

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD



ITEM No.305
C.P.(IB)/21(AHM)2026

Under Section 9 IBC

IN THE MATTER OF:

Rumit Lifecare
V/s
Shari Pharmachem Pvt. Ltd.

.....Applicant

.....Respondent

Order delivered on: 16/03/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

-sd-

SANJEEV SHARMA
MEMBER (TECHNICAL)

-sd-

SHAMMI KHAN
MEMBER (JUDICIAL)



**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, COURT-I, AHMEDABAD**

C.P.(I.B.) No. 21/(AHM)/2026

(An application 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)

In the Matter of: Shari Pharmachem Private Limited

M/s. Rumit Life Care

Unit No. 133, 1st Floor,
Administrative Building,
Village Sai, Mumbai,
Raigad, Maharashtra-41026
lifecarefinance@rumit.in

...Applicant/Operational Creditor

VERSUS

Shari Pharmachem Private Limited

CIN: U24110GJ2021PTC119842

340, Effluent Canal Road, Near Alembic
Formulation Unit, Dudhwada, Vadodara,
Padra, Gujarat- 391450
jajaybharti@gmail.com

...Respondent/Corporate Debtor

Order Delivered On: 16.03.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

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



A P P E A R A N C E:

For the Applicant/OC : Mr. Tarak Shah, Advocate
For the Respondent/CD : Mr. Kurven Desai, Advocate

O R D E R
(Per Bench)

1. This Company Petition has been filed on 23.01.2026 by the Applicant- M/s. Rमित Life Care (hereinafter referred to as '*Operational Creditor*') under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "*the Code*") read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 seeking initiation of the Corporate Insolvency Resolution Process ("*CIRP*") against Shari Pharmachem Private Limited (hereinafter referred to as the "*Corporate Debtor*") for default in payment of operational debt of Rs.6,09,50,590.60/- comprising of a principal amount of Rs.2,24,16,648.60 and interest amounting to Rs.3,85,33,942, arising out of supply of goods.
2. Upon perusal of Part-I of Form-5, it is observed that the Operational Creditor, M/s. Rमित Life Care, is a partnership firm engaged in the business of trading, import and export



of pharmaceutical intermediaries and Active Pharmaceutical Ingredients (API), having its registered office at Unit No.133, 1st Floor, Administrative Building, Village Sai, Mumbai, Raigad, Maharashtra. The present petition has been filed through its Finance Manager, Mr. Mahesh Pranubhai Desai, who has been authorised by a letter of authority dated 15.10.2025 annexed as Annexure-A.

3. As per Part-II of Form-5, the Corporate Debtor is Shari Pharmachem Private Limited, having CIN: U24110GJ2021PTC119842, incorporated on 30.01.2021 under the provisions of the Companies Act, 2013. The Corporate Debtor has its registered office at 340, Effluent Canal Road, Near Alembic Formulation Unit, Dudhwada, Vadodara, Padra, Gujarat – 391450. The Master Data of the Corporate Debtor obtained from the website of the Ministry of Corporate Affairs has been placed on record with the main petition at Page No. 165 & 166.
4. As per Part-III of Form-5, the Operational Creditor has proposed the name of Mr. Manoj Anant Mainkar, Registration No. IBBI/IPA-001/IP-P01221/2018-



2019/11926, to act as the Interim Resolution Professional (“IRP”). The proposed IRP has filed his written communication in Form-2 along with Authorisation for Assignment (AFA). As per the details available on the website of the Insolvency and Bankruptcy Board of India (IBBI), the AFA is valid up to 30.06.2027.

5. As per Part-IV of Form-5, the Operational Creditor has claimed that the total operational debt due and payable by the Corporate Debtor is Rs.6,09,50,590.60, comprising of a principal amount of Rs.2,24,16,648.60 and interest amounting to Rs.3,85,33,942. arising from Trading, Import and Export of Pharmaceutical Intermediaries and API. The date of default has been stated as 14.12.2023, being the date of the last payment received from the Corporate Debtor.
6. Upon perusal of Part-IV and Part-V of Form-5, it is observed that the Operational Creditor has set out the following facts in support of the present petition: -

6.1 It is submitted that the Operational Creditor is engaged in the business of trading, import and export of pharmaceutical intermediaries and Active



Pharmaceutical Ingredients (API). The Respondent/Corporate Debtor is engaged in the business of manufacturing and trading of pharmaceutical intermediaries and related products.

6.2 It is submitted that the Operational Creditor and the Respondent have been in continuous commercial and trading relations since the year 2022, wherein the Respondent used to place purchase orders from time to time for procurement of pharmaceutical intermediaries and related products from the Petitioner.

6.3 It is submitted that pursuant to the purchase orders placed by the Respondent, the Petitioner supplied the requisite goods in accordance with the agreed terms and conditions and raised invoices for the same. The goods supplied by the Petitioner were duly received and accepted by the Respondent without any dispute regarding quantity, quality or specifications.

6.4 It is submitted that the Petitioner raised several invoices upon the Respondent for the goods supplied. A summary of the invoices raised is as follows:

- (i) Invoice No. 2022-23/000008 dated 24.06.2022 for USD 3,68,000
- (ii) Invoice No. 2022-23/000014 dated 01.09.2022 for USD 3,68,000
- (iii) Invoice No. 2022-23/000018 dated 06.10.2022 for USD 3,32,000
- (iv) Invoice No. 2023-24/000010 dated 11.09.2023 for USD 1,34,000



(v) The total invoice value raised by the Petitioner amounts to **USD 12,02,000**. Copies of Invoices are annexed hereto and marked as **Annexure - "C"**.

6.5 It is submitted that except for Invoice No. 2022-23/000008 where advance payment terms were stipulated, the remaining invoices provided for payment terms of "TT/Sight", meaning that payment was required to be made immediately upon receipt of the goods and documents.

6.6 It is submitted that the Respondent made certain part payments against the invoices and a payment of USD 1,20,000 was received in respect of Invoice No. 2023-24/000010. However, a substantial amount remained outstanding and unpaid.

6.7 It is submitted that since the invoices were raised in USD denomination, whereas certain payments were made by the Respondent in INR, the Petitioner suffered losses on account of currency exchange rate fluctuations. The Respondent acknowledged the said loss and agreed to compensate the Petitioner for the exchange rate difference amounting to INR 25,24,930/-, which was accordingly debited to the account of the Respondent.

6.8 It is submitted that in addition to the invoice amounts, the Petitioner incurred various charges including shipping, insurance, agency charges, warehouse charges, transport and other incidental expenses on



behalf of the Respondent amounting to INR 55,43,589/- , which are payable by the Respondent. A copy of these invoices are enclosed herewith and marked as Annexure-"D Colly".

6.9 Also, the interest amount calculated for the delay in payment amounts to INR 3,85,33,942/- as on 10.12.2025.

6.10 It is submitted that despite repeated reminders and follow-ups by the Petitioner, the Respondent failed and neglected to clear the outstanding dues. The Respondent has till date made payments aggregating to **INR 8,04,85,300/-**, with the last payment being made on 14.12.2023.

6.11 It is submitted that after adjusting the payments received, the net principal amount due and payable by the Respondent to the Petitioner stands at **INR 2,24,16,648.60/-**. Further, the interest accrued on account of delay in payment amounts to **INR 3,85,33,942/-**, thereby making the total outstanding debt amounting to **INR 6,09,50,590.60/-** as on 10.12.2025.

6.12 A summary of the net amount due and outstanding is as below: -

Particulars	Amount
Total Invoice Value	USD 12,02,000
Less: USD Payment	(USD 1,20,000)



Balance	USD 10,82,000
Convert to INR*	INR 9,73,58,360
Add: Charges	INR 55,43,589
Less: INR Payment	(INR 8,04,85,300)
Balance Principal Amount	INR2,24,16,648.60/-
Add. Interest	INR 3,85,33,942/
Total Outstanding	INR6,09,50,590.60/-
<i>* As per the RBI Reference Rate of INR 89.98 for conversion of USD to INR on December 10, 2025</i>	

6.13 It is submitted that the date of default is 14.12.2023, being the date of the last payment received from the Respondent and thereafter the Respondent has failed and neglected to clear the outstanding operational debt.

6.14 It is submitted that the Petitioner issued a Demand Notice in Form-3 dated 07.06.2025 under Section 8 of the Insolvency and Bankruptcy Code, 2016, calling upon the Respondent to pay the outstanding operational debt. However, despite receipt of the said notice, the Respondent neither replied to the same nor cleared the outstanding dues.

6.15 It is submitted that the Respondent has failed to make payment of the operational debt despite repeated demands and the statutory demand notice, and therefore has committed default within the meaning of the Insolvency and Bankruptcy Code, 2016.

6.16 It is submitted that in view of the aforesaid facts and circumstances, the Petitioner is constrained to



approach this Hon'ble Tribunal by way of the present Petition seeking initiation of the Corporate Insolvency Resolution Process against the Respondent/Corporate Debtor in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016.

7. The Operational Creditor has relied upon the following documents, which are as under: -

- (a) Copy of Letter of Authorisation is annexed with the Petition as Annexure-A.
- (b) Copy of the Consent Letter, Authorization for Assignment and Certificate under Form 2 are annexed with the Petition as Annexure-B.
- (c) Copies of Invoices are annexed with the Petition as Annexure-C.
- (d) Copy of Workings for computation of amount and dates of default is annexed with the Petition as Annexure-E.
- (e) Copy of statement of bank account where deposits are made or credits received normally by the operational creditor in respect of the debt of the corporate debtor is annexed with the Petition as Annexure-F.
- (f) Copy of Purchase Orders is annexed with the Petition as - Annexure - "G"
- (g) Copy of Ledger Account of the Corporate Debtor in the books of the Operational Creditor is annexed with the Petition as Annexure - "H"
- (h) Copy of the Demand Notice in Form 3 dated June 07, 2025, issued upon the Corporate Debtor is annexed with the Petition as Annexure - "I"

8. That on issuance of the notice in the Company Petition, the Corporate Debtor appeared and filed its reply dated



23.02.2026, vide inward diary No.D-1707. The relevant portion of the same are reproduced as under: -

- 8.1 It is submitted that the present Affidavit in Reply is filed on behalf of the Respondent/Corporate Debtor, M/s. Shari Pharmachem Private Limited, through its authorised representative Mr. Bhuvnesh Bhartendu Singhal, who is the Power of Attorney holder of the authorised signatory of the Respondent Company and is fully conversant with the facts and circumstances of the present matter.
- 8.2 It is submitted that at the outset the Respondent denies all statements, averments and allegations made in the Company Petition except those which are specifically admitted herein. The contents of the petition are denied in toto and the Respondent craves leave of this Adjudicating Authority to file further affidavit(s) or submissions, if required.
- 8.3 It is submitted that the present petition has been filed by the Operational Creditor alleging that an amount of Rs.6,09,50,590/- is due and payable by the Respondent. Out of the said amount, the Petitioner has claimed Rs.3,85,33,942/- towards interest calculated at the rate of 12% per annum. However, according to the Corporate Debtor, there exists no agreement or contractual stipulation between the parties providing for payment of interest. In absence of any contractual



stipulation for interest, the claim of interest is untenable and the petition in its present form is defective and not maintainable.

8.4 It is submitted that the invoices relied upon by the Petitioner are merely proforma invoices and the Petitioner has failed to produce any final invoices or tax invoices evidencing the alleged operational debt. The burden to prove the existence of a legally enforceable debt lies upon the Petitioner; however, the Petitioner has failed to discharge the said burden.

8.5 It is submitted that the alleged invoices relied upon by the Petitioner are raised in United States Dollars (USD) whereas the claim in the present petition has been made in Indian Rupees (INR). The Petitioner has failed to establish the basis for such conversion or to produce valid documentation supporting the same. Therefore, the present petition based on such invoices is not maintainable.

8.6 It is submitted that the claim raised by the Petitioner is also barred by limitation. The invoices relied upon by the Petitioner are stated to be dated 24.06.2022, 01.09.2022, 06.10.2022 and 11.09.2023. The present petition has been filed after expiry of the period of three years from the alleged date of default. Under Section 238A of the Insolvency and Bankruptcy Code, 2016, the provisions of the Limitation Act, 1963 are applicable to proceedings under the Code. Therefore, the present



petition being filed beyond the prescribed period of limitation is not maintainable and deserves to be dismissed.

8.7 It is submitted that there exist various disputes between the parties and the present petition has been filed at the instance of certain disgruntled employees in collusion with the Petitioner. Due to the said disputes, the Respondent has been unable to conduct certain business activities. The Petitioner has approached this Hon'ble Tribunal with unclean hands, and therefore the petition deserves to be dismissed in limine.

8.8 It is submitted that without prejudice to the aforesaid contentions, the Petitioner has proposed Mr. Manoj Mainkar as the Interim Resolution Professional (IRP), who is based in Mumbai, whereas the Respondent/Corporate Debtor is situated in Vadodara, Gujarat, and its immovable properties, factory land and building are also situated at Vadodara. Appointment of an IRP located outside the State of Gujarat would cause unnecessary expenditure, inconvenience and delay in the conduct of the Corporate Insolvency Resolution Process. Therefore, the proposal for appointment of the said IRP is not appropriate.

8.9 It is submitted that in view of the aforesaid facts and circumstances, the present Company Petition is defective, barred by limitation, unsupported by requisite documents and based on disputed claims, and therefore



the same deserves to be dismissed in limine with exemplary costs.

9. The Operational Creditor's has also filed rejoinder on 11.03.2026, vide inward diary No.D-2140. The relevant portion of the same are reproduced as under: -

9.1 It is submitted that the present Rejoinder is filed by the Operational Creditor, M/s. Rumit Life Care, in response to the Affidavit in Reply filed by the Respondent/Corporate Debtor, M/s. Shari Pharmachem Private Limited, in Company Petition No. 21 of 2026 pending before this Hon'ble Tribunal. The Petitioner denies all the allegations, averments and submissions made in the Reply except those specifically admitted herein.

9.2 It is submitted that the Reply filed by the Respondent is misconceived, legally untenable and devoid of any substantive defence. The Respondent has failed to deal with the documentary evidence placed on record and has instead relied on bald denials and technical objections without addressing the existence of operational debt and default.

9.3 It is submitted that the Respondent has not disputed the principal amount payable under the invoices and has confined its objections only to the interest component. The absence of any categorical denial of the



principal liability clearly establishes that the underlying operational debt subsists and remains unpaid.

- 9.4 It is submitted that the levy of interest on delayed payments is a well-recognized commercial practice representing compensation for the time value of money. The Petitioner has claimed interest at the rate of 12% per annum, which is reasonable and consistent with prevailing commercial standards. Moreover, the commercial invoices relating to expenses such as shipping, insurance, warehousing and related charges specifically provide for interest at 18% per annum in the event of delayed payment, though the Petitioner has restricted its claim to a lower rate of interest in the present proceedings.
- 9.5 It is submitted that the contention of the Respondent that only pro-forma invoices were placed on record is factually incorrect. The Petition clearly contains the final commercial/tax invoices corresponding to each transaction, setting out the invoice numbers, dates, description of goods/services and amounts payable. The pro-forma invoices form part of the transactional chain and were annexed merely to provide a complete record of the dealings between the parties.
- 9.6 It is submitted that the Respondent has also raised a frivolous objection that the invoices were denominated in USD whereas the claim has been presented in INR. The said contention is wholly misconceived. The



contractual liability arose in USD and the Petition reflects the exact USD liability converted into INR solely for procedural purposes and for demonstrating compliance with the statutory threshold before this Hon'ble Tribunal, based on the prevailing RBI reference rate. Such conversion does not alter the underlying liability nor affect the existence of debt and default.

- 9.7 It is submitted that the contention of the Respondent that the claim is barred by limitation is entirely incorrect. The transactions between the parties were part of a running and continuous account maintained in the ordinary course of business. Under Section 19 of the Limitation Act, 1963, part payments made within the limitation period constitute acknowledgement of liability and extend the limitation period.
- 9.8 It is submitted that the Respondent has made multiple part payments towards the outstanding dues through banking channels, thereby acknowledging the subsisting liability. The Petitioner has placed on record the bank statements reflecting such payments, including payments made between 21.06.2022 and 21.12.2022, aggregating approximately Rs. 8,30,00,000/-, clearly evidencing acknowledgement of debt.
- 9.9 It is submitted that the last such part payment was received on 21.12.2022, and accordingly a fresh limitation period commenced from that date.



Consequently, the limitation period extended until 21.12.2025, whereas the present petition was filed on 18.12.2025, i.e., well within the prescribed limitation period.

9.10 It is submitted that the Respondent's allegation regarding the existence of disputes between the parties is wholly baseless and appears to be an afterthought raised only after initiation of the present proceedings. At no point during the course of the transactions did the Respondent raise any objection regarding the goods supplied, invoices raised or the amounts payable. The goods were accepted without demur and no dispute regarding quality, quantity or performance was ever communicated.

9.11 It is submitted that the allegation that the Petition has been filed at the instance of disgruntled employees is vague, unsupported by any material and wholly irrelevant to the determination of debt and default. The Petition has been filed strictly in exercise of the statutory rights available to the Operational Creditor under the Insolvency and Bankruptcy Code, 2016.

9.12 It is submitted that the Respondent has further raised an objection regarding the geographical location of the proposed Interim Resolution Professional (IRP). The said objection is misconceived as the place of practice of the proposed IRP has no bearing on the existence of debt, the occurrence of default or the maintainability of the



Petition. The suitability and appointment of the IRP is a matter to be considered by this Hon'ble Tribunal at the appropriate stage upon admission of the Petition.

9.13 It is submitted that the defence raised by the Respondent in the Reply is merely an attempt to evade its admitted financial liability and to delay the proceedings before this Hon'ble Tribunal. The documentary evidence on record clearly establishes the existence of operational debt and the occurrence of default.

9.14 It is submitted that in view of the above facts and circumstances, the objections raised in the Affidavit in Reply are misconceived, unsupported by evidence and legally unsustainable. Accordingly, the prayer of the Respondent seeking dismissal of the present Petition in limine deserves to be rejected and the present petition deserves to be admitted in accordance with law.

10. We have heard the arguments of Ld. Counsel for the Operational Creditor as well as Ld. Counsel for the Corporate Debtor and perused the material available on record.

11. The record shows that the Operational Creditor supplied pharmaceutical intermediaries to the Corporate Debtor pursuant to purchase orders placed by the Corporate



Debtor. Copies of purchase orders and invoices are placed on record as Annexure-G and Annexure-C respectively. Ledger account of the Corporate Debtor in the books of the Operational Creditor is placed on record as Annexure-H. Bank statement reflecting payments received from the Corporate Debtor is placed on record as Annexure-F. These documents show commercial transactions between the parties and existence of operational debt.

12. The Operational Creditor has issued Demand Notice in Form-3 dated 07.06.2025 under Section 8 of the Code, which is placed on record as Annexure-I. The Corporate Debtor has not produced any material to show that any dispute regarding supply of goods, quality or quantity was raised prior to issuance of the said demand notice. The record does not disclose any pre-existing dispute between the parties prior to issuance of the demand notice.
13. The Hon'ble Supreme Court in ***Mobilox Innovations Private Limited v. Kirusa Software Private Limited, (2018) 1 SCC 353***, held that the Adjudicating Authority is required to determine whether there exists a real dispute



prior to issuance of the demand notice and such dispute must not be spurious, hypothetical or illusory. In the present case the Corporate Debtor has not produced any contemporaneous record to establish pre-existing dispute.

14. In the present case, the Corporate Debtor has raised objection regarding limitation. The Operational Creditor has placed on record statement of account and bank statement showing part payments made by the Corporate Debtor, the last payment being on 14.12.2023, reflected in Annexure-F. In terms of Section 19 of the Limitation Act, 1963, part payment made before expiry of limitation extends the limitation period.
15. The Hon'ble Supreme Court in ***Asset Reconstruction Company (India) Limited v. Bishal Jaiswal, (2021) 6 SCC 366***, held that acknowledgement of liability and part payment extend the limitation period for proceedings under the Insolvency and Bankruptcy Code. In view of the last payment dated 14.12.2023, the present petition filed on 23.01.2026 is within limitation.



16. Hon'ble Supreme Court in ***Kay Bouvet Engineering Ltd. v. Overseas Infrastructure Alliance (India) Pvt. Ltd.***, (2021) *ibclaw.in 147 SC* (decided on 10.08.2021) has held that existence of dispute must be examined at the threshold stage of admission of a Section 9 application.
17. It is also settled that even where no reply to demand notice is given, the Corporate Debtor may still raise the issue of pre-existing dispute before the Adjudicating Authority as held by the Hon'ble NCLAT in ***Brand Realty Services Ltd. v. Sir John Bakeries India Pvt. Ltd.***, (2022) *ibclaw.in 245 NCLAT* (decided on 10.03.2022).
18. The Corporate Debtor has also disputed the claim of interest and additional charges and conversion of USD amount into INR. Upon perusal of the purchase orders placed on record **as Annexure-G**, it is observed that no clause providing for payment of interest on delayed payment or reimbursement of additional charges is contained therein.
19. Although certain invoices issued by the Operational Creditor contain a clause regarding interest on delayed payment, the said invoices appear to have been issued unilaterally and no



material has been placed on record to show that the Corporate Debtor expressly agreed to such terms.

20. The Hon'ble NCLAT in ***Rishabh Infra v. Sadbhav Engineering Ltd.***, (2024) *ibclaw.in* 707 NCLAT (decided on 04.11.2024) held that invoices containing the term of interest cannot be enforced unless there exists an agreement or document demonstrating acceptance of such obligation by the Corporate Debtor.
21. Similarly, the Hon'ble NCLAT in ***Comet Performance Chemicals Pvt. Ltd. v. Aarvee Denims and Exports Ltd.***, (2025) *ibclaw.in* 35 NCLAT (decided on 13.01.2025) held that interest forms part of operational debt only where such liability arises from an agreement between the parties.
22. The Hon'ble NCLAT in ***Shitanshu Bipin Vora v. Shree Hari Yarns Pvt. Ltd.***, (2025) *ibclaw.in* 271 NCLAT (decided on 16.04.2025) further held that a vague statement in invoices regarding interest does not create contractual obligation unless expressly accepted.



23. Further, the Hon'ble NCLAT in ***Team Commotrade India Pvt. Ltd. v. RG Thermal Solution Pvt. Ltd., (2025) ibclaw.in 1003 NCLAT*** (decided on 28.11.2025) has held that interest mentioned only in invoices without contractual agreement cannot be treated as operational debt for determining threshold under Section 4 of the Code.
24. It is settled law that interest can form part of operational debt only when such liability arises from contractual stipulation or statutory provision. Where interest is claimed solely on the basis of unilateral terms printed in invoices, without evidence of acceptance by the corporate debtor, the same cannot be treated as undisputed operational debt for the purpose of admission of a petition under Section 9 of the Code.
25. Therefore, in absence of any contractual stipulation in the purchase orders or any separate agreement demonstrating acceptance of liability by the Corporate Debtor, the claims relating to interest and additional charges cannot be treated as undisputed operational debt for the purpose of determining the threshold under Section 4 of the Code.



26. Accordingly, for the limited purpose of examining the threshold under Section 4 of the Insolvency and Bankruptcy Code, 2016, the principal amount arising out of the invoices is required to be considered independently of the disputed claim of interest and additional charges. Thus, the claim of interest and additional charges is excluded for the limited purpose of determining the operational debt under Section 4 of the Code.

27. The invoices placed on record show that the Operational Creditor raised invoices aggregating to **USD 12,02,000**. After adjusting the payment of **USD 1,20,000**, the balance amount remains **USD 10,82,000**. The bank statements further reflect payments made by the Corporate Debtor in INR amounting to **Rs.8,04,85,300**.

28. Thus, the balance invoice value remains USD 10,82,000. For the limited purpose of determining the threshold under Section 4 of the Insolvency and Bankruptcy Code, 2016, the said amount is required to be converted into Indian Rupees on the basis of the exchange rate prevailing on relevant dates. Considering that invoices in USD were raised on



different dates and for accounting purposes the Operational Creditor must have converted the USD into INR at the prevailing exchange rate on the date of invoice and therefore we have also computed the amount payable below based on the extant exchange rates available on the RBI website www.rbi.org.in/scripts/referenceratearchive.aspx

Date of Invoice	Amount in USD	Exchange Rate www.rbi.org	Amount in INR
24.06.2022	3,68,000 less USD 1,20,000 equals to 2,48,000	78.33	1,94,25,840
01.09.2022	3,68,000	79.39	2,92,15,520
06.10.2022	3,32,000	81.70	2,71,24,400
11.09.2023	1,34,000	82.88	1,11,05,920
Total	10,82,000		8,68,71,680

29. The Corporate Debtor has made payments of Rs.8,04,85,300 and therefore balance outstanding of principal amount comes to **Rs 63,86,380/-**.

30. The claim of interest and additional charges having been excluded due to absence of any contractual stipulation in the purchase orders placed as **Annexure-G**, the remaining



principal amount alone is required to be considered for the purpose of determining the threshold prescribed under **Section 4 of the Insolvency and Bankruptcy Code, 2016.**

31. The minimum amount of default prescribed under **Section 4 of the Insolvency and Bankruptcy Code, 2016 is Rs.1,00,00,000.** In the present case, after excluding the disputed components of interest and additional charges and after adjusting the payments made by the Corporate Debtor, the remaining operational debt falls below the statutory minimum default prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016.

32. It is a settled position that the statutory threshold under Section 4 of the Code must be satisfied as on the date of filing of the application. In this regard reliance may be placed upon the judgment of the Hon'ble NCLAT in ***Jumbo Paper Products vs. Hansraj Agrofresh Pvt. Ltd., (2021) ibclaw.in 497 NCLAT***, (decided on 25.10.2021).

33. Further, the Hon'ble NCLAT in ***Mosco International Commodities Pvt. Ltd. v. SBEC Sugar Ltd., (2026) ibclaw.in 224 NCLAT*** (decided on 25.02.2025) has held that



the mandatory threshold limit of Rs.1.00 Crore under Section 4 of the Code is to be determined on the date of filing of the application i.e. the initiation date as defined under Section 5(11) of the Code.

34. The Hon'ble Supreme Court in **Ramesh Kymal v. Siemens Gamesa Renewable Power Pvt. Ltd.** (2021) 3 SCC 224 has also held that initiation of Corporate Insolvency Resolution Process is dependent upon the existence of default of the minimum amount prescribed under Section 4 of the Code.
35. It is equally well settled that the Insolvency and Bankruptcy Code is not intended to be used as a substitute for recovery proceedings. The Hon'ble Supreme Court in **Transmission Corporation of Andhra Pradesh Ltd. v. Equipment Conductors and Cables Ltd.**, (2018) ibclaw.in 33 SC (decided on 23.10.2018) has reiterated that the Code cannot be invoked as a recovery mechanism and where disputes exist, the provisions of the Code cannot be used to recover disputed amounts.
36. In view of the foregoing discussion and considering that the principal operational debt remaining after exclusion of



disputed claims of interest and additional charges falls below the statutory threshold of Rs.1,00,00,000 prescribed under Section 4 of the Insolvency and Bankruptcy Code, 2016, the present Company Petition cannot be admitted.

37. Accordingly, **CP(IB)/21/9/AHM/2026** stands **dismissed**, with liberty to the Operational Creditor to avail such other remedies as may be available under law.
38. Registry is directed to communicate a copy of this Order to both the parties forthwith and upload the same on the website of this Tribunal. File be consigned to record room after due compliance.

SANJEEV SHARMA
MEMBER (TECHNICAL)

Vinit

SHAMMI KHAN
MEMBER (JUDICIAL)