NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 1013 of 2025

[Arising out of the Impugned Order dated 04.07.2025 passed by the Adjudicating Authority, National Company Law Tribunal, Jaipur Bench in CP (IB) 26/9/JPR/2023]

IN THE MATTER OF:

MR. RAAKESH B KULWAL,
144, Chand Pura, Tonk Road,
Jaipur 302015.
amitdhall@vahoo.com 9810122699. **...Appellant(s)**

Versus

1.PARAM DAIRY LIMITED
Regd. Office at :Param Tower, 11 / 5 B,
Pusa Road, New Delhi, DL, 110005, IN
E. mail: param@paramdairy.com**.**

2. MR. MAHESH CHANDRA SHARMA
mcsharma2002@yahoo.co.in
7752008800 **...Respondent(s)**

Present:

For Appellant	**:**	Mr. Abhijeet Sinha, Sr. Advocate with Mr. Amit Dhall and Mr. Rajat Srivastava, Advocates.
For Respondents	**:**	Ms. Mahana Sharda, Advocate. Adv. Aishwarya Prasad and Mr. Niraj Chamyal, Advocates for Interim Resolution Professional/R2.

J U D G M E N T
(Hybrid Mode)

Per: Barun Mitra, Member (Technical)

The present Appeal, filed under Section 61 of Insolvency and Bankruptcy Code, 2016 ('**IBC**' in short) arises out of the Order dated 04.07.2025 (hereinafter referred to as the '**Impugned Order**') passed by the Adjudicating Authority (National Company Law Tribunal, Jaipur Bench) in CP (IB) No. 26/JPR/2023. By the said impugned order, the Adjudicating Authority has admitted the Section 9 application filed by Respondent No. 1-

Param Dairy Limited and initiated Corporate Insolvency Resolution Process ('**CIRP**' in short) of the Corporate Debtor-M/s Jhandewalas Foods Limited. Aggrieved by the impugned order, the present appeal has been preferred by the Appellant-Suspended Director of the Corporate Debtor.

2. Coming to the brief factual matrix of the case, we notice that M/s Jhandewalas Foods Limited-Corporate Debtor, which was engaged in the manufacture and trading of Butter and Ghee, had entered into business dealings with Param Dairy Limited-Operational Creditor. During the course of their business transactions, the Operational Creditor-Param Dairy Limited had delivered butter and ghee on the basis of valid and confirmed order given by the Corporate Debtor. Since only part payments had been released by the Corporate Debtor to the Operational Creditor, the Operational Creditor sent multiple requests to the Corporate Debtor to clear the outstanding dues. When payments were not received by the Operational Creditor, they issued a Demand Notice dated 02.11.2022 to the Corporate Debtor under Section 8 of the IBC claiming an operational debt of Rs. 3.83 Cr, which included a principal amount of Rs. 3.08 Cr. along with compounded interest of Rs. 75.33 lakh. These outstanding dues were purportedly in relation to invoices pertaining to the period from 01.04.2021 to 28.06.2022. The Corporate Debtor had replied to the Demand Notice on 14.12.2022 and disputed the claim, besides raising the issue of pre-existing disputes surrounding the operational debt stemming out of four disputed bills on grounds of defective consignments having been delivered besides non-accounting of returned stocks and non-adjustment of accounts. The Operational Creditor, on not

having received the outstanding payment, filed a Section 9 application before the Adjudicating Authority. By the impugned order dated 04.07.2025, the Adjudicating Authority admitted the Section 7 application by rejecting the ground of pre-existing dispute and ordered initiation of CIRP of the Corporate Debtor. Aggrieved by the impugned order, the present appeal has been filed by the suspended management of the Corporate Debtor.

3. Making submissions on behalf of the Appellant, Shri Abhijeet Sinha, Ld. Sr. Counsel submitted that the impugned order suffered from grave infirmities as it admitted the Section 9 application without taking into account the fact that substantial pre-existing disputes existed arising out of supply of inferior and substandard quality of ghee/butter which was confirmed by laboratory test reports. In addition, it was submitted that the Appellant had also returned approximately 67,310 kgs of defective ghee to the Operational Creditor but the Operational Creditor had failed to carry out necessary adjustment in their ledger and therefore the ledger entries did not reflect the receivables recoverable by the Corporate Debtor from the Operational Creditor. Had proper adjustments been carried out by the Operational Creditor, the accounting statements would have shown that amounts were in fact recoverable from the Operational Creditor. Thus, when the operational debt itself had not crystallized, the invocation of Section 9 proceedings under the IBC was nothing but sort of recovery proceedings which is not permissible under the IBC. Submission was also pressed that in their reply to the Section 8 Demand Notice, the Appellant had raised all the pre-existing disputes regarding the supply of defective goods; return of defective goods and

accounting discrepancies. Further the setting up of pre-institution mediation proceedings undertaken under Section 12A of the Commercial Courts Act also established the existence of a genuine pre-existing dispute. Placing reliance on the judgment of the Hon'ble Supreme Court in ***Innoventive Industries Limited versus ICICI Bank in Civil Appeal No. 8337-8338 of 2017*** which had held that where a plausible and bonafide dispute exists prior to initiation of insolvency proceedings, the application under Section 9 is liable to be rejected, it was contended that the impugned order was not sustainable and is liable to be set aside.

4. Rebutting the arguments raised by the Appellant, the Ld. Counsel for Respondent No. 1-the Operational Creditor submitted that the Adjudicating Authority had rightly admitted the Section 9 application by holding that the ground of pre-existing dispute taken by the Corporate Debtor was a spurious and moon-shine defence which had been adopted with a view to obstruct and delay the implementation of CIRP proceedings of the Corporate Debtor. The ledger accounts and financial records of both the parties as also part-payments made towards the outstanding dues by the Corporate Debtor even after service of the Demand Notice clearly indicates acknowledgment of debt and admission of liability on the part of the Corporate Debtor. It was also submitted that the defence of pre-existing dispute taken by the Corporate Debtor lacks foundational basis as no such dispute had been raised prior to the issue of Section 8 Demand Notice. No complaint or debit note etc were ever issued by the Appellant before the service of the Demand Notice. Even the alleged laboratory test reports for quality check lack credibility which is

clear from the fact that the Corporate Debtor had undertaken the same not only at a location far away from the place of supply of the consignment but also after a lapse of long period of time inspite of the goods under supply were indisputably perishable. It was vehemently contended that the Adjudicating Authority after examining all the material available on record had correctly arrived at the conclusion that there was no genuine pre-existing dispute between the parties and the operational debt having exceeded the statutory threshold of Rs. 1 Cr. and still remained unpaid, it had rightly admitted the Section 9 application. Reliance was placed on the judgment of the Hon'ble Supreme Court in ***Mobilox Innovations Private Limited vs. Kirusa Software Private Limited (2018) 1 SCC 353*** which had held that only disputes existing prior to the issue of the Demand Notice can qualify as pre-existing disputes under the IBC. Any dispute raised subsequently cannot defeat the initiation of CIRP and in the present case as there was no real dispute supported by contemporaneous material existing prior to the issue of the Section 8 Demand Notice, the Section 9 application had been rightly admitted by the Adjudicating Authority.

5. We have also heard the Ld. Counsel representing the Interim Resolution Professional ('**IRP**' in short)-Respondent No. 2 who submitted that a status report of steps taken in CIRP of the Corporate Debtor by the IRP had been placed before this Tribunal. Adverting attention to the salient aspects of the status report, it was pointed out that the IRP had already issued the public announcement inviting claims from creditors which claims have been verified and collated. Furthermore, the statutory authorities, banks, Registrar of

Companies, Income Tax Department and GST Department have also been intimated regarding the commencement of CIRP. The IRP also submitted that it had taken all necessary steps for taking control and custody of the records and assets of the Corporate Debtor including opening of CIRP- designated bank account for conduct of the operations of the Corporate Debtor. However, in deference to directions of this Tribunal, it has not proceeded beyond collation and verification of claims and hence Committee of Creditors ('**CoC**' in short) has not yet been constituted nor have other steps like appointment of valuers, preparation of Information Memorandum or invitation of resolution plans been initiated. It was also submitted that all CIRP expenses and compliances were being maintained transparently and strictly in accordance with the provisions of the IBC and Regulations framed thereunder.

6. We have heard Ld. Counsel for both the parties and perused the records carefully.

7. The short point for our consideration is whether there was any discernible pre-existing dispute surrounding the debt claimed to be due and payable by the Corporate Debtor which exceeded the threshold limit of Rs.1 Cr.

8. To come to our findings, we would like to be guided by the test which has been laid down by the Hon'ble Supreme Court in the celebrated judgment of ***Mobilox Innovations Pvt. Ltd. Vs. Kirusa Software Private Limited (2018) 1 SCC 353*** which are as follows:-

> *"33. The scheme under Sections 8 and 9 of the Code, appears to be that an operational creditor, as defined, may, on the occurrence of a default (i.e. on non-payment of a debt, any part whereof has become due and*

payable and has not been repaid), deliver a demand notice of such unpaid operational debt or deliver the copy of an invoice demanding payment of such amount to the corporate debtor in the form set out in Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 read with Form 3 or 4, as the case may be [Section 8(1)]. Within a period of 10 days of the receipt of such demand notice or copy of invoice, the corporate debtor must bring to the notice of the operational creditor the existence of a dispute and/or the record of the pendency of a suit or arbitration proceeding filed before the receipt of such notice or invoice in relation to such dispute [Section 8(2)(a)]. What is important is that the existence of the dispute and/or the suit or arbitration proceeding must be pre-existing i.e. it must exist before the receipt of the demand notice or invoice, as the case may be. In case the unpaid operational debt has been repaid, the corporate debtor shall within a period of the self-same 10 days send an attested copy of the record of the electronic transfer of the unpaid amount from the bank account of the corporate debtor or send an attested copy of the record that the operational creditor has encashed a cheque or otherwise received payment from the corporate debtor [Section 8(2)(b)]. It is only if, after the expiry of the period of the said 10 days, the operational creditor does not either receive payment from the corporate debtor or notice of dispute, that the operational creditor may trigger the insolvency process by filing an application before the adjudicating authority under Sections 9(1) and 9(2). This application is to be filed under Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 in Form 5, accompanied with documents and records that are required under the said form. Under Rule 6(2), the applicant is to dispatch by registered post or speed post, a copy of the application to the registered office of the corporate debtor. Under Section 9(3), along with the application, the statutory requirement is to furnish a copy of the invoice or demand notice, an affidavit to the effect that there is no notice given by the corporate debtor relating to a dispute of the unpaid operational debt and a copy of the certificate from the financial institution maintaining accounts of the operational creditor confirming that there is no payment of an unpaid operational debt by the corporate debtor. Apart from this information, the other information required under Form 5 is also to be given. Once this is done, the adjudicating authority may either admit the application or reject it. If the application made under sub-section (2) is incomplete, the adjudicating authority, under the proviso to sub-section (5), may give a notice to the applicant to rectify defects within 7 days of the receipt of the notice from the adjudicating authority to make the application complete. Once this is done, and the adjudicating authority finds that either there is no repayment of the unpaid operational debt after the invoice [Section 9(5)(i)(b)] or the invoice or notice of payment to the corporate debtor has

been delivered by the operational creditor [Section 9(5)(i)(c)], or that no notice of dispute has been received by the operational creditor from the corporate debtor or that there is no record of such dispute in the information utility [Section 9(5)(i)(d)], or that there is no disciplinary proceeding pending against any resolution professional proposed by the operational creditor [Section 9(5)(i)(e)], it shall admit the application within 14 days of the receipt of the application, after which the corporate insolvency resolution process gets triggered. On the other hand, the adjudicating authority shall, within 14 days of the receipt of an application by the operational creditor, reject such application if the application is incomplete and has not been completed within the period of 7 days granted by the proviso [Section 9(5)(ii)(a)]. It may also reject the application where there has been repayment of the operational debt [Section 9(5)(ii)(b)], or the creditor has not delivered the invoice or notice for payment to the corporate debtor [Section 9(5)(ii)(c)]. It may also reject the application if the notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility [Section 9(5)(ii)(d)]. Section 9(5)(ii)(d) refers to the notice of an existing dispute that has so been received, as it must be read with Section 8(2)(a). Also, if any disciplinary proceeding is pending against any proposed resolution professional, the application may be rejected [Section 9(5)(ii)(e)].

34. *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 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, 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."

(Emphasis supplied)

9. It is the case of the Appellant that the Adjudicating Authority had erroneously admitted the Section 9 application without taking into account the fact that substantial and genuine pre-existing disputes existed between the parties in that the Operational Creditor had supplied inferior and substandard quality of ghee/butter between 29.02.2020 and 16.03.2020 against 4 invoices. These defective consignments were confirmed by laboratory test reports. It was also submitted that the Appellant had also returned approximately 67,310 kgs of defective ghee to the Operational Creditor. However, the Operational Creditor had not carried out the necessary adjustment in their ledger to account for the returned stock nor adjusted the payment due against these four invoices. This led to incorrect ledger entries and the receivables recoverable by the Corporate Debtor from the Operational Creditor did not get reflected. Had the proper adjustments been carried out by the Operational Creditor, the accounting statements would have shown that the operational debt claimed by the Operational Creditor were not payable and to the contrary amounts were in fact recoverable from the Operational Creditor. It was also submitted that the claim made by the Operational Creditor towards interest was also not sustainable since there were neither any oral or written agreement providing for levy of interest. When the operational debt itself had not crystallized, the invocation of Section 9 proceedings under the IBC by the Operational Creditor was nothing but recovery proceedings while the aim and objective of IBC does not provide scope for debt recovery. Hence the Appellant had rightly denied the liability of the alleged operational debt. Submission was also pressed that in their reply to the Section 8 Demand Notice, the Appellant had raised the disputes

regarding the supply of defective goods including the return of defective goods and accounting discrepancies. Further the setting up of pre-institution mediation proceedings under Section 12A of the Commercial Courts Act also established the existence of a genuine pre-existing dispute notwithstanding the non-starter report. Thus, when the disputes were real and substantial disputes which existed prior to filing of Section 9 application, the application under Section 9 is liable to be rejected in terms of the judgment of the Hon'ble Supreme Court in ***Innoventive Industries Limited supra***. By disregarding these pre-existing disputes, the impugned order passed by the Adjudicating Authority was not sustainable and is liable to be set aside.

10. Contesting the arguments canvassed by the Appellant, it was contended by the Operational Creditor that they had been providing goods on a regular basis to the Appellant and raising subsequent invoices. It was also pointed out that all along the Corporate Debtor had been receiving goods from the Operational Creditor in accordance with the agreed terms without raising any dispute or objection contemporaneously. The Part IV of the Section 9 petition clearly reflects that there is an outstanding liability of principal amount of Rs. 3,08,07,23/- due and payable by the Corporate Debtor and the relevant invoices and a computation sheet detailing the invoice amounts and the payments received against them had been provided as well as the ledger account maintained by it which clearly showed that the Corporate Debtor did not make full payment for the invoices raised by them. There was an operational debt which had become due and payable by the Corporate Debtor towards the Operational Creditor basis invoices, ledger accounts and financial

records. It was also asserted that the very fact that the Corporate Debtor had made part-payments towards the outstanding dues even after service of the Demand Notice clearly indicated acknowledgment of debt and admission of liability on the part of the Corporate Debtor. It was further argued that since no complaint, debit note, adjustment entry, rejection memo, or written communication or legal proceedings regarding alleged defective goods were ever taken by the Appellant before the service of the Demand Notice, this defence had now been taken as an after-thought to evade their liability to pay qua the Operational Creditor. It was also submitted that the defence of pre-existing disputes taken by the Corporate Debtor lacks foundational basis as not only were the disputes spurious and moon-shine defence but the disputes had not been raised prior to the issue of Section 8 Demand Notice. In the present case since as there was no real dispute supported by contemporaneous material existing prior to the issue of the Section 8 Demand Notice, the Section 9 application had been rightly rejected by the Adjudicating Authority which decision was in concord with the ***Mobilox judgment supra*** which clearly stipulated that any dispute raised subsequently cannot defeat the initiation of CIRP.

11. Having heard the rival submissions, we find that one of the disputes stems from the allegation levelled by the Appellant that the Operational Creditor had supplied inferior and substandard quality of ghee between 29.02.2020 and 16.03.2020 against 4 invoices which had also been found defective by laboratory test reports. When we look at the material placed on record, we find that these four defective consignments were received against

Bill/Invoice Nos. 04322, 04334, 04347 and 04373 dated 28.02.2020, 29.02.2020, 01.03.2020 and 03.03.2020 respectively. These Bills/invoices have been placed at pages 271 to 285 of the Appeal Paper Book ('**APB**' in short). However, when we look at the laboratory test reports which have been placed at pages 268-270 of the APB, we find that the test report pertains only to three invoices and not four invoices. The test reports show the invoices as bearing numbers 04173, 04341 and 04322 dated 03.03.2020, 01.03.2020, and 28.02.2020 respectively. Thus, there is clear inconsistency and mismatch in particulars given by the Appellant in respect of defective goods consignment details and particulars of the laboratory test reports putting question marks on the credulity of laboratory test reports.

12. It is also the case of the Respondent that the material receipts for quality checks against invoices dated 28.02.2020, 01.03.2020, and 03.03.2020 were dated 12.03.2020, 14.03.2020, and 16.03.2020. This time-gap clearly shows that the quality checks were initiated more than ten days after receipt of the goods. It is therefore claimed by the Respondent that when the goods were of a perishable nature, it could not have been sent for quality check after such a long period. Moreover, while the goods were received at Jaipur, the quality checks were surprisingly done in Delhi putting serious questions on the credibility of the entire laboratory testing. Even if we tend to disregard this line of argument on the ground that it is not in the remit of the Adjudicating Authority or this Tribunal to see whether the dispute is likely to succeed or not, what is more significant is that when we look at the reply to the Section 8 Demand Notice, though we find that there is mention of quality

issues with regard to four consignments, we find no specific mention therein that the defective goods supplied against four invoices had been sent by the Appellant for laboratory tests. No supporting documents are available on record to show exchange of any sustained correspondence with the Operational Creditor regarding the lab test report prior to issue of demand notice. In the absence of any such previous references to the lab test report, we find credence in the argument of the Operational Creditor that these lab reports were brought into play for the first time after the Section 8 Demand Notice was received as an after-thought with the sole purpose of avoiding their liability to pay the outstanding amount. Neither do we find any proof placed on record by the Appellant of any written communication having been contemporaneously sent by them to the Operational Creditor regarding the supply of inferior quality of goods. Hence, we are inclined to agree with the Operational Creditor that the complaint of defective consignments and related laboratory test report which surfaced after the service of Section 8 Demand Notice upon the Appellant shows that this was an afterthought and a moonshine defence.

13. This brings us to the contention of the Appellant that since the Operational Creditor had not adjusted the amount qua the defective goods returned by the them, they had filed a civil suit and this clearly evidenced non-resolution of pre-existing disputes between the parties.

14. Per contra it is the case of the Respondent that even the pre-institution mediation which in any case ended with a non-starter report showcases only an artificial dispute that was initiated after the Demand Notice had been

issued and therefore did not constitute a pre-existing dispute. It was also contended that by their own admission if the Appellant had discovered supply of inferior quality of goods in 2020, the initiation of civil suit in this regard in the year 2023 also showed that the initiation of the civil suit was a contrived afterthought to avoid payment of outstanding debt qua the Operational Creditor.

15. We have no reasons to differ with the ratio of the ***Mobilox judgment*** that a dispute is considered to be pre-existing only if it existed before the service of the Demand Notice or invoice was received. Further when we look at the impugned order, we find that the Adjudicating Authority has relied on the judgment of this Tribunal in ***Naresh Sevantilal Shah vs Malharshanti Enterprises in CA(AT)(Ins)No. 415 of 2020*** wherein the Tribunal after noticing that arbitration had been invoked after the issuance of the first Demand Notice, the arbitration proceedings lacked the character of a pre-existing dispute. This judgement had held that if no dispute exists prior to the issue of Demand Notice and disputes are raised only thereafter, then such disputes are totally irrelevant while considering admission of Section 9. In the present case too, where pre-institution mediation was started after the issue of Demand Notice, this did not qualify as a case of a pre-existing dispute. Otherwise also the pre-institution mediation had remained a non-starter before the Commercial Court. Hence it is evident that mediation proceedings did not constitute a pre-existing dispute existing between the parties prior to the issue of the Demand Notice. The mediation proceedings in the present case was clearly initiated after the Demand Notice had been issued and

therefore did not constitute a pre-existing dispute that would prevent the initiation of insolvency proceedings.

16. In our considered view, we have no good grounds to disagree with the Adjudicating Authority that the alleged disputes claimed by the Corporate Debtor are feeble disputes not supported by credible evidence. In sum, no real pre-existing dispute is discernible.

17. On the issue of outstanding operational debt payable by the Appellant, we find that the Adjudicating Authority in the impugned order has observed that the Operational Creditor has annexed the invoices and a computation sheet detailing the invoice amounts and the payments received against the said invoices as well as the ledger account maintained by it in Part IV to substantiate the outstanding liability of the principal amount of Rs. 3.08 Cr. In all fairness, the impugned order has also recorded that the Corporate Debtor had claimed that it had sent emails to the Operational Creditor requesting for reconciliation of accounts and adjustment for the losses incurred due to substandard quality of goods but more pertinently also noted concurrently that the Corporate Debtor had failed to place on record any documentary evidence or correspondence reflecting any such communication for account reconciliation sent by them to the Operational Creditor prior to the issue of the Demand Notice under Section 8. When we also look at the reply of the Corporate Debtor to the Section 8 demand notice as placed at page 71 of APB, we find that the Corporate Debtor has mentioned that they had communicated to the Operational Creditor to compensate them for the losses on account of the substandard quality of goods supplied by adjustment

of accounts, but no concrete and specific proof of any correspondence either by email or by letter has been placed on record in this regard.

18. We also notice that no material has been placed on record by the Corporate Debtor to show that they had categorically rejected the outstanding dues claimed by the Operational Creditor prior to issue of demand notice. There is no evidence of any outright denial of the liability to pay which has been placed on record by the Corporate Debtor. Furthermore, we notice that Corporate Debtor had made part-payments even after receipt of Section 8 Demand Notice. When part payment was made by the Corporate Debtor under invoices submitted by the Operational Creditor even after Section 8 Demand Notice, it tantamount to valid and proper admission of debt and default in the eyes of law. Further, when we look at the ledger account of the Operational Creditor maintained by the Appellant which has been placed before this Tribunal on its directions dated 15.07.2025, we find that entries captioned as "stock damages" appear only in the year 2023 and not for an earlier period starting from 2020 to 2022. This clearly shows that only after sending the Demand Notice on 02.11.2022, the Appellant has put forth the "quality difference-stock damage" amount by showing it in the ledger from 01.01.2023 onwards which date was clearly after the issue of the Section 8 Demand Notice.

19. When the operational debt had already arisen and become due and invoices raised were not specifically disputed contemporaneously there is nothing on record which detracts from the operational debt having become due and payable. We also find that the Adjudicating Authority in the present

case has carefully considered the reply and submissions made by the Corporate Debtor and has correctly come to the conclusion that there is no ground to establish any real and substantial pre-existing dispute which can thwart the admission of section 9 application against the Corporate Debtor. We have no hesitation in observing that in the present case there is no real pre-existing disputes discernible from given facts and all other requisite conditions necessary to trigger CIRP under Section 9 stands fulfilled. The Adjudicating Authority therefore does not appear to have committed any error in holding that all requisite conditions necessary to trigger CIRP under Section 9 stands fulfilled.

20. From the aforesaid discussion and analysis of facts and circumstances, we are of the considered opinion that the Appellant has clearly defaulted in the payment of operational debt above the prescribed threshold level and further in the absence of any discernible and bonafide pre-existing dispute, we sustain the impugned order passed by the Adjudicating Authority admitting the application under Section 9 of IBC filed by the Operational Creditor. CIRP proceedings against the Corporate Debtor may be proceeded with by the IRP in accordance with law. We find no merit in this Appeal. The Appeal is dismissed. No order as to costs.

[Justice Ashok Bhushan]
Chairperson

[Barun Mitra]
Member (Technical)

Place: New Delhi
Date : 30.06.2026
Farhan