.56	Debit Note of ₹68,565.00 issued
5.	Gaganate 120 Mg	16.02.2024 ₹ 9.03	A000999 31.01.2025 ₹ 13.16 @ Pg No.36 of CP	₹ 4.13	Debit Note of ₹3,07,882.00 issued
	Kasunate 120 Mg	16.02.2024 ₹ 9.03	₹ 13.16	₹ 4.13	
6.	Falcivac 120 Mg	similar salt product	A001004 31.01.2025 ₹ 13.16 @ Pg No.39 of CP		Debit Note of ₹4,79,660.00 issued
	Falcivac 60 Mg	similar salt product	A001004 31.01.2025 ₹ 13.16 @ Pg No.39 of CP		
7.	Falcivac 120 Mg	similar salt product	A001021 02.05.2025 ₹ 13.16 @ Pg No.45 of CP		Debit Note of ₹3,03,240.00 issued
	Falcivac 120 Mg	similar salt product	A001021 02.05.2025 ₹ 14.21 @ Pg No.45 of CP		
8.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001024 02.07.2025 ₹ 13.16 @ Pg No.51 of CP	₹ 1.56	Debit Note of ₹4,63,357.00 issued
	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001024 02.07.2025 ₹ 13.16 @ Pg No.51 of CP		
9.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001036 02.11.2025 ₹ 13.16 @ Pg No.54 of CP	₹ 1.56	Debit Note of ₹33,237.00 issued
	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001036 02.11.2025 ₹ 13.16 @ Pg No.54 of CP		
10.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001039 02.11.2025 ₹ 13.16 @ Pg No.56 of CP	₹ 1.56	Debit Note of ₹81,237.00 issued
	Artesunate 60 Mg	09.11.2024 ₹ 9.60	A001039 02.12.2025 ₹ 11.07 @ Pg No.56 of CP	₹ 1.47	
11.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001044 13.02.2025 ₹ 13.16 @ Pg No.58 of CP	₹ 1.56	Debit Note of ₹56,086.00 issued
12.	Pantolite-40 ING.	16.02.2024 ₹ 5.25	A001059 17.02.2025 ₹ 6.90 @ Pg No.63 of CP	₹ 1.65	Debit Note of ₹1,34,400.00 issued
	Hydrocortisone 100 Mg	09.11.2024 ₹ 10.60	A001059 17.02.2025 ₹ 10.60 @ Pg No.63 of CP	₹ 0.00	
	Omelite-40 ING	16.02.2024 ₹ 6.01/7.01	A001059 17.02.2025 ₹ 8.30 @ Pg No.63 of CP	₹ ----	
13.	Antarin 120 Mg		A001069 19.02.2025 ₹ 13.16 @ Pg No.66 of CP		Debit Note of ₹52,849.00 issued
	Arnate 150 Mg		A001069 19.02.2025 ₹ 16.50 @ Pg No.66 of CP		
14.	Artesure 120 Mg	15.01.2024 ₹ 09	A001072 20.02.2025 ₹ 13.16 @ Pg No.69 of CP	₹ 4.16	Debit Note of ₹69,888.00 issued
15.	Deva-Nate 120 Mg		A001073 20.02.2025 ₹ 13.16 @ Pg No.71 of CP		Debit Note of ₹1,39,776.00 issued
16.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001079 22.02.2025 ₹ 13.16 @ Pg No.74 of CP	₹ 1.56	Debit Note of ₹59,660.00 issued
	Artesunate 60 Mg	09.11.2024 ₹ 9.60	A001079 22.02.2025 ₹ 11.07 @ Pg No.74 of CP	₹ 1.47	
17.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001080 22.02.2025 ₹ 13.16 @ Pg No.76 of CP	₹ 1.56	Debit Note of ₹34,595.00 issued
18.	Triamcort-40 INJ.		A001082 22.02.2025 ₹ 08 @ Pg No.78 of CP		Debit Note of ₹65,395.00 issued
	Deva-Mate 60 Mg		A001082 22.02.2025 ₹11.07 @ Pg No.78 of CP		
19.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001087 24.02.2025 ₹ 13.16 @ Pg No.80 of CP	₹ 1.56	Debit Note of ₹1,07,977.00 issued
20.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001091 24.02.2025 ₹ 13.16 @ Pg No.82 of CP	₹ 1.56	Debit Note of ₹59,754.00 issued
21.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001092 24.02.2025 ₹ 13.16 @ Pg No.84 of CP	₹ 1.56	Debit Note of ₹26,208.00 issued

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	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001092 24.02.2025 ₹ 13.16 @ Pg No.84 of CP	₹ 1.56	
22.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001095 25.02.2025 ₹ 13.16 @ Pg No.86 of CP	₹ 1.56	Debit Note of ₹14,676.00 issued
23.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001096 25.02.2025 ₹ 13.16 @ Pg No.88 of CP	₹ 1.56	Debit Note of ₹37,740.00 issued
24.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001097 25.02.2025 ₹ 13.16 @ Pg No.90 of CP	₹ 1.56	Debit Note of ₹1,02,211.00 issued
25.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001099 26.02.2025 ₹ 13.16 @ Pg No.92 of CP	₹ 1.56	Debit Note of ₹31,974.00 issued
26.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001114 27.02.2025 ₹ 13.16 @ Pg No.96 of CP	₹ 1.56	Debit Note of ₹94,349.00 issued
27.	S-Artenate 120 Mg		A001115 27.02.2025 ₹ 14.21 @ Pg No.98 of CP		Debit Note of ₹4,09,741.00 issued
	S-Artenate 60 Mg		A001115 27.02.2025 ₹ 12.01 @ Pg No.98 of CP		
28.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001116 27.02.2025 ₹ 13.16 @ Pg No.100 of CP	₹ 1.56	Debit Note of ₹1,09,549.00 issued
27.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001120 28.02.2025 ₹ 13.16 @ Pg No.58 of CP	₹ 1.56	Debit Note of ₹1,09,549.00 issued
	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001120 28.02.2025 ₹ 13.16 @ Pg No.58 of CP	₹ 1.56	
	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001120 28.02.2025 ₹ 14.21 @ Pg No.58 of CP	₹ 2.61	
	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001120 28.02.2025 ₹ 13.16 @ Pg No.58 of CP	₹ 1.56	
29.	Artesunate 180 Mg	30.10.2023 ₹ 14.08	A001151 03.10.2025 ₹ 20.04 @ Pg No.106 of CP	₹ 3.96	Debit Note of ₹2,66,536.00 issued
	Artesunate 30 Mg		A001151 03.10.2025 ₹ 11.62 @ Pg No.106 of CP		
30.	Falcivac 180 Mg		A001178 21.03.2025 ₹ 19.93 @ Pg No.109 of CP		Debit Note of ₹13,003.00 issued
31.	Falcivac 180 Mg		A001180 21.03.2025 ₹ 19.93 @ Pg No.111 of CP		Debit Note of ₹11,077.00 issued
32.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001181 21.03.2025 ₹ 13.16 @ Pg No.113 of CP	₹ 1.56	Debit Note of ₹1,99,181.00 issued
33.	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001183 22.03.2025 ₹ 13.16 @ Pg No.115 of CP	₹ 1.56	Debit Note of ₹35,870.00 issued
34.	Abiipant 40 Mg		A001231 31.03.2025 ₹ 6.90 @ Pg No.117 of CP		Debit Note of ₹2,95,444.00 issued
	Healthmox CV 1.2 gm		A001231 31.03.2025 ₹ 31.30 @ Pg No.117 of CP		
	Blue Rocket Tablet		A001231 31.03.2025 ₹ 3.57 @ Pg No.117 of CP		
	Artesunate 60 Mg	09.11.2024 ₹ 9.60	A001231 31.03.2025 ₹ 12.01 @ Pg No.117 of CP		
	Artesunate 120 Mg	09.11.2024 ₹ 11.60	A001231 31.03.2025 ₹ 13.16 @ Pg No.117 of CP		

6.5 Subsequent thereto, the Respondent, *vide* e-mail dated 25.03.2025, called upon the Petitioner to hold all further supplies and orders until the respective ledgers and invoices were verified and reconciled. A copy of

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the said e-mail dated 25.03.2025 sent by the Respondent-CD is annexed and marked as Annexure-4 to the Reply.

6.6 Thereafter, the Respondent, *vide* e-mail dated 12.05.2025, raised 117 debit notes corresponding to 117 inflated invoices, aggregating to a total sum of Rs. 1,49,88,441/-, and simultaneously reversed the applicable GST on the said debit notes. A copy of the e-mail dated 12.05.2025, together with the 117 debit notes raised by the Respondent-CD, is annexed and marked as Annexure-5 (Colly) to the Reply.

6.7 It is further submitted by the Respondent that, in respect of the aforementioned 42 invoices, the Petitioner had unilaterally applied the FIFO method of adjustment, whereas the transactions between the Petitioner and the Respondent were, in fact, continuous in nature, with both parties maintaining running accounts wherein reciprocal payments and supplies of goods were periodically adjusted and never settled on an invoice-wise basis. A copy of the complete sale and purchase ledger account statement of the Petitioner, as maintained in the books of the Respondent-CD, is annexed and marked as Annexure-8 to the Reply.

6.8 It is further stated that the Petitioner had already initiated proceedings before the Micro, Small and Medium Enterprises Facilitation Council ('MSME Council'), by filing *Application No. UDYAM-HP-11-*

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0002451/S/00001, wherein the Petitioner averred that it had supplied goods to the Respondent pursuant to a work order/agreement dated 10.01.2025, and that a sum of Rs. 4.54 Crores remained outstanding thereunder.

6.9 The Respondent further states that the said Facilitation Council had referred the parties to mediation, and upon failure thereof, a Sole Arbitrator was appointed at the instance of the Petitioner itself which demonstrates the existence of a pre-existing dispute between the parties.

7. We have heard the learned counsels for both the parties and have carefully perused the pleadings, reply and written submissions. Before we proceed with the facts of the present case, the statutory framework regarding the Application under Section 9 of the Code needs to be recapitulated. An application under Section 9 of the Code can only be filed after the delivery of a demand notice as provided under Section 8 of the Code. Section 8 of the Code requires the Operational Creditor, upon the occurrence of default, to deliver a Demand Notice for unpaid Operational Debt. Furthermore, Section 8(2) specifies that the Corporate Debtor must, within 10 days of receiving the Demand Notice, inform the Operational Creditor of any existing dispute.

8. Under Section 9(1), if Operational Creditor does not receive payment from the Corporate Debtor or notice of the dispute under Sub-section (2) of Section 8, may file an Application under Section 9(1) of the Code.

Section 9(1) is as follows:

> *"**Section 9**: Application for initiation of corporate insolvency resolution process by operational creditor.- (1) After the expiry of the period of ten days from the date of delivery of the notice or invoice demanding payment under sub-section (1) of section 8, if the operational creditor does not receive payment from the corporate debtor or notice of the dispute under sub-section (2) of section 8, the operational creditor may file an application before the Adjudicating Authority for initiating a corporate insolvency resolution process."*

Section 9(5)(ii) is as follows:

> *"**Section 9(5)**: The Adjudicating Authority shall, within fourteen days of the receipt of the application under subsection (2), by an order—*
> *(i).....*
> *(ii) reject the application and communicate such decision to the operational creditor and the corporate debtor, if—*
> *(a) the application made under sub-section (2) is incomplete;*
> *(b) there has been [payment] of the unpaid operational debt;*
> *(c) the creditor has not delivered the invoice or notice for payment to the corporate debtor;*
> *(d) notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility; or*
> *(e) any disciplinary proceeding is pending against any proposed resolution professional:*
> *Provided that Adjudicating Authority, shall before rejecting an application under sub-clause (a) of clause (ii) give a notice to the applicant to rectify the defect in his application within seven days(i)*

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of the date of receipt of such notice from the adjudicating Authority."

9. The Petitioner had filed the present Petition claiming that during the period from 24.01.2025 to 15.04.2025, it had raised 42-invoices amounting to Rs. 6,33,24,648.00 and that after computing interest @ 24% p.a., claiming the sum of Rs. 6,64,24,482.00. It is observed that a part-payment of Rs.10,70,223.00 was received was adjusted towards the Invoice No. A000970 dated 24.01.2025. Further, owing to mutual dealings, Petitioner also admitted that a sum Rs. 1,79,14,313.00 is payable to the CD. It is the case of the Petitioner that after adjusting the above sum of amount, a sum of Rs. 4,85,10,169.00 remain unpaid and is in default and for the recovery of that amount had filed the present CP.

10. On the other hand, the Respondent has stated that the Petitioner has selectively placed self-serving documents and concealed the material entries, returns and debit notes and had filed incomplete and misleading ledger account statements. As per the Respondent, the Petitioner has not considered/omitted the following dues:-

    a. The Petitioner had omitted 8 (eight) invoices aggregating to Rs. 38,62,128/- representing the value of goods duly supplied by the Respondent, on which GST was also paid and against which the Petitioner has admittedly availed input tax credit.

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b. Goods worth Rs. 3,45,69,824/- were supplied by Respondent to the Petitioner, which is also evident from the ledger account statement of the Petitioner appearing at Page Nos. 135 to 137 of the Petition. However, Petitioner adjusted only a sum of Rs. 1,79,14,313.15 against the aforesaid amount.

c. Further, the Respondent *vide* e-mail dated 12.05.2025, raised 117 debit notes corresponding to 117 inflated invoices, aggregating to a total sum of Rs. 1,49,88,441/-.

11. At this juncture, it is pertinent to note that, during the course of arguments, in view of the dispute pertaining to the fixation of rates and the alleged inconsistencies in the statements of account, the parties expressed their willingness to undertake a reconciliation of accounts with the assistance of a Chartered Accountant. Accordingly, this Adjudicating Authority, vide order dated 10.03.2026, appointed *M/s Rajesh Krishna Khanna and Associates* to facilitate the reconciliation process.

12. Pursuant thereto, the appointed Conciliator submitted a report dated 10.04.2026, stating that neither of the parties had furnished conclusive and mutually acceptable documentary evidence to establish a consistent and agreed rate structure, thereby rendering the reconciliation exercise inconclusive.

Sdr

13. Meanwhile, the learned Counsel appearing for the Corporate Debtor also expressed an intention to explore the possibility of an amicable resolution of the dispute. However, no settlement could be arrived at between the parties.

14. It is in the aforesaid factual backdrop that the issue concerning the admission of the present Petition under Section 9 of the Insolvency and Bankruptcy Code, 2016, falls for consideration and adjudication by this Adjudicating Authority.

15. At this stage, it is essential to take note of the fact that even assuming without admitting, that the amount/adjustment claimed by the Respondent are valid, the same does not dilute the operation debt in any manner whatsoever. For ease of reference, the computation, after all the adjustments as sought by the Corporate Debtor will be as follows:

Total value of invoices raised by the Petitioner	Rs. 6,33,24,648.00
Less: Value of 8 invoices allegedly omitted	Rs. 38,62,128.00
Less: Value of goods allegedly supplied by the Respondent	Rs. 3,45,69,824.00
Less: Value of 117 debit notes allegedly raised by the Respondent	Rs. 1,49,88,441.00
The resultant outstanding principal amount	Rs. 99,04,255.00
Interest at 24% per annum (as per the invoices)	Rs. 23,77,021.20
Total outstanding would amount	**Rs. 1,22,81,276.20**

Sdr

16. Even if the interest at 24% per annum is computed thereon for one year, the total outstanding would amount to Rs. 1,22,81,276.20, which is still above the statutory threshold of Rs. 1 crore prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016. Therefore, even assuming the Respondent's contentions to be correct for the limited purpose of the present analysis, the amount of debt would continue to exceed the minimum threshold for initiation of the Corporate Insolvency Resolution Process.

17. At this juncture, it is germane to refer the Judgement of the Hon'ble Apex Court in *Mobilox Innovations Private Limited* wherein in para 25 the Hon'ble Supreme Court laid down the guidelines for adjudicating Section 9 Application. The Para 25 is as follows: -

> *"25. Therefore, the adjudicating authority, when examining an application under Section 9 of the Act will have to determine:*
> *(i) Whether there is an "operational debt" as defined exceeding Rs 1 lakh? (See Section 4 of the Act)*
> *(ii) Whether the documentary evidence furnished with the Application shows that the aforesaid Debt is due and payable and has not yet been paid? and*
> *(iii) Whether there is existence of a dispute between the parties or the record of the 15 Company Appeal (AT) (Insolvency) No. 256 of 2021 pendency of a suit or arbitration proceeding filed before the receipt of the demand notice of the unpaid operational Debt in relation to such dispute?*
>
> *If any one of the aforesaid conditions is lacking, the Application would have to be rejected. Apart from the above, the adjudicating authority must follow the mandate of Section 9, as outlined above,*

Sdr

and in particular the mandate of Section 9(5) of the Act, and admit or reject the Application, as the case may be, depending upon the factors mentioned in Section 9(5) of the Act."

18. Keeping in view the facts and circumstances of the case and the judgement of the Hon'ble Apex Court in *Mobilox Innovations Private Limited* the essential required for admission of Section 9 Petition stand satisfied and are as follows:-

a) Existence of operational debt: The Respondent failed to make payment against invoices raised by the Petitioner aggregating to a sum **Rs. 1,22,81,276.20** after considering all the adjustments/rate differences. This constitutes operational debt within the meaning of Section 5(21) of the Code.

b) Debt exceeds threshold of Rs. 1 Crore.

c) Default occurred- The respondent defaulted in payment of the outstanding dues amounting to Rs. 1,22,81,276.20 (adjusted amount). The Petitioner issued demand notice on 06.06.2025, clearly calling upon the respondent to discharge the liability. However, even after receipt of all demand notices, the Respondent failed to make payment of the outstanding amount. This default constitutes a default within the meaning of Section 3(12) of the Code. Accordingly, the operational debt is admitted, acknowledged and undischarged.

d) Demand Notice dated 06.06.2025 was served upon the Corporate Debtor.

Sd-

e) No payment has been made towards the Operational Debt.

f) No pre-existing dispute has been established in terms of the Section 8 of the Code. After carefully considering the allegations raised by the Respondent, the failed attempt to conciliate the rate differences, this adjudicating authority is of the considered view that the operational debt is more than the threshold despite deducting all the claims made by the Respondent.

g) Further, the instant petition is complete with respect to Form-5 i.e., Application of Operational Creditor to initiate CIRP.

19. At this juncture, it is pertinent to mention that the Hon'ble Supreme Court in *GLS Films Industries Pvt. Ltd. v. Chemical Suppliers India Pvt. Ltd.,* (2026) ibclaw.in 183 SC has upheld the dismissal of Section 9 Petition by NCLT while setting aside the order of admission of the Hon'ble NCLAT while stating that the adjudicating authority has to only satisfy itself as to the existence of a plausible pre-existing dispute, which was not spurious, hypothetical or illusory. The relevant para of the aforementioned judgment is reproduced hereunder:-

> *"**21.** Given the obtaining facts and the aforestated settled legal position, it was not for the NCLAT to delve into the appellant's dispute to decide whether it had actual merit. All that is required is for the adjudicating authority to satisfy itself as to the existence of a plausible pre-existing dispute, which was not spurious, hypothetical or illusory. Whether the party raising that dispute would succeed on the strength thereof is not within the ken of such inquiry. That being*

Sd/-

so, we are of the opinion that the NCLT was correct in concluding that the application filed by the respondent under Section 9 of the Code did not merit consideration, owing to pre-existing disputes. The NCLAT was not justified in reversing the said decision. There was clearly no consensus between the parties as to who was liable to pay to the other and the amount that was payable."

20. Hence, keeping in view the decision of the Hon'ble Supreme Court in *GLS Films Industries Pvt. Ltd. v. Chemical Suppliers India Pvt. Ltd,* the instant petition deserves to be dismissed on the ground of pre-existing dispute.

21. In the circumstances, Company Petition bearing *CP No. (IB)- 57/09/JPR/2025* is *dismissed* and *disposed of*.

Sd/-

REETA KOHLI
JUDICIAL MEMBER

LRA/EV