



NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT VI

Item No. P3

C.P. (IB)/785(MB)2025

CORAM:

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

ORDER SHEET OF HEARING (HYBRID) DATED **29.04.2026**

NAME OF THE PARTIES: **Ex-Buzz Fire & Security Private Limited**
V/s
Future Market Networks Limited

Under Section 9 of the IBC.

ORDER

The case is fixed for pronouncement of the order. The order is pronounced in the open court, *vide* separate order. Detailed order is being uploaded on the NCLT portal today.

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-VI
CP (IB) No.785/MB/2025

[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:

EX-BUZZ FIRE & SECURITY PRIVATE LIMITED

[CIN: U52190MH2009PTC193862]

Registered Office at:

Unit No. 124-125, Linkway Estate, 1st floor,
Linking Road, Near Chincholi Fire Brigade,
Malad (W), Mumbai 40064

...Operational Creditor/Applicant

V/s

FUTURE MARKET NETWORKS LIMITED

[CIN: L45400MH2008PLC179914]

Registered Office:

Knowledge House, Off. Shyam Nagar,
Jogesheari Vikhroli Link Road,
Jogeshwari (East) Mumbai MH 400060
E-mail: anil.cherian@futuregroup.in

...Respondent/Corporate Debtor

Order Pronounced on: 29.04.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)



Appearances: Hybrid

Operational Creditor: Adv. Mr. M.P Sahay, Adv. Ms. Yaman Verma, Adv. Ms. Chitra Chanda, Mr. Kartik Virmani

Corporate Debtor: Adv. Mr. Nausher Kohli a/w. Adv. Ms. Soumya Srinivasan
i/b Legasis Partners

ORDER

[PER: BENCH]

1. BACKGROUND

- 1.1 This Application is filed by **EX-BUZZ FIRE & SECURITY PRIVATE LIMITED** for initiation of Corporate Insolvency Resolution Process in respect of **FUTURE MARKET NETWORKS LIMITED** under Section 9 of IBC, 2016.
- 1.2 It is stated that the Applicant herein is a Company having CIN: U52190MH2009PTC193862.
- 1.3 The Respondent (Corporate Debtor) in the matter is **FUTURE MARKET NETWORKS LIMITED** having CIN: L45400MH2008PLC179914.
- 1.4 The Respondent was incorporated on 27.12.2010.
- 1.5 The Applicant has not named any IRP in the Application.
- 1.6 Perusal of Part IV reveals that the total debt claimed in this Application is Rs. 1,06,60,072.91/- with 18% interest per annum. The Date of Default is stated to be 25.02.2020.
- 1.7 The Applicant has attached the following documents:
- 1.8 : *Ledger Account, Balance Sheets, Bills / Invoices / Vouchers, Bank Statements and Correspondences, Copy of Certified bank Statement / certificate*
- 1.9 This Application was affirmed on 14.05.2024 by one Ms. Snehil Dhall Authorized Representative duly Authorized by Board Resolution dated 09.05.2024.



- 1.10 The Applicant has not attached any Record of Default.
- 1.11 It is stated that a Demand Notice dated 17.02.2024 was sent by the Operational Creditor, which was replied by the Corporate Debtor through their Advocate on 01.03.2024. Both these documents are attached on page no. 16 and 208 of the Application respectively.
- 1.12 This Tribunal issued notice vide order dated 26.09.2025, in response to which the Respondent has filed reply through an Affidavit dated 10.10.2025, which is affirmed by one Ms. Monika Agre being authorized representative.

REPLY OF THE RESPONDENT

- 1.13 It is submitted by the Respondent that even as per the purported document of the Applicant/ Operational Creditor, the alleged outstanding principal amount is Rs. 27,03,855.08/- which is below the threshold under Section 4 of IBC, 2016. It is stated that the Applicant has grossly inflated the amount by including various arbitrary and unsubstantiated amounts such as interest, site overheads, project management and supervisory charges, loss of use, construction cost and construction loan amount without any contractual and legal foundation.
- 1.14 It is stated that Applicant has made multiple unsuccessful attempts to wring out money from the Respondent by making frivolous complaints to various authorities and having failed in wringing out money, the Applicant has resorted to initiate these proceedings under IBC, 2016 to pressurise the Respondent to succumb to unsustainable demand of the Applicant.
- 1.15 It is stated that two purchase orders both dated 20.04.2019 were issued by the Respondent on the Applicant for the supply of materials and installation and upgradation of the fire fighting (sprinkler) system at the premises known as Orchid City Mall.



- 1.16 It is stated that the Applicant failed to complete the assigned work of upgradation of the fire fighting system during the stipulated time of 6 to 8 weeks, as per the terms and conditions of the said purchase orders.
- 1.17 It is stated that the Respondent even addressed an email dated 15.09.2020 to the Applicant, calling upon them to take immediate steps to complete the said work so as to render the fire fighting system of the mall fully operational. The said email is appended at **Exhibit - A** to the Reply.
- 1.18 It is stated that despite several reminders and opportunities the Applicant failed and neglected to perform this contractual obligation, in accordance with the agreed time lines and technical specifications.
- 1.19 Due to above the Respondent was constrained to take necessary measures at its own costs to ensure that the fire fighting system was upgraded and operational.
- 1.20 It is stated that the default and negligence on part of the Applicant has directly resulted in financial losses and operational inconvenience of the Respondent.
- 1.21 It is stated that the Applicant was called upon to rectify the breaches by the Respondent, however he failed to do so.
- 1.22 It is stated that the Applicant has not approached this Tribunal with clean hands as several relevant documents and correspondence have been suppressed.
- 1.23 It is stated that the present proceedings are barred by limitation.
- 1.24 It is stated that the Respondent has already made the substantial payment to the Applicant aggregating to Rs. 1,46,10,048.52/- towards the said work and the balance amount if any is merely Rs. 17,25,020/-
- 1.25 The Applicant has artificially inflated the claim, by adding interest at the rate of 18% per annum, loss for construction cost, construction loan, other charges to cross the statutory limit of Rs. 1 Crore.



1.26 It is stated that the Applicant has filed its claim before Resolution Professional of a separate Corporate legal entity named Future Retail Limited, which was rejected the by the RP. Thereafter, the Applicant filed an I.A. No. 2301 of 2023, which came to be rejected by the Tribunal vide order dated 15.01.2024.

1.27 This Petition has been filed for the purpose of arm twisting the Corporate Debtor.

REJOINDER

1.28 A Rejoinder was filed by the Applicant under an Affidavit dated 01.11.2025, affirmed by one Ms. Snehil Dhall.

1.29 The Applicant states that they could not complete the project because of factors beyond the control of Operational Creditor.

1.30 It is submitted that the design drawings provided on paper did not correspond with the actual site conditions. Furthermore, the presence of unauthorized mezzanine floors constructed by certain shop owners obstructed the approved design, work pathways, and access necessary to ensure fire compliance. The Operational Creditor also faced persistent non-cooperation from the staff of the Corporate Debtor and various shop owners, who frequently denied site access, thereby impeding progress. In addition, inordinate delay in payments resulted in substantial cost overruns, including overheads, supervisory charges, and loss of use, besides an escalation in construction costs on account of time extensions and non-cooperation on part of Corporate Debtor and shop keepers/allottees.

1.31 The site preparedness and clearances were substantially different from what had been represented and assured by the Corporate Debtor. The project being of brownfield nature, had an estimated cost component towards site overheads. Due to non-cooperation from store owners, the site overheads kept escalating, and supervisory expenses continued to rise.



- 1.32 Although the materials were supplied in December' 2019, the Operational Creditor could not raise installation bills as measurement sheets were not timely signed, and installation was carried out in a piecemeal manner due to the Corporate Debtor's indecisiveness. The Operational Creditor's email dated 22.02.2020, seeking handover of the site, remained unattended by Corporate Debtor prior to the incident/crisis.
- 1.33 The Operational Creditor was further prevented from conducting hydrotesting of the entire site as a whole as the basic water utilities were not arranged by the Corporate Debtor. Work fronts were handed over in fragments rendering complete testing impossible.
- 1.34 It is further submitted that NOC could not have been issued for partial completion of work. The Corporate Debtor's officials refused to sign the measurement sheets, and the hydrotesting could not be completed due to persistent non-cooperation by store owners, a fact well within the knowledge of the Respondent.
- 1.35 It is respectfully submitted that cash flow issues were created as the Corporate Debtor had assured payment within 30 days, whereas payments were made only after 90 days, thereby severely affecting the Operational Creditor's working capital and financial stability. It is reiterated that cash flow is the lifeline of any project.
- 1.36 The Operational Creditor further submits that the payments were to be made in accordance with the payment terms mentioned in the Purchase Order. However, the Corporate Debtor failed to adhere to these terms, thereby aggravating the financial strain on the Operational Creditor. Despite the supply of materials, the Corporate Debtor unjustifiably withheld payments for periods exceeding 90 days, and thereafter insisted upon the installation of the supplied materials without extending necessary support for site clearance. The work fronts remained



obstructed, while the Corporate Debtor took undue advantage of the credit period by imposing a milestone-based payment structure midway through the project. Furthermore, the toxic and abusive conduct of certain shop owners at the site was a major cause of delay. Although the Corporate Debtor had its operations team in place to handle such site-related issues, no assistance was provided to the Operational Creditor, which was instead left to manage these challenges independently. The conduct of the CD demonstrates an intentional and deliberate attempt to delay the project by withholding due payments to the Operational Creditor.

1.37 The Corporate Debtor has also failed to appreciate the contingencies, market volatility, productivity factors, and human inefficiencies that inevitably arose during project execution which their team has conveniently chosen to ignore.

1.38 The allegation that fire sprinklers were non-functional is categorically denied. There is no conclusive evidence on record to substantiate such a claim. If the allegation of the Corporate Debtor is to be believed, it is hard to fathom that till date the Corporate Debtor has not initiated any case or complaint with respect to the same nor raised any monetary claim.

1.39 The Applicant further submits that Ms. Dipti Gangan had agreed to the balance amount as per email dated 12th March' 2021. The last bill bearing No. EB/20-21/FFI/008 dated 23.02.2021 for an amount of ₹9,78,846.29 stands duly accounted for and reflected in the GST records.

1.40 It is submitted that the rate of interest was duly agreed by CFO and Ms. Dipti Gangan at 18% per annum during the physical meeting held in March' 2021. The said rate of interest was consistently mentioned by the Operational Creditor in its correspondences and demand notices. The Corporate Debtor despite replying to



such communications, never disputed or refuted the said rate, and hence, it stands admitted and accepted by conduct and implication. Furthermore, even in the statutory demand notice issued under the provisions of the Insolvency and Bankruptcy Code, 2016, the interest rate of 18% per annum was specifically claimed, and the Corporate Debtor, while replying on other grounds, did not deny or challenge the same.

1.41 The Corporate Debtor's contention that it has suffered losses on account of delay attributable to the Operational Creditor is baseless, unsubstantiated, and devoid of any evidence. The alleged losses are unquantified and speculative, being a mere figment of imagination. It is noteworthy that the Corporate Debtor has neither issued any legal notice nor initiated any legal proceedings for recovery of such alleged losses.

1.42 The Corporate Debtor has never raised any dispute nor is there any pre-existing dispute. Only once the demand notice was sent under IBC, that the Corporate Debtor started to raise false and frivolous objections and disputes.

1.43 The Applicant has relied upon the following judgements: -

- i. The Hon'ble Supreme Court of India in Mobilox Innovations Private Limited Vs. Kirusa Software Private Limited [2017] ibclaw.in 01 SC, held that the adjudicating authority must reject the application under Section 9(5)(2)(d) if notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility – So long as a dispute truly exists in fact and is not spurious, hypothetical or illusory, the adjudicating authority has to reject the application – A “dispute” is said to exist, so long as there is a real dispute as to payment between the parties that would fall within the inclusive definition contained in Section 5(6).



- ii. in Swiss Ribbons Pvt. Ltd. & Anr. Vs. Union of India & Ors. [2019] ibclaw.in 03 SC, the Hon'ble Supreme Court of India held as under:

“35. Insofar as set-off and counterclaim is concerned, a setoff of amounts due from financial creditors is a rarity. Usually, financial debts point only in one way – amounts lent have to be repaid. However, it is not as if a legitimate set-off is not to be considered at all. Such set-off may be considered at the stage of filing of proof of claims during the resolution process by the resolution professional, his decision being subject to challenge before the Adjudicating Authority under Section 60.

36. Equally, counterclaims, by their very definition, are independent rights which are not taken away by the Code but are preserved for the stage of admission of claims during the resolution plan. Also, there is nothing in the Code which interdicts the corporate debtor from pursuing such counterclaims in other judicial fora.”

WRITTEN SUBMISSIONS

1.44 Written Submission have been filed by the Applicant substantially reiterating the contentions as raised in the Application and the Rejoinder. For the sake of brevity, the same are not reiterated here.

1.45 The Respondent has also filed Written Submissions which have been considered by us.

ANALYSIS AND FINDINGS

1.46 We have heard both the sides and have perused the documents as produced before us.



1.47 It is the case of the Applicant that they have provided the Fire Safety System to the Respondent. The Applicant claims an amount of Rs. 1,06,60,072.91/- under the present Application which comprises of the following:

	Particulars	Amount
1.	Outstanding for Goods	27,03,855.08
2.	Interest @18% P. A.	19,06,217.83
3.	Site Overheads	5,50,000.00
4.	Project Management & Supervisory Charges	7,50,000.00
5.	Loss and use	9,00,000.00
6.	Construction Cost	2,50,000.00
7.	Construction Loan	36,00,000.00
	Total	1,06,60,072.91

1.48 The Applicant has not produced any documents through which amounts as mentioned at Sr. No. 2 to 7 in the table above were at any point of time agreed to be paid by the Respondent in writing or through conduct of parties.

1.49 Specific objection has been taken by the Respondent that the present Application is not meeting the threshold as prescribed under Section 4 of IBC, 2016.

1.50 In regard to the claim of the applicant towards interest, this Tribunal relies on the judgment of Hon'ble NCLAT in ***Rishabh Infra v. Sadbhav Engineering Ltd, Company Appeal (AT) (Insolvency) No. 1881 of 2024, [(2024) ibclaw.in 707]***, wherein vide order dated 04.11.2024, it was held as below:

“9. we are of the view that invoices which have been sent by the Operational Creditor containing the term of interest cannot be operated against the Corporate Debtor unless there is an agreement for interest or any other document showing that the Corporate Debtor has accepted the obligation for interest. 10. There is nothing to substantiate that the Corporate Debtor has



accepted the obligation to pay the interest @24% per month, as claimed by the Operational Creditor. The entire Principal Amount having been paid, the Adjudicating Authority did not commit any error in rejecting the Section 9 Application filed by the Operational Creditor. There is no merit in the Appeal.”

1.51 Therefore, upon examination of the documents placed on record, it is evident that the Applicant has not produced any agreement, purchase order clause, or written acknowledgment to substantiate its entitlement to interest. Further, the additional components of the claim, namely, overheads, supervisory charges, and other costs also do not form part of the original contractual arrangement nor are they reflected in the invoices.

1.52 It is also noted that copy of the ledger account of the CD in the books of Operational Creditor which was attached as annexure to the demand notice dated 17.02.2025 and as attached on page Nos. 44 to 75 of the Application reflects a closing balance of Rs. 27,03,855.08/- recoverable from the CD. Further, the other claims, as made in the statement as reproduced in para 1.46 of this order, have not been charged to the account of the CD by the Applicant and that the said claim is not supported by even the books of account of the Applicant itself. It is also observed that the claims other than the outstanding for goods amounting to Rs. 27,03,855.08/- are not supported by any invoice raised by the Applicant upon the CD. Moreover, there are no details of the said claims or the consent of the CD to pay the said amounts on record. Accordingly, the said claims, other than the claim in respect of outstanding for goods amounting to Rs. 27,03,855.08/-, cannot be considered while determining the “operational debt” under the Code.

1.53 Further the NCLAT in matter of **M/s. G.L. Engineering Industries Pvt. Ltd. vs Supreme Engineering Ltd. Company Appeal (At) (Insolvency) No. 431 Of 2021** upheld the judgement of Ld. NCLT Mumbai Bench V wherein it was held that the claims that are frivolous in nature, unsubstantiated, not based on any documentary



proof and not even any invoices to that effect has been raised by the petitioner does not form part of the Debt and unilateral adjustment claims cannot be said to be a claim arising out of supply of goods and services. The relevant extract of the order dated 06.05.2021 of Ld. NCLT, Mumbai Bench, Court-V in CP No. 424/2020 is reproduced hereunder: -

- “29. *The Bench further notes that for this additional amount which has been claimed by the Petitioner by way of random expenses like delay charges, khalapur expenses and travel charges, no supporting invoices have been produced. In fact, the Bench further notes that the claims regarding the delay charges, khalapur expenses, travel charges etc. has no documentary evidence regarding any agreement between the parties. The Bench also notes that the 37 invoices referred to by the Petitioner do not mention any payment terms. Only in 7 invoices an interest at 18% p.a. has been mentioned. Similarly, in none of these 37 invoices, barring one, any proof of payable amount on account of delayed payment has been mentioned. Only one invoice mentions in its terms a delay of 365 days.*
30. *The Bench takes note that this applicable rate of 2.25% as claimed by the Petitioner has never been a part of any of the invoices and it has been mentioned by the Petitioner only while drawing a summary table without any proof. Therefore, the Bench finds that all these charges like delayed charges, khalapur expenses, travel charges, for which no invoices have been raised are baseless claims, not based on any mutual agreement or any documentary proof.*
31. *This Bench, therefore, concludes that there is nothing on record which shows that any outstanding Operational Debt as a claim in respect of provision ‘supply of goods or services’ by way of invoices or any documents has been proved by the Petitioner. In fact, all the 37 invoices which have been put on record by the Petitioner as due from the respondent has been fully paid and are not outstanding. The additional claim amount raised by way of other charges is frivolous, unsubstantiated, not based on any documentary proof and not even any invoices to that effect has been raised from the Petitioner. Further any claim arising out of Journal entries are unilateral adjustment claims and by no stretch of imagination can be said to be a claim arising out of supply of goods and services.”*

1.54 While upholding the above judgment, Hon’ble NCLAT vide order dated 02.03.2022

has held as below:-



*“7..... The delayed payment charges sought to be paid by the appellant are not supported by any agreement executed between the parties, based on which the appellant could have exercised their rights to claim these amounts towards delayed charges. The interest charged towards penalty does not find a mention in any of the 37 invoices which are on record. The Journal Entries not supported by any other additional evidence cannot be ‘solely’ relied upon to prove that the amount claimed arises out of ‘supply of goods and services’ to fall within the ambit of the definition of ‘Operational Debt’ as defined under Section 5(21) of the Code. The interest charged towards penalty does not find a mention in any of the 37 invoices which are on record. The Journal Entries not supported by any other additional evidence cannot be ‘solely’ relied upon to prove that the amount claimed arises out of ‘supply of goods and services’ to fall within the ambit of the definition of ‘Operational Debt’ as defined under Section 5(21) of the Code.
 9. For all the foregoing reasons this Appeal fails and is accordingly dismissed. No order as to costs.”*

(emphasis supplied)

1.55 In view of the factual and legal position as stated above the claims of the applicant as included in the outstanding claimed in the Application in respect of interest (Rs. 19,06,217.83/-, site overheads (Rs. 5,50,000/-), project management and supervisory charges (Rs. 7,50,000/-), loss and use (Rs. 9,00,000), construction costs (Rs. 2,50,000/-) and construction loan (Rs. 36,00,000) cannot be treated as part of the operational debt and as a result of the exclusion of the said amounts, the principal amount falls below the statutory threshold under Section 4 of the IBC, and consequently, the present Application under Section 9 is liable to be dismissed as not maintainable.

1.56 Accordingly, we hold that this Application under Section 9 of the IBC is not maintainable as the principal operational debt, which is Rs. 27,03,855.08/-, falls below the prescribed threshold limit as per Section 4 of IBC, 2016. Further, the



IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-VI

Applicant has failed to establish any legal or contractual entitlement to the other amounts as claimed herein, as required under law. The Application is thus liable to be dismissed on this ground alone. The principal amount being less than Rs. 1 Crore, the Application fails to satisfy the mandatory requirement under Section 4 and is therefore not maintainable.

1.57 We make it clear that the applicant is free to approach any other forum, which has jurisdiction under law, for the recovery of the outstanding dues. Accordingly, **CP(IB)/785(MB)2025 stands rejected** being not maintainable.

1.58 A certified copy of this order may be issued by the Registry if applied for expeditiously.

Sd/-

**NILESH SHARMA
MEMBER (JUDICIAL)**

//RG (Steno)//

Sd/-

**SAMEER KAKAR
MEMBER (TECHNICAL)**