IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH

COURT-V

CP IB 697/ND/2025

Under Section 9 of the Insolvency & Bankruptcy Code, 2016

IN THE MATTER OF:

Bikit Private Limited
471/124, Achalbhai ni Chali,
Hanzar Cinema Road,
Opp. Dabba Bazar Saraspur,
Ahmedabad, Gujarat, India, 380018

....Petitioner/ Operational Creditor

VERSUS

Quasar India Limited
Registered Office:
1971-72, Room No. 3, Ground Floor,
Kucha Chelan, Khari Baoli, Chandni Chowk,
North Delhi, Delhi-110006

Correspondence Address :
D-505, Titanium City Center,
Nr. Income Tax Building,
Anandnagar Road, Satellite,
Ahmedabad-380015

....Respondent/ Corporate Debtor

Order Pronounced On: 31.10.2026

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,

HON'BLE MEMBER (JUDICIAL)

MS. REENA SINHA PURI,

HON'BLE MEMBER (TECHNICAL)

APPEARANCE(S):

For the Applicant : Mr. Abhishek Bose, Ms. Meghna Rao, Ms. Shreya Pandey, Advs.

For the Respondent : Ms. Sneha Mishra i/b Adv. Aadhar Nautiyal

ORDER

1. The present application is filed by Bikit Private Limited, the Operational Creditor under Section 9 of the IBC[1], read with Rule 6 of the Insolvency and Bankruptcy Rules[2], seeking initiation of the Corporate Insolvency Resolution Process (CIRP) against Quasar India Limited, the Corporate Debtor on account of the unpaid advance amount and continuing default amounting to principal of Rs. 5,39,50,000 and contractual simple interest at 12% per annum of Rs. 75,02,745, aggregating to Rs. 6,14,52,745.

2. It is submitted that the Applicant and the Corporate Debtor executed a Memorandum of Understanding (MOU) dated 25.06.2024, under which the Applicant, as buyer, agreed to purchase agricultural goods from the Corporate Debtor. Pursuant to the MOU, the Applicant issued Purchase Order No. BIKIT/PO/2024-25/56 dated 25.06.2024 for supply of agricultural and allied trading goods for a total value of Rs. 15,00,00,000. In terms of the MOU, the Applicant paid an advance of Rs. 5,39,50,000 to the Corporate Debtor in three tranches: Rs. 50,00,000 on 29.06.2024,

[1] Insolvency and Bankruptcy Code, 2016
[2] Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016

Rs. 50,00,000 on 30.06.2024 and Rs. 4,39,50,000 on 01.07.2024. Under the agreed terms, the Corporate Debtor was required to deliver the goods within 60 days of receipt of the advance, i.e., on or before 30.08.2024. However, the goods were not delivered. The Applicant thereafter issued a written demand dated 09.09.2024, calling upon the Corporate Debtor to supply the goods or refund the advance amount within fifteen days. The Corporate Debtor again failed to supply the goods or refund the advance amount. The Applicant then issued a demand notice dated 22.11.2025 in Form 3 under Section 8 of the IBC, calling upon the Corporate Debtor to discharge the outstanding debt. No payment was made by the Corporate Debtor, resulting in filing of this Petition.

3. The Applicant relies upon the correspondence exchanged between the parties, including the communications referred to in Annexure F of the Petition, and states in its written submissions that the liability has continued to be acknowledged by the Corporate Debtor in its letters dated 12.08.2024, 30.08.2024 and 12.10.2024.

4. The Corporate Debtor has opposed the Petition and submitted that the Operational Creditor's claim of Rs. 6,14,52,745 is neither due nor payable. It contends that in terms of clause 4, titled 'Payment Terms' of the MoU, and in particular Clause 4.1(b), the Operational Creditor failed to pay the first tranche of approximately 20% of the total order value within sixty days from the date of receipt of advance, and that this non-performance prevented supply of goods. Further, it is submitted that the

Operational Creditor should not be permitted to benefit from its breach of the contractual terms specified in the MoU. The Corporate Debtor has also referred to pre-existing dispute between the parties.

5. The Corporate Debtor has further contended that the Petition is, in substance, a recovery proceeding and that the IBC cannot be used as a mechanism to recover alleged dues. It has asserted that it is a profit-making company and is not insolvent, and that the Petition has been filed to pressurise the Corporate Debtor in respect of the Operational Creditor's claim. It has also submitted that proceedings under Section 9 of the IBC cannot be invoked as an alternative to recovery proceedings. It is additionally submitted that the Operational Creditor did not place on record, at the time of filing of the Petition, a record of default from the Information Utility or other credible evidence establishing the alleged default. It is contended that the alleged NeSL record was brought on record only at a later stage, during the service of the Rejoinder, and that the Petition did not meet the statutory filing requirements at the time of institution.

6. It is contended that the Petition and the demand notice dated 22.11.2025 do not set out correct facts concerning the transactions, payment commitments and communications between the parties, and has submitted that the Petition is incomplete and liable to be rejected. The

Corporate Debtor relies on *Invent Asset Securitisation and Reconstruction Pvt. Ltd. v. M/s Girnar Fibres Ltd.*[3] and *Mobilox Innovations Pvt. Ltd*[4].

Analysis & Decision

7. We have heard the arguments on behalf of the Operational Creditor as well as the Corporate Debtor and perused the material placed on record, including the petition, reply filed by the Corporate Debtor and the written submissions filed on behalf of both parties.

8. The issues for consideration are whether the claim is an operational debt, whether it had become due and remained unpaid, whether the material discloses a pre-existing dispute within the meaning of Section 8(2)(a) and Section 9(5)(ii)(d) of the Code, and whether the objection concerning the record of default warrants rejection.

9. The payment was made by the Operational Creditor to the Corporate Debtor as an advance under a contract for supply of goods. A claim for repayment of an advance made in connection with a transaction for supply of goods may constitute an operational debt. The Supreme Court in *Consolidated Construction Consortium Ltd*[5], recognised that a purchaser who had paid an advance in connection with a supply transaction could be an operational creditor in respect of a claim arising from that transaction. Here, the repayment claim arises directly from the

[3] M/s Invent Asset Securitisation and Reconstruction Pvt. Ltd. v. M/s Girnar Fibres Ltd. (Civil Appeal No. 3033 of 2022)
[4] Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd. (2018) 1 SCC 353
[5] Consolidated Construction Consortium Ltd. v. Hitro Energy Solutions Pvt. Ltd., (2022) 7 SCC 164

Corporate Debtor's failure to perform its supply obligation under the MoU. The claim therefore falls within Section 5(21) of the Code.

10. The relevant clauses of the MoU are as under:

4. Payment Terms

4.1 The Buyer shall make payment to the Supplier in tranches linked to delivery milestones as under:

a) Advance: An initial payment of Rs. 5,39,50,000/- (Rupees Five Crore Thirty- Nine Lakhs Fifty Thousand only) (approximately 35% of total order value) shall be paid within 7 days from the date of execution of this MOU, as confirmation of order and towards initiation of procurement activities.

b) 1st Tranche- A further 20% payment shall be released upon delivery of the first lot of goods at the Buyer's designated site, against acknowledgement and confirmation of delivery by buyer.

c) 2nd Tranche- The next 20% payment shall be released upon delivery of the second lot of goods or upon completion of 50% of the total supply, whichever is earlier.

d) Final Tranche- The balance over value shall be released upon successful delivery, inspection, and acceptance of all goods/ materials as per the agreed specifications and submission of final invoices.

4.2 All the payments shall be made via RTGS/ NEFT transfer to the Supplier's designated bank account as per details shared separately.

4.3 The Supplier shall raise invoices corresponding to each tranche, and such invoices shall be accompanied by delivery challans/ material receipts duly acknowledged by the Buyer.

5. Refund and default

a) In the event that the Supplier fails to deliver the goods in accordance with the agreed schedule, or fails to commence work within 60 days of receipt of advance, the Supplier shall refund the entire amount to the Buyer within 15 days (fifteen) days of written demand.

b) Failure to refund the advance shall constitute a monetary default, recoverable under law.

c) If the Buyer fails to make balance payment after due delivery and acceptance of goods, the Buyer shall pay the amount within 15 days from written demand by the Supplier.

d) In either case, the defaulting Party shall be liable to pay interest at the rate of 12% per annum on the delayed/ outstanding amount from the date of default until actual payment.

6. Delivery Schedule

a) The Supplier shall deliver the goods in accordance with the timelines agreed and corresponding to the payment tranches defined in clause 4.

- *1st Lot of delivery- To be delivered within sixty (60) days from the date of receipt of the advance payment to the Supplier.*
- *2nd Lot of Delivery- To be delivered within (90 days) of receipt of advance payment, subject to the Buyer's confirmation of satisfactory completion of first delivery.*
- *Final Delivery- To be delivered Within (110 days) of receipt of advance payment.*

b) Any delay in delivery beyond the timelines stated above shall constitute a default under this MOU, entitling the Buyer to:

(i) demand refund of the advance amount in accordance with Clause 5 of this MOU; and/or

(ii) recover losses, costs, or interest arising due to such delay.

11. Thus, Clause 4.1 of the MoU provides for an advance of Rs. 5,39,50,000 and links the subsequent tranches to delivery milestones. In particular, the further 20% was payable upon delivery of the first lot at the buyer's designated site and against acknowledgment and confirmation of delivery. Clause 6 fixes the first-lot delivery period at sixty days from receipt of the advance. Clause 5 provides that, if the supplier fails to deliver in accordance with the schedule or fails to commence work within sixty days of receipt of the advance, it must refund the entire amount within fifteen days of written demand. Failure to refund constitutes a monetary default.

12. Therefore, the Corporate Debtor's reading of Clause 4.1(b) of the MoU, as requiring payment of the next tranche merely upon expiry of sixty days, is not supported by its text. The payment obligation is triggered by delivery of the first lot, acknowledgment and confirmation; the sixty-day period appears in Clause 6 as the supplier's delivery timeline. No first lot was delivered. The further tranche did not become payable merely on expiry of that period, and its non-payment cannot explain the failure to make the contractually prior delivery.

13. The last advance payment was made on 01.07.2024. On the parties' pleaded computation, the first lot was due by 30.08.2024. The written demand of 09.09.2024 followed the expiry of that delivery period and required refund within fifteen days. The last day for refund was

24.09.2024; non-payment thereafter constituted default from 25.09.2024. The Corporate Debtor has not shown any delivery or repayment. The bank and payment records, MoU, demand and the Corporate Debtor's own correspondence support the existence of the debt and non-payment. The principal claim alone exceeds the notified minimum default threshold.

14. We have considered the objection of pre-existing dispute in accordance with *Mobilox Innovations Pvt. Ltd. (supra)*. The Adjudicating Authority is to determine whether the material discloses a plausible contention requiring investigation and a real dispute, rather than a patently feeble legal argument or an assertion unsupported by evidence. A dispute raised for the first time after receipt of the Section 8 demand notice does not bar admission.

15. The correspondence before the Section 8 notice does not disclose a dispute that the Operational Creditor had failed to make a payment already due. By its letter dated 12.08.2024, the Corporate Debtor stated that supply would be completed within a week. By its letter dated 30.08.2024, it apologised for delay, attributed it to its suppliers and logistics, and sought a few more days to complete supply. In its letter dated 12.10.2024, after the refund demand, it acknowledged the reminders regarding refund, stated that it acknowledged its obligation to refund the advance, attributed the delay to supplier defaults and liquidity constraints, and requested two months to process the refund.

These communications acknowledge the supply failure and refund obligation; they do not assert that the Operational Creditor's failure to pay the further tranche had prevented supply.

16. The Corporate Debtor's present reliance on Clause 4.1(b) of the MoU is contradicted by the clause's plain language and is not supported by any contemporaneous notice or document identifying a breach by the Operational Creditor. On the record produced, this contention does not amount to a plausible pre-existing dispute. The objection under Section 9(5)(ii)(d) is therefore rejected.

17. The contention that the IBC is being used as a recovery mechanism does not, by itself, determine maintainability. The IBC is not a substitute for debt recovery proceedings; however, where an operational debt above the threshold is due and unpaid, the statutory test under Section 9 must be applied. The Corporate Debtor's assertion that it is a profit-making company does not negate the established default. The decision in *Invent Asset Securitisation and Reconstruction Pvt. Ltd. v. Girnar Fibres Ltd.,* relied upon by the Corporate Debtor, concerned the limitation of a Section 7 application. It does not displace the statutory test applicable here or the evidence of non-payment under the MoU.

18. The Corporate Debtor further objects that a NeSL record of default was not filed with the Petition and was placed on record later. Section 9(3)(d) requires a copy of a record with an Information Utility confirming non-payment of the unpaid operational debt, if available. Section 9(3)(e)

separately permits any other proof confirming non-payment or such other information as may be prescribed. Section 9(3)(c), in turn, concerns a certificate from the financial institution maintaining the Operational Creditor's account and also uses the words "if available." These are distinct statutory requirements and must not be conflated.

19. The absence of an Information Utility record does not, by itself, require rejection where other proof confirming non-payment is furnished under Section 9(3)(e). The Petition is supported by the MoU, purchase order, proof of the advance transfers, written demands, the Corporate Debtor's correspondence acknowledging its refund obligation, and the Operational Creditor's ledger. These documents provide evidence of default independent of a NeSL report. We therefore find no ground to reject the Petition solely because the NeSL record was not filed at institution. That a particular document was filed later does not alter the evidentiary value of the contemporaneous contractual and payment records relied upon here.

20. The contractual interest claim is based on Clause 5 of the MoU. The precise amount admitted as a claim, including interest, shall be verified in accordance with the MoU and the applicable provisions and regulations. It is not necessary at this stage to determine the final claim amount: the unpaid principal of Rs. 5,39,50,000 is independently established and is above the statutory threshold. The Corporate Debtor has shown no repayment of that principal.

21. Upon consideration of the material placed on record, including the MOU, the Purchase Order, the payment records and the demands issued by the Operational Creditor, we find that the underlying transaction and the alleged default are supported by the documentary material relied upon in the Petition. No payment was made within the statutory period, and no genuine pre-existing dispute has been established. In the facts of the present case, and subject to the documents on record satisfying the applicable requirements, we find no sufficient ground to reject the Petition solely on the basis of the objection raised by the Corporate Debtor.

22. Accordingly, CP IB No. 697/ND/2025 filed by Bikit Private Limited, the Operational Creditor under Section 9 of the IBC read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, is admitted, and CIRP is initiated against Quasar India Limited. The following is ordered:

a. The petition bearing C.P. No. (IB) 697/ND/2025 filed by Bikit Private Limited under Section 9 of the Insolvency and Bankruptcy Code, 2016, read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, for initiating CIRP against Quasar India Limited, is hereby admitted.

b. The Applicant has proposed the name of Mr. Raghunath Bhandari to be appointed as the Interim Resolution Professional, having Registration No. IBBI/IPA-002/IP-N01023/2020-2021/13276. Therefore, this Adjudicating

Authority appoints Mr. Raghunath Bhandari, having Registration No. IBBI/IPA-002/IP-N01023/2020-2021/13276 as Interim Resolution Professional (IRP) of the Corporate Debtor to carry out the functions as per the Code. The IRP shall submit written consent in Form 2, as required under rule 9(1) of the Insolvency and Bankruptcy [Application to Adjudicating Authority] Rules, 2016 along with a copy of registration certificate as well as a valid AFA within 5 days of receipt of this order.

c. We direct the applicant to deposit a sum of Rs 2 lakhs with the Interim Resolution Professional to meet out the expense to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within one week from the date of receipt of this order by the Operational Creditor. The amount, however, shall be subject to adjustment by the Committee of Creditors, as accounted for by Interim Resolution Professional, and shall be paid back to the Operational Creditor.

d. We also declare moratorium in terms of Section 14 of the IBC. The necessary consequences of imposing the moratorium flow from the provisions of Section 14 (1) (a), (b), (c) & (d) of the Code. Thus, the following prohibitions are imposed:

i. The institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

ii. *Transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*

iii. *Any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*

iv. *The recovery of any property by an owner or lessor, where such property is occupied by or in the possession of the corporate debtor."*

v. *The IB Code 2016 also prohibits Suspension or termination of any license, permit, registration, quota, concession, clearances or a similar grant or right given by the Central Government, State Government, local authority, sectoral regulator or any other authority constituted under any other law for the time being in force, on the grounds of insolvency, subject to the condition that there is no default in payment of current dues arising for the use or continuation of the license, permit, registration, quota, concessions, clearances or a similar grant or right during the moratorium period.*

e. The provisions of moratorium shall not apply to transactions which might be notified by the Central Government or the supply of the essential goods or services to the Corporate Debtor as may be specified, are not to be terminated or suspended or interrupted during the moratorium period. In addition, as per the Insolvency and Bankruptcy Code (Amendment) Act, 2018 which has come into force w.e.f. 06.06.2018, the provisions of moratorium shall not apply to the surety in a contract of guarantee to the corporate debtor in terms of Section 14 (3) (b) of the IBC.

f. The Interim Resolution Professional shall perform all his functions contemplated, inter-alia, by Sections 15, 17, 18, 19, 20 & 21 of the IBC and

transact proceedings with utmost dedication, honesty and strictly in accordance with the provisions of the IBC, Rules and Regulations. All the personnel connected with the Corporate Debtor, its promoters or any other person associated with the Management of the Corporate Debtor are under legal obligation under Section 19 of the IBC to extend every assistance and cooperation to the Interim Resolution Professional as may be required by him in managing the day-to-day affairs of the 'Corporate Debtor'.

g. In case there is any violation committed by the ex-management or any tainted/illegal transaction by ex-directors or anyone else, the Interim Resolution Professional would be at liberty to make appropriate application to this Tribunal with a prayer for passing an appropriate order.

h. The Interim Resolution Professional shall be under duty to protect and preserve the value of the property of the 'Corporate Debtor' as a part of its obligation imposed by Section 20 of the IBC and perform all his functions strictly in accordance with the provisions of the IBC, Rules and Regulations.

i. A copy of the order shall be communicated to the applicant, Corporate Debtor and IRP above named, by the Registry. In addition, a copy of the order shall also be forwarded to IBBI for its records. Applicant is also directed to provide a copy of the complete paper book to the IRP. A copy of this order is also sent to the ROC for updating the Master Data. ROC shall send compliance report to the Registrar, NCLT.

23. Accordingly, the instant application filed under Section 9 of the Code, 2016 bearing **CP (IB) NO. 697/ND/2025** stands **admitted.**

Sd/-	**Sd/-**
(REENA SINHA PURI)	**(MANNI SANKARIAH SHANMUGA SUNDARAM)**
MEMBER (TECHNICAL)	**MEMBER (JUDICIAL)**