

NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT VI

Item No. P-5
C.P. (IB)/780/MB/2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI NILESH SHARMA
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **30.06.2026**

NAME OF THE PARTIES: **Lumens Technologies Private Limited**

Vs.

Radhika Opto Electronics Limited

Under Section 9 of the IBC, 2016.

ORDER

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

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)

//AS//

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI

C.P. (IB)/780/MB/2025

*[Under Section 9 of the Insolvency and Bankruptcy Code,
2016 r/w Rule 6 of the Insolvency and Bankruptcy
(Application to Adjudicating Authority) Rules, 2016]*

LUMENS TECHNOLOGIES PRIVATE LIMITED

[CIN No.: U31501MH2013PTC245231]

Office No. 809 & 810, Level 8, Lodha Supremus

Lodha Business District, Kolshet Road

Thane – 400607.

...Operational Creditor

V/s

RADHIKA OPTO ELECTRONICS LIMITED

[CIN No.: U31200MH1984PLC033812]

223, Adhyaru Industrial Estate

Sun Mill Compound, Lower Parel

Delisle Road, Mumbai – 400013.

...Corporate Debtor

Pronounced: 30.06.2026

CORAM:

HON'BLE SHRI NILESH SHARMA, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant: Adv. Chaitrika Patki a/w Adv. Aashka Vora i/b Vidhi Partners

For Respondent: Adv. Mr. Saiee Nirgude Adv. Ankit Pitti i/b S & T Legal.

ORDER

[PER: CORAM]

1. **BACKGROUND**

1.1 This C.P. (IB) No. 780 of 2025 (Application) was filed on 26.06.2025 by Lumens Technologies Private Limited, the Operational Creditor (OC) having CIN No.: U31501MH2013PTC245231, under Section 9 of the Insolvency and Bankruptcy Code, 2016 (IBC), read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, seeking initiation of Corporate Insolvency Resolution Process (CIRP) against Radhika Opto Electronics Limited, the Corporate Debtor (CD), having CIN No.: U31200MH1984PLC033812.

1.2 As per Part IV of the Application, the amount claimed to be in default is Rs.4,43,85,906.03/- (One Crore Twenty-Nine Lakhs Thirty-Four Thousand Seven Rupees) out of which Rs. 4,09,33,329.80/- is towards principal dues, and Rs. 34,52,576.23/- towards interest @ 24% p.a. as on 05.05.2025. The date of default in Part IV is stated to be 27.08.2024 against the first invoice becoming due and payable.

2. **CONTENTIONS OF APPLICANT (OC)**

2.1 The OC is engaged in the business of supplying kinds of electronic semiconductors in the market.

2.2 From 27.08.2024 to 31.03.2025, the CD placed 84 purchase orders ("P.O.") for electronic semiconductors ("Products") from the OC. Out of the 84 P.O., 76 P.O. were placed through emails to the OC, 4 through the mobile application '*Procolbid*', 2 through WhatsApp messages to the concerned

representatives from the sales team of the OC and the balance 2 through verbal communications to the concerned representative from the sales team of the OC.

2.3 The OC supplied the Products by way of road transport and raised 84 invoices in accordance with the same upon the CD ("Invoices").

2.4 In accordance with the terms of the P.O., the corresponding invoice fell due and payable after the expiry of 80 days from the date of such invoice. Accordingly, each of the Invoices became due on the 81st day from the date of the invoice.

2.5 Date on which the debt fell due: 27.08.2024, i.e., the date on which the first invoice raised by the OC fell due and payable.

2.6 Further, the OC had also supplied Products to Cromlux Engineers Private Limited, a sister concern of the CD. By way of email dated 28.03.2025, the CD informed the OC that the said Cromlux Engineers Private Limited's merger into the CD and such Scheme of Merger was sanctioned by NCLT, Mumbai Bench by way of an order dated 19.12.2024. As such, pursuant to the Scheme of Merger, the outstanding balance payable by Cromlux Engineers Private Limited was transferred to the account of the CD.

2.7 As per industry norms, the Products supplied by the OC do not carry a standard warranty. Once the goods are sold, supplied, and accepted without any protest or objection, the customer is obligated to make payment. This has been the consistent course of dealings followed by the CD since the inception of the order-supply relationship between the parties.

2.8 Furthermore, in compliance with the specific requirements set out in the Purchase Orders, the OC has provided testing certificates along with each

delivery, thereby affirming that the Products were free from defects at the time of delivery and fully in accordance with its contractual obligations.

2.9 The CD also shared a balance confirmation with the OC on 08.10.2024, confirming that it was liable to make a payment of Rs. 4,88,77,776.60/- until 30.09.2024.

2.10 On 21.12.2024, a meeting took place between the parties, whereat the CD agreed to pay outstanding dues of Rs. 3.5 crores (as applicable then) in 4 tranches. Pursuant to such meeting, the CD has made payments of Rs. 1,58,85,141.50/- until date, thus admitting its liability. The director of the CD, who has been corresponding with the OC, has repeatedly assured the OC that outstanding payments will be made to the OC. However, in spite of such assurances, no such payments have been made by the CD.

2.11 In view of the above, the OC was constrained to issue a Demand Notice under Section 8 of the IBC to the CD on 13.05.2025, and the same was served upon the CD by way of Speed Post and the same has been duly received by the CD ("Demand Notice").

2.12 In response to the Demand Notice, the CD issued a response on 22.05.2025 and belatedly raised vague and baseless allegations regarding purported defects in the quality of goods supplied, which appear to be nothing more than an afterthought aimed at evading payment. Notably, the CD has not identified any specific consignments or transactions in respect of which such alleged defects arose. These alleged disputes were raised for the first time only at the end of April 2025, i.e. several months after the CD had already and unequivocally acknowledged its liability in December 2024. The timing of these allegations, coinciding with persistent follow-ups and

demands for payment by the OC, clearly reveals the *mala fide* intent of the CD to manufacture a dispute and delay the legitimate recovery process.

2.13 Hence, the OC is left with no option but to file the present application against the CD. Moreover, it is crystal clear that the CD is liable to make payments towards the outstanding amounts in the sum of Rs. 4,53,54,848.41/- as on 10.06.2025, along with further interest at 24% p.a. till actual payment or realization thereof.

2.14 The first invoice bearing no. 1564 dated 07.06.2024 issued for a sum of Rs. 8,18,217/- fell due and payable on 27.08.2024 (as per the payment terms on the invoice as well as the corresponding Purchase Order).

2.15 The Applicant has attached the following supporting documents along with the Application and Additional Affidavits dated 28.07.2025 and 09.09.2025, respectively:

- a) Master data of the CD.
- b) Copy of the Board Resolution dated 20.12.2023 authorizing Mr. Anand Patel.
- c) Copies of sets of Purchase Orders along with corresponding E Waybills (as applicable) and Invoices along with the Proofs of Delivery.
- d) Copy of the NCLT Mumbai's Order dated 19.12.2024.
- e) Copy of email dated 08.10.2024.
- f) Copies of screenshots of WhatsApp conversation reflecting the admission of the CD.
- g) Copy of the Demand Notice dated 13.05.2025 under Section 8 of the Code issued to the CD by the OC.

- h) Copy of the reply dated 22.05.2025 issued on behalf of the CD to the Demand Notice issued by the OC.
- i) Particulars of Claim in tabular form, including the computation of debt and the dates of default.
- j) Copy of Record for the CD with NeSL.
- k) Statement of bank accounts where deposits are made, or credits received normally by OC.

3. ADDITIONAL AFFIDAVIT (OC)

3.1 This Additional Affidavit, dated 30.08.2025, was filed and affirmed by one Mr. Kuldeep Gupta, who is the Managing Director and authorized representative of the OC, to bring on record NeSL Form – D as per this Tribunal's direction in Order dated 11.08.2025.

3.2 The Status of Authentication of Default therein is stated as "Disputed".

4. CONTENTIONS OF CD

4.1 This Affidavit-in-Reply dated 31.10.2025 was filed and affirmed by one Mr. Amit Sureshkumar Khandelwal, who is stated to be an authorized representative of the CD.

4.2 According to the Respondent, the parties have had a course of business dealings since 2024 under which the Petitioner supplied semiconductors and allied materials pursuant to purchase orders placed by the Respondent from time to time. These transactions were ordinary trading transactions in the nature of sale and purchase of goods, governed by reciprocal obligations whereby the Respondent was required to make timely payment and the Petitioner was required to ensure that the goods supplied were

conforming to agreed specifications, of merchantable quality, and free from defects. Between August 2024 and March 2025, the Respondent placed several purchase orders in the ordinary course of business, and the Petitioner raised approximately 84 invoices in respect of these supplies.

4.3 It is necessary to explain the commercial process under which these supplies were integrated into the Respondent's operations. Each order placed with the Petitioner had a lead time of approximately forty-five to sixty days, following which the raw materials were received at the Respondent's site. Upon receipt, the goods were subjected to preliminary incoming inspection through sampling, after which they were moved to the Respondent's warehouse for storage. Thereafter, the raw materials were drawn as required for the manufacturing process. The Respondent's manufacturing involved a lot of steps through which the semiconductors supplied by the Petitioner were converted into finished electrical products, including bulbs and allied items. These finished goods were then stored and ultimately dispatched to the Respondent's customers in the market.

4.4 Defects in such semiconductors are not ordinarily identifiable at the time of delivery or even during preliminary sampling. By the very nature of the product, quality issues can only become apparent once the materials are put through the Respondent's production line and then subjected to sustained usage in the market. Many defects surface only when the finished goods are tested over a period of time by customers and end-users. For this reason, the industry recognises that the quality of such materials cannot be conclusively determined at the threshold. Indeed, the very fact that these

goods are sold with warranties extending up to two years is evidence of the reality that defects may emerge over time and not at the initial stage.

4.5 From March 2025 onwards, as the Petitioner's materials were progressively drawn into the Respondent's manufacturing process and as the finished goods reached customers in the market, serious difficulties began to arise. The semiconductors were consistently found to be defective and substandard. These were not marginal deviations but substantial defects which rendered the finished products unreliable and unfit for commercial use. The Respondent began experiencing stoppages in its manufacturing lines, rejection of its finished goods by customers, and even cancellation of confirmed purchase orders. The reputational harm suffered in the market was severe, as customers who had earlier placed reliance on the Respondent's products began to lose confidence owing to failures traceable directly to the Petitioner's defective supplies.

4.6 It is in this backdrop, and only once the systemic defects became apparent after the lapse of time inherent in the production and consumption cycle, that the Respondent was compelled to raise formal complaints in April 2025. The chronology of subsequent communications has been set out in detail as under. The defects could not reasonably have been detected at the time of supply; they became evident only after integration into production and subsequent market usage.

4.7 In light of these difficulties, on 24.04.2025, the Respondent issued an email to the Petitioner. In this communication, the Respondent specifically identified the products in which there were defects and put the Petitioner to

notice that the supplies were not in conformity with the required standards and the same are being returned to the Petitioner.

- 4.8 As the Petitioner did not take remedial steps, the Respondent, by a further communication dated 28.04.2025, intimated its decision to return the defective stock of semiconductors. On the same date, the Respondent also issued a letter stating the return of Substandard Material.
- 4.9 Acting upon this decision, on 03.05.2025 the Respondent arranged for the defective consignment to be dispatched back to the Petitioner's warehouse through its appointed transporter. However, the Petitioner declined to accept delivery.
- 4.10 Thereafter, between 05.05.2025 and 08.05.2025, there was a series of email communications exchanged between the parties. In these, the Respondent reiterated its stand that the goods supplied were defective and not usable, while the Petitioner declined responsibility and contended that the disputed goods pertained to earlier consignments. Further in the said emails, on 8th May, 2025, it was stated that the defective goods were dispatched back to your warehouse, which was not accepted and hence the same was highlighted to you again to accept the delivery of the goods on the next attempt, failing which, a 2-week period would be provided for collection, otherwise the same would be disposed at the cost of the Petition. This exchange of correspondence is significant, as it shows that the dispute was live and actively being contested between both sides well prior to the statutory demand.
- 4.11 Thereafter, on 10.05.2025, in view of the Petitioner's continued refusal to accept responsibility, the Respondent took an internal decision not to utilise

the disputed stock any further. The Respondent recognised that further use of the defective goods would only aggravate its difficulties, result in deeper losses, and jeopardise customer relationships. At this stage, the Respondent also commenced quantifying the financial losses suffered as a direct result of the Petitioner's supplies.

4.12 On 12.05.2025, the Respondent issued an email stating that the Respondent has suffered a loss due to the supply of defective/ substandard material by the Petitioner Company. In the said mail, it was clearly communicated that the Petitioner Company should pick up the inferior/ defective material and bear the loss and pay an amount of Rs. 6,72,59,242/- to the Respondent Company.

4.13 In addition to the mail, the advocate of the Respondent Company issued a legal notice dated 12.05.2025, wherein the Respondent placed on record a quantified claim of Rs.6,72,59,242/-, comprising losses from cancelled customer orders, defective outputs, rejection of products in the market, storage and handling costs, and related administrative expenses. The Respondent also called upon the Petitioner to collect the defective goods lying at its premises. This communication is of central importance, as it placed a quantified counter-claim on record.

4.14 Notwithstanding the above, on 13.05.2025, the Petitioner issued a demand notice under Section 8 of the Insolvency and Bankruptcy Code, 2016, demanding payment of its alleged dues. This demand notice was thus issued in the face of existing written complaints, attempted returns, documented refusals, ongoing correspondence, and a quantified counter-claim.

4.15 The statute provides that an operational creditor can invoke the extraordinary insolvency process only when the debt claimed is both due and undisputed. The corollary of this requirement is equally well established: where there is a genuine, substantial, and documented dispute between the parties before the issuance of the demand notice, this Tribunal's jurisdiction cannot be invoked. This limitation is not procedural but goes to the root of maintainability, for the IBC is not intended to displace ordinary forums for adjudication of contractual disputes. In the present case, the material on record demonstrates beyond doubt that disputes had arisen between the parties well before the statutory notice dated 13.05.2025. The very first contemporaneous record of dispute is a written complaint addressed by the Respondent to the Petitioner on 24.04.2025. In this communication, the Respondent set out in clear terms that the semiconductors supplied by the Petitioner were defective and substandard, wholly unfit for use in production. This was a specific identification of quality defaults that had already disrupted the Respondent's production lines and resulted in rejections by its end-customers.

4.16 It is further submitted that the Petition is also rendered non-maintainable by reason of the Respondent's quantified counter-claim, which not only disputes the alleged liability but exceeds the amount claimed by the Petitioner. Where the corporate debtor has raised a counter-claim supported by material evidence, and such claim overtakes the operational creditor's demand in value, the foundation of the petition collapses. The Respondent has, through a detailed communication dated 12.05.2025, placed on record a quantified counter-claim amounting to Rs. 6,72,59,242/-

. This claim arises directly out of the Petitioner's repeated supply of defective and substandard goods. The computation of this figure is grounded in concrete losses sustained by the Respondent, including cancellation of confirmed customer orders, rejection of finished goods at the customer's end, excess storage and administrative overheads incurred in handling unusable inventory, and reputational injury in the market. These heads of loss were expressly communicated to the Petitioner, and the quantified claim was raised prior to the issuance of the statutory demand notice. In contrast, the Petitioner has sought to peg its alleged operational debt at approximately Rs. 4.88 crores, inclusive of interest. Even assuming, without admitting, that the Petitioner's claim is arithmetically correct, the existence of the Respondent's counter-claim, which exceeds this figure by nearly Rs.1.8 crores, tilts the balance of equities entirely against the Petitioner. Far from there being an "admitted debt" owed by the Respondent, the factual position demonstrates that it is the Petitioner who is indebted to the Respondent. In the light of these facts, it is respectfully submitted that the Respondent's counterclaim, being genuine, substantial, and larger in value than the Petitioner's alleged claim, extinguishes the very foundation of the Petition. The Petition cannot be admitted under Section 9 of the IBC as the essential requirement of an undisputed operational debt is wholly absent.

4.17 It is submitted that the present Petition does not arise from any insolvency or financial distress of the Respondent but is purely the outcome of a commercial dispute. The Respondent is a solvent, financially sound, and operationally robust entity engaged in its business in the ordinary course. Its audited financial statements reflect a positive net worth, consistent

profitability, and regular servicing of banking and statutory liabilities. The Respondent continues to meet all legitimate obligations as they fall due. There is no default in relation to any of its secured or unsecured creditors, nor any impairment of its ability to carry on business. The scheme of the Code makes it abundantly clear that the remedy of corporate insolvency resolution is intended only for cases of genuine financial distress. It is not an alternative to ordinary forums of dispute resolution, nor a substitute for recovery proceedings. Admission of proceedings against a company which is demonstrably solvent would subvert the purpose of the Code and amount to an abuse of the process of law.

4.18 The CD argues that the Petition has been filed solely to exert pressure on the Respondent, a solvent and operationally sound company, and to arm-twist it into payments which are not legally due. This amounts to nothing more than an abuse of process.

4.19 The CD has attached the following supporting documents along with the Reply:

- a) Email dated 24.04.2025.
- b) Email dated 28.04.2025.
- c) Letter dated 28.04.2025.
- d) Legal notice dated 12.05.2025.
- e) Emails from 05.05.2025 to 12.05.2025.
- f) Copy of the tracking receipt of the return of the goods.

5. **REJOINER**

5.1 This Affidavit-in-Rejoinder dated 07.11.2025 was filed and affirmed by one Mr. Kuldeep Gupta, who is stated to be an authorized representative and Managing Director of the Applicant.

5.2 The Operational Creditor has supplied material worth Rs. 4,43,85,906.03/- over the course of the last two years to the Corporate Debtor. As per the industry, well known to the Corporate Debtor, the products supplied by the OC do not carry a standard warranty. Once the goods are sold, supplied and accepted without any protest or objection, the customer is obligated to make payment. This has been the consistent course of dealings followed by the Corporate Debtor since the inception of the order-supply relationship between the parties. Furthermore, in compliance with the specific requirements set out in the Purchase Orders, the Operational Creditor has provided testing certificates along with each delivery, thereby affirming that the Products were free from defects at the time of delivery and fully in accordance with its contractual obligations. Subsequently, the Corporate Debtor also shared a balance confirmation with the Operational Creditor on 08.10.2024, confirming that it was liable to make payment of Rs. 4,88,77,776.60/- until 30.09.2024. Further, a meeting took place between the parties on 21st December 2024, whereat the Corporate Debtor agreed to paying outstanding dues of Rs. 3.5 crores (as applicable then) in 4 (four) tranches. Pursuant to such meeting, the Corporate Debtor has made partial payments of Rs. 1,58,85,141.50 (One Crore Fifty Eight Lakhs Eighty-Five Thousand One Hundred and Forty-One Rupees and Fifty Paise only) until date, thus admitting its liability. The director of the Corporate Debtor who

has been corresponding with the Operational Creditor has repeatedly assured the Operational Creditor that outstanding payments will be made to the Operational Creditor. However, in spite of such assurances, no such payments have been made by the Corporate Debtor.

5.3 It is submitted that all the claims raised by the Corporate Debtor are merely and clearly an afterthought to create an illusion of a pre-existing dispute.

5.4 The first instance of when the Corporate Debtor decided to rake up the issue regarding alleged substandard material in April 2025, pointedly much after the Operational Creditor followed up for its outstanding payments. In these communications, as annexed to the said Reply, the Corporate Debtor referred to purported prior communications between its team and that of the Operational Creditor whereby the Corporate Debtor has purportedly raised issues about substandard material allegedly supplied by the Operational Creditor. However, when asked to actually produce these emails, there has been no response from the Corporate Debtor on the issue save and except repeating the same incorrect and false claims, thus proving that the Corporate Debtor's alleged claims are nothing but an afterthought preempting action under the IBC, 2016.

5.5 Further, pursuant to the referred emails, the Corporate Debtor sought to return the allegedly substandard material to the Operational Creditor, without in any manner actually verifying the record. When the returned material was inspected by the Operational Creditor, it came to light that some of the material had been provided to the Corporate Debtor almost 3 years ago and for which the account had been settled by the CD long back. If there were indeed any genuine business losses suffered by the Corporate

Debtor, they would have been brought much prior and, in any event, prior to making admission of outstanding debt.

5.6 Without prejudice to the above, the invoices raised by the Operational Creditor upon the Corporate Debtor for the material supplied pursuant to Purchase Orders raised by the Corporate Debtor constitute a contract. The invoices clearly state that the goods supplied by the Operational Creditor are non-returnable (due to their industry nature) and are therefore non-refundable, a criterion well established and known to the Corporate Debtor.

5.7 As per the case of the Respondent, the dispute, as belatedly alleged by the Respondent, was initiated vide email dated 24th April 2025 wherein the Respondent stated that material was to be returned to the Applicant herein, in view of alleged substandard material being supplied.

5.8 As can be seen by the Respondent's own admission in the said email dated 24.04.2025, the allegedly substandard material which was to be returned to the Applicant herein amounted to a total of Rs. 74,70,023.90/-. Even if the Respondent's allegations regarding substandard material are taken at face value arguendo, the same pertains only to material worth Rs. 74,70,023.90/- and not to the entire outstanding debt.

5.9 The principal amount claimed by the Operational Creditor, is to the tune of Rs. 4,09,33,329.80/-. Even accepting the Respondent's own stated position in the email dated 24.04.2025, there remains an undisputed debt of Rs. 3,34,63,305.90/-.

5.10 The heads of the claims mentioned in the reply to the demand notice are in the nature of unliquidated claims such as loss from cancelled customer orders, cost of rejected final goods, reputational brand damage, storage and

holding costs and legal and advisory expenses, all totalling upto Rs. 5,97,89,218.10/-. This claim also came to light in the light of the numerous and repeated follow-ups by the Operational Creditor with the Corporate Debtor for payment of the outstanding amount. The Applicant submits that if these claims were genuine and not spurious, the Corporate Debtor would have initiated legal action to recover the amounts from the Operational Creditor.

5.11 The Respondent has not been able to showcase any valid and genuine pre-existing dispute with respect to this substantial balance amount of Rs. 3,34,63,305.90/-, which by itself far exceeds the threshold limit of Rs. 1,00,00,000/- prescribed under Section 4 of the IBC for initiation of CIRP.

5.12 The Amount of Rs. 6,72, 59,2421/- is now being claimed by the Respondent as an afterthought and in direct response to the Applicant's Demand Notice under Section 8 of the Code, and ought to be rejected outright.

5.13 The Respondent has not initiated any suit or arbitration proceedings as contemplated under Section 5(6) of the IBC. The mere sending of an email on 24.04.2025 claiming defective material worth Rs. 74,70,023.90/- does not constitute the existence of a dispute within the meaning of the IBC.

5.14 Even if the email dated 24.04.2025 is considered as raising a dispute (which is denied), such dispute pertains only to a fraction of the total debt and cannot operate as a bar to the present proceedings for the admittedly undisputed balance amount.

5.15 The Applicant has attached the following supporting documents along with the Rejoinder:

a) Invoices corresponding with the returned material.

6. SYNOPSIS (OC) dated 01.12.2025

6.1 Document relied upon for determining the date of default :

- a) Purchase Orders along with e-way bills, invoices along with proof of delivery. In accordance with the terms, each invoice became due and payable after 80 days of the issuance of the invoice.
- b) Email correspondence dated 08.10.2024 from the CD to the Operational Creditor confirming liability of Rs. 4,88,77,776.60 /-

6.2 Acknowledgements offered by the CD against the debt are in the WhatsApp Communication whereby Director of the CD has repeatedly acknowledged debt.

7. SYNOPSIS (CD) dated 07.01.2026

7.1 Synopsis has been filed by the CD reiterating the facts in the Reply; the same has been considered by us.

7.2 In addition to that, the CD states that a plain reading of Para 7 of the Rejoinder reveals material admissions supporting the Respondent's case. The Operational Creditor expressly acknowledges that the CD did, in fact, attempt to return the allegedly substandard material, thereby confirming that the dispute was not illusory or an afterthought but had crystallised into actual commercial conduct, including physical return of goods. Such conduct is wholly inconsistent with a fabricated defence and clearly establishes the existence of a bona fide dispute.

7.3 Further, the allegation in Para 7 that certain returned material pertained to supplies made "almost 3 years ago" itself demonstrates that the dispute involves complex questions relating to identification, segregation, and attribution of goods, as well as reconciliation of accounts. Para 7 notably

does not deny the presence of defective material; instead, it seeks to deflect responsibility by alleging prior settlement of certain invoices. These shifting and contradictory stands, coupled with the allegation that the return was attempted "without verifying the record," only reinforce that the dispute is genuine, contested, and fact-intensive matters which are wholly incapable of summary adjudication under Section 9 of the Insolvency and Bankruptcy Code.

For brevity and reference para 7 of the Rejoinder is as follows:

"7. Further, pursuant to the referred emails, the Corporate Debtor sought to return the allegedly substandard material to the Operational Creditor, without in any manner actually verifying the record. When the returned material was inspected by the Operational Creditor, it came to light that some of the material had been provided to the Corporate Debtor almost 3 years ago and for which the account had been settled by the Corporate Debtor long back."

8. ANALYSIS AND FINDINGS

8.1 We have perused the documents as placed before us and heard both the Ld. Counsels for the Applicant and the CD.

8.2 The following facts are substantially undisputed:

- (i) the Applicant supplied electronic semiconductors and allied materials to the CD pursuant to purchase orders issued by the CD between August 2024 and March 2025;

- (ii) invoices were raised corresponding to such supplies and the goods were delivered to and received by the CD;
- (iii) the parties had an ongoing commercial relationship involving multiple transactions;
- (iv) the CD issued a balance confirmation dated 08.10.2024 reflecting an outstanding balance in favour of the OC;
- (v) the CD made part-payments aggregating to Rs.1,58,85,141.50/- subsequent to such balance confirmation;
- (vi) the CD addressed communications dated 24.04.2025 and 28.04.2025 alleging that certain materials supplied by the Applicant were defective and substandard;
- (vii) correspondence concerning such allegations was exchanged between the parties prior to issuance of the demand notice under Section 8 of the IBC however the said communications were issued a few days prior to the issuance of the demand notice by the CD on 13.05.2025
- (viii) the CD attempted to return certain goods to the Applicant through a transporter on 03.05.2025.
- (ix) a legal notice dated 12.05.2025 was issued on behalf of the CD prior to issuance of the demand notice dated 13.05.2025.

8.3 The following issues, however, remain contentious between the parties:

- (i) whether the semiconductors supplied by the Applicant were defective, substandard or otherwise unsuitable for their intended purpose;

- (ii) whether the alleged defects were latent in nature and became apparent only after integration of the materials into the manufacturing process and subsequent use by customers;
- (iii) whether the complaints raised by the CD were genuine and contemporaneous or merely an afterthought intended to avoid payment of outstanding dues;
- (iv) whether the goods sought to be returned by the CD corresponded to the supplies forming the subject matter of the present claim;
- (v) whether the losses allegedly suffered by the CD were attributable to the goods supplied by the Applicant; and
- (vi) whether the dispute raised by the CD constitutes a *bona fide* pre-existing dispute within the meaning of Sections 5(6), 8 and 9 of the IBC.

8.4 The primary contention advanced by the Applicant is that the CD had unequivocally admitted its liability through the balance confirmation dated 08.10.2024, discussions held between the parties in December 2024, subsequent part-payments and WhatsApp communications assuring payment of outstanding dues. According to the Applicant, these circumstances leave no room for doubt regarding the existence of debt and demonstrate that the allegations concerning defective material were raised only after repeated demands for payment. It has therefore been argued that the dispute is a mere afterthought and a moonshine defence intended to frustrate legitimate recovery of admitted dues.

8.5 The Reconciliation statement of Radhika Opto Electronics Private Limited Books with Lumens Technologies Private Limited for the period 01.04.2024

to 30.09.2024 is attached at page 749 (Volume IV) of the Application in the email dated 08.10.2024. The same is reproduced below;-

Reconciliation Statement of Radhika Opto Electronics Pvt Ltd Books with Lumens Technologies Pvt Ltd for the period 01-04-2024 to 30-09-2024			
Date	Particulars	Sub Amount	Amount
	Closing Balance as per Radhika Opto Electronics Pvt Ltd as on 30-09-2024	4,51,79,853.60	4,51,79,853.60
Add	Opening Difference		7,604.00
	Opening Balance As per ROEPL as on 01-04-2024	-2,11,66,739.00	
	Opening Balance As per Lumens Technologies as on 01-04-2024	2,23,10,683.00	
	Adjustment in opening Balance ROEPL	-11,36,340.00	
08-04-2023	Credit Note No:-W24RO0202	-2,52,756.00	
14-04-2023	Purchase Invoice No:-7626-2223	-8,83,584.00	
Add	Payments not considered by Radhika Opto Electronics Pvt Ltd		
29-04-2024	Ref No - 699	-5,895.00	-5,895.00
Add	Invoices Not Booked by Radhika Opto Electronics Pvt Ltd		25,17,884.00
16-01-2024	A/R Invoices - 6725	4,130.00	
30-09-2024	A/R Invoices - 4180	16,46,100.00	
30-09-2024	A/R Invoices - 4182	4,64,094.00	
30-09-2024	A/R Invoices - 4181	3,69,576.00	
30-09-2024	A/R Invoices - 4179	33,984.00	
	JE BOOKED BY LUMENS		41,806.00
16-02-2024	Ref No -29511	36,285.00	
16-02-2024	Ref No - 29513	5,521.00	
	Credit Note Not Booked By Lumens		52,580.80
30-09-2024	Doc No.248300349	52,580.80	
	Debit Note Not Booked By Lumens		-10,808.80
30-09-2024	Doc No.248220005	-10,808.80	
	TDS Booked		55,502.00
	By ROEPL	83,410.00	
	By Lumens	-27,908.00	
	Balance as per Lumens Technologies Pvt Ltd as on 30-09-2024		4,78,38,526.60
	Closing Balance shown in Ledgers by Lumens Technologies Pvt Ltd as on 30-09-2024		4,78,38,529.30
Variation			-2.70

8.6 A balance confirmation acknowledging outstanding dues is undoubtedly a significant piece of evidence. Likewise, part-payments made subsequent to such acknowledgement ordinarily indicate acceptance of liability. However, while these circumstances may be relevant for determining the merits of the

parties' contractual claims, the jurisdiction exercised by this Adjudicating Authority under Section 9 of the IBC is of a far more limited nature. The question before us is not whether the debt once stood admitted. Nor is the question whether the Applicant may ultimately succeed in recovering the claimed amount before a competent forum. The real question is whether, as on the date of issuance of the demand notice under Section 8, there existed a genuine dispute between the parties, which required adjudication.

8.7 The answer to this question must necessarily be examined in light of the principles laid down by the Hon'ble Supreme Court in ***Mobilox Innovations Private Limited v. Kirusa Software Private Limited***, (2018) 1 SCC 353. The Hon'bles Supreme Court authoritatively held that while considering an application under Section 9, the Adjudicating Authority is not required to determine the merits of the defence raised by the corporate debtor. The Hon'ble Court clarified that all that is required is to determine whether there exists a plausible contention requiring investigation and whether the dispute raised is not a patently feeble legal argument or an assertion unsupported by evidence. The Court held that IBC is not intended to be a substitute for conventional adjudicatory mechanisms and that where a real dispute exists, insolvency proceedings cannot be invoked as a debt recovery tool.

8.8 Keeping the aforesaid principles in mind, we proceed to examine the material relied upon by the CD. The first significant communication is the email dated 24.04.2025. Upon careful perusal, we find that the said email cannot be characterized as a vague or bald assertion. The CD specifically recorded that complaints were being received from the market regarding the quality of products manufactured using the semiconductors supplied by the

Applicant. More importantly, the CD identified specific item codes, descriptions, quantities and values of the material alleged to be defective.

The communication quantified the value of such material at approximately Rs.74,70,023.90/- and informed the Applicant that the same was being returned. The level of detail in the communication is significant because it indicates that the CD had identified specific batches and products that, according to it, were causing difficulties in its manufacturing operations. Such particulars are not ordinarily associated with a defence that is merely speculative or manufactured in response to recovery proceedings.

8.9 The significance of the communication dated 24.04.2025 is further reinforced by the subsequent email dated 28.04.2025. In the said communication, the CD reiterated that it was receiving customer complaints, facing business losses and suffering damage to its reputation in the market. It further communicated its decision not to utilise any further stock sourced from the Applicant and to return the material lying in its possession. These communications were exchanged nearly three weeks prior to issuance of the demand notice under Section 8. Consequently, it becomes difficult to accept the contention that the dispute came into existence only after issuance of Demand Notice dated 13.05.2026.

8.10 The CD has further placed on record material to indicate that it attempted to physically return the disputed goods through a transporter on 03.05.2025. This aspect assumes considerable importance. The dispute is therefore not confined merely to exchange of correspondence. The CD appears to have acted upon its grievance by segregating certain material and arranging for its return. The subsequent exchange of emails between 05.05.2025 and

08.05.2025 demonstrates that the parties were actively contesting the issue even before issuance of the statutory demand notice. The Applicant has sought to meet this contention by stating that some of the returned goods pertained to earlier transactions and settled supplies. In our considered opinion, this explanation itself highlights the existence of a genuine factual controversy. The parties are at difference not only on the issue of quality but also on the identity and source of the goods sought to be returned. Such controversies necessarily require appreciation of evidence and cannot be conclusively determined in a summary proceeding under Section 9.

8.11 The legal notice dated 12.05.2025 issued by the CD further strengthens the conclusion that disputes had already crystallized prior to invocation of the insolvency process. The said notice refers to prior complaints, attempted return of goods, refusal on the part of the Applicant to accept the same and quantifies losses allegedly suffered by the CD at Rs.6,72,59,242/-. Indeed, many of the heads under which damages are claimed may ultimately require strict proof and adjudication. It is equally true that the correctness of the quantification is seriously disputed by the Applicant. However, at the stage of Section 9 proceedings, this Tribunal is not required to adjudicate upon the correctness of the claim. The relevance of the notice lies in the fact that it demonstrates the existence of a live dispute and a competing claim before issuance of the demand notice.

8.12 The Applicant has strongly emphasized that the alleged dispute concerns goods worth approximately Rs.74,70,023.90/- whereas the operational debt claimed is substantially higher. It has therefore been argued that even assuming the dispute to be genuine, a substantial portion of the debt

remains undisputed and the petition ought to be admitted on that basis. We are unable to persuade ourselves to accept this submission. The correspondence relied upon by the CD indicates that its grievance is not limited to the value of the returned stock. According to the CD, the allegedly defective material was incorporated into its manufacturing process, resulted in customer complaints, caused rejection of finished products and led to substantial consequential losses. The dispute therefore extends beyond the value of the physical stock sought to be returned and directly impacts the broader commercial relationship between the parties. Once a genuine dispute touching the underlying operational debt is demonstrated, this Adjudicating Authority cannot undertake a forensic exercise of severing disputed and undisputed portions of the claim for admission.

8.13 Moreover, Section 9(5) (ii)(d) of IBC,2016 requires Adjudication Authority to reject an Application if a notice of dispute has been received by the Operational Creditor or there is a record of dispute in the information utility. Further Section 8(2)(a) of IBC , 2016 requires the Corporate Debtor to bring to the notice of Operational Creditor within 10 days of receipt of demand notice or copy of the invoices , existence of a dispute , if any or record of the pendency of the suit or arbitration proceedings filed before the receipt of such notice or invoice in relation to said dispute. Both these sections , do not specify that the dispute should cover the entire outstanding claimed by the Operational Creditor.

8.14 These two sections simply provide for receipt of a notice of dispute, which may or may not relate to the entire outstanding. Therefore we are of the view that if a notice of dispute which is pre-dating the date of demand notice

,has been received by the operational creditor within 10 days of receipt of demand Notice, even if the dispute relates to part of the dues claimed by the Applicant (unless the same is totally insignificant) the Operation Creditor is justified in withholding of the outstanding claimed and in such a situation the Application under section 9 of the IBC , 2016 will not be maintainable due to default in payment by the CD.

8.15 We also find no merit in the contention that the dispute should be disregarded because the CD did not initiate a suit or arbitration proceeding. The law on this aspect is no longer *res integra*. In *Mobilox* (supra), the Hon'ble Supreme Court categorically held that pendency of a suit or arbitration is not a condition precedent for establishing existence of a dispute. What is required is the existence of a dispute in fact prior to issuance of the demand notice. The documentary material placed before us clearly establishes that disputes had arisen and were being actively asserted before commencement of the insolvency process.

8.16 Another aspect which merits consideration is the nature of the goods involved. The dispute pertains to semiconductors and electronic components. The CD has consistently maintained that defects in such products may not be immediately apparent upon receipt and may manifest only after the materials are integrated into the manufacturing process and subjected to actual use conditions. Whether this explanation is ultimately correct is not a matter for determination in these proceedings. Nevertheless, the explanation furnished cannot be said to be inherently implausible. Questions relating to latent defects, quality standards, technical specifications, manufacturing failures, customer complaints and

consequential losses are matters which ordinarily require detailed evidence and often expert testimony. Such issues are plainly unsuitable for adjudication within the summary framework contemplated under Section 9 of the IBC.

8.17 Moreover, we notice that the Record of Default being Form-D was filed by the Applicant by way of Additional Affidavit dated 30.08.2025. Perusal of the same reflects the Status of Authentication of Default as "Disputed". The said NeSL record of default is reproduced hereunder:-

NeSL NATIONAL E-GOVERNANCE SERVICES LIMITED
India's First Information Utility

FORM D
RECORD OF DEFAULT (RoD)

(Issued By information utility under sub- regulation (4) of regulation 21 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017)

This Record of Default is issued to the Operational Creditor M/s LUMENS TECHNOLOGIES PRIVATE LIMITED in respect of the default of debt as per details given below-

(a) Name of the Submitter:	M/s LUMENS TECHNOLOGIES PRIVATE LIMITED
(b) Schedule-2 Bank (Y/N):	N
(c) Name of Corporate Debtor:	M/s RADHIKA OPTO ELECTRONICS PVT LTD
(d) Unique Debt Identifier Number:	AACCL5151C_AR24-25/LUMENS
(e) Registered Address:	Office: 809/810, 8th Floor, Lodha Supremus, Tower 'B' Kolsket Road, Thane West, Maharashtra
(f) Total Outstanding Amount:	INR 45354848.41
(g) Default Amount:	INR 40933329.80
(h) Dispute Remarks*:	• Pre-existing Dispute. • Pendency of suit/arbitration proceedings. Remarks - we deny all the claims
(i) Submission ID:	2
(j) Date of Default:	27-08-2024
(k) Status of Authentication of Default:	<input type="checkbox"/>
(l) Authentication Completed on:	31-07-2025 17:39:21
(m) Date of Last Acknowledgement of Debt (AoD):	25-03-2025



* where dispute is pertaining to non-financial information and financial creditor is schedule II bank, the status of authentication will be recorded as Authenticated

NeSL is authorized to issue this record of default and has accordingly affixed its digital signature, as per the provisions of the Insolvency and Bankruptcy Code, 2016 read with Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017, Guidelines for Technical Standards for Performance of Core Services and Other Services and the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2017.

8.18 In regard to the status of the authentication of default with the information utility reflected as “Disputed” it is relevant to refer to the judgement in the matter of *Accurate Transheat Pvt. Ltd. v. Sufi International Pvt. Ltd.* (Company Appeal (AT) (Insolvency No. 1373 of 2025). Relevant portion of the said judgment is reproduced hereunder:-

*“16. In the facts of the present case, in the record of information utility, the Corporate Debtor has disputed the debt which is recorded in the information utility. The proceeding under Section 9 is a proceeding which clearly contemplates that in event, when the notice of dispute has been received by the operational creditor and there is a record of dispute in the information utility, application is to be rejected. Section 9 proceeding is not a proceeding for deciding various contractual dispute between the parties and insolvency proceeding against the Corporate Debtor can proceed only in accordance with the statutory scheme under **Section 9 and the statutory scheme under Section 9 itself contemplate that when there is a record of dispute in the information utility, the Adjudicating Authority had to reject the application.***

17. In the facts of the present case, we are of the view that the Adjudicating Authority did not commit any error in rejecting Section 9 application filed by the

Appellant. The Appeal is dismissed. We, however, make it clear that dismissal of Section 9 application shall not preclude the Appellant to take such remedy in law as permissible.”

(emphasis supplied)

8.19 This tribunal also relies upon the judgement of Hon'ble NCLAT in Company Appeal (AT) (INS) No. 557 of 2025 in the matter of **Bhawani Prasad Mishra v/s Armaco Infralinks Pvt. Ltd. & Anr.**, wherein it was held that: -

*“28. When we look into Section 9(5)(ii)(d) there are two circumstances under which Section 9 application deserves to be rejected i.e. (i) notice of dispute has been received by operational creditor or (ii) there is record of dispute in the Information Utility. In the present case, both the above clauses are fully met since notice of dispute has been received by operational creditor and there is record of dispute in the Information Utility. The record of dispute in the Information Utility as extracted above was information which was submitted by ‘Armaco Infralinks Pvt. Ltd.’ for authentication and authentication made on the same day by the corporate debtor disputing the information which is captured in the Information Utility information. **The statutory condition as contained in Section 9(5)(ii)(d) was fully in existence, hence, Adjudicating Authority had to reject the***

application. *Adjudicating Authority although in paragraph 31 has noticed the record of default in the Information Utility which paragraph 31 is as follows:-*

“31. Further, upon perusal of record of default in the information utility namely National E-Governance Services Ltd. (‘NeSL’) produced by the Respondent vide its reply dated 18.01.2025, we notice the existence of prior dispute between the parties. The relevant screenshot is reproduced hereunder:”

8.20 As such, in the above judgment, Hon’ble NCLAT has held that in case the statutory condition as contained in Section 9(5)(ii)(d) is in existence, i.e., if either notice of dispute is received or there is a record of dispute in the information utility, Adjudicating Authority has to reject the Application.

8.21 The Hon'ble Supreme Court in ***K. Kishan v. Vijay Nirman Company Pvt. Ltd.***, (2018) 17 SCC 662, cautioned against permitting insolvency proceedings to become a substitute for ordinary debt enforcement mechanisms. Likewise, in ***Transmission Corporation of Andhra Pradesh Limited v. Equipment Conductors and Cables Ltd.***, (2019) 12 SCC 697, the Hon’ble Supreme Court reiterated that where a pre-existing dispute exists, the insolvency process cannot be invoked as a means of exerting pressure for recovery of contested claims. The rationale underlying these decisions is that insolvency proceedings are intended to address genuine insolvency and not to resolve complex contractual disputes.

8.22 The aforesaid conclusion also finds support from the recent judgment of the Hon'ble NCLAT, New Delhi, in **Salil Musale Vs. Lintec India Pvt. Ltd. & Ors.** (Company Appeal (AT) (Insolvency) No.870 of 2026) dated 25.05.2026, where while setting aside the admission order in CP (IB) No. 669 (MB) of 2025 which was admitted by this Bench of NCLT, the Hon'ble Tribunal stated the following:

*“11. Section 9(5)(d)(ii) provides that the Adjudicating Authority shall reject the application when notice of dispute has been received by the Operational Creditor or there is a record of dispute in the information utility. Present is a case where notice of dispute was issued by the corporate debtor within 10 days from receipt of the demand notice and there was also record of dispute in NeSL record where status was mentioned as disputed. We may refer to the judgment of this Tribunal in Company Appeal (AT) (Insolvency) No. 557 of 2025- **“Bhawani Prasad Mishra V/s Armaco Infralinks Pvt. Ltd. & Anr.”** decided on 25.04.2025 where this Tribunal has held that when the status of NeSL record mention the dispute, Adjudicating Authority cannot proceed to admit Section 9 application. Relevant paragraphs of the judgment are as follows:-*

“28. When we look into Section 9(5)(ii)(d) there are two circumstances under which Section 9 application deserves to be rejected i.e. (i) notice of dispute has been received by operational creditor or (ii) there is record of dispute in the Information Utility. In the present case, both the above clauses are fully met since notice of dispute has been received by

operational creditor and there is record of dispute in the Information Utility. The record of dispute in the Information Utility as extracted above was information which was submitted by 'Armaco Infralinks Pvt. Ltd.' for authentication and authentication made on the same day by the corporate debtor disputing the information which is captured in the Information Utility information. The statutory condition as contained in Section 9(5)(ii)(d) was fully in existence, hence, Adjudicating Authority had to reject the application. Adjudicating Authority although in paragraph 31 has noticed the record of default in the Information Utility which paragraph 31 is as follows:-

"31. Further, upon perusal of record of default in the information utility namely National EGovernance Services Ltd. ('NeSL') produced by the Respondent vide its reply dated 18.01.2025, we notice the existence of prior dispute between the parties. The relevant screenshot is reproduced hereunder:

31. Section 8(2)(a) is a provision which provides that the corporate debtor shall, within a period of ten days of the receipt of the demand notice or copy of the invoice mentioned in sub-section (1) bring to the notice of the operational creditor existence of a dispute, if any, or record of the pendency of the suit or arbitration proceedings filed before the receipt of such notice or invoice in relation to

such dispute. Section 8(2)(a) does not in any manner dilute the requirement of Section 9(5)(ii)(d) The initiation of insolvency against the Corporate Debtor has a serious consequences and when there are sufficient material to indicate that condition as mentioned in Section 9(5)(ii)(d) are in existence, Adjudicating Authority cannot proceed to ignore the same. There can be no dispute to the proposition laid down by the Hon'ble Supreme Court in "Mobilox Innovations Private Limited vs. Kirusua Software Pvt. Ltd. (2018) 1 SCC 353" that dispute which is contemplated in Section 8(2)(a) has to be a bonafide dispute. In paragraph 38 of the judgment of "Mobilox Innovations Private Limited" following was laid down:-

"38. It is, thus, clear that so far as an operational creditor is concerned, a demand notice of an unpaid operational debt or copy of an invoice demanding payment of the amount involved must be delivered in the prescribed form. The corporate debtor is then given a period of 10 days from the receipt of the demand notice or copy of the invoice to bring to the notice of the operational creditor the existence of a dispute, if any. We have also seen the notes on clauses annexed to the Insolvency and Bankruptcy Bill of 2015, in which "the existence of a dispute" alone is mentioned. Even otherwise, the word "and" occurring in Section 8(2)(a)

must be read as "or" keeping in mind the legislative intent and the fact that an anomalous situation would arise if it is not read as "or". If read as "and", disputes would only stave off the bankruptcy process if they are already pending in a suit or arbitration proceedings and not otherwise. This would lead to great hardship; in that a dispute may arise a few days before triggering of the insolvency process, in which case, though a dispute may exist, there is no time to approach either an Arbitral Tribunal or a court. Further, given the fact that long limitation periods are allowed, where disputes may arise and do not reach an Arbitral Tribunal or a court for up to three years, such persons would be outside the purview of Section 8(2) leading to bankruptcy proceedings commencing against them. Such an anomaly cannot possibly have been intended by the legislature nor has it so been intended. We have also seen that one of the objects of the Code qua operational debts is to ensure that the amount of such debts, which is usually smaller than that of financial debts, does not enable operational creditors to put the corporate debtor into the insolvency resolution process prematurely or initiate the process for extraneous considerations. It is for this reason that it is enough that a dispute exists between the parties."

12. *It is relevant to notice that the Adjudicating Authority has also noted the fact that NeSL record claim is disputed. In paragraph 7.21 and 7.22, Adjudicating Authority noticed following:-*

“7.21 The Applicant has placed on record the NeSL record of default in Form D. which reflects the Status of Authentication of default as 'Disputed with remarks that there exists a preexisting dispute. The Applicant has relied on the judgment of Hon'ble NCLAT, in Rakesh Bhailalbhai Patel v. Vasundhara Seamless Stainless 4 Tubes (P) Ltd., 2025 SCC OnLine NCLAT 1669, vide Order dated 17.10.2025, has clarified the legal position regarding marking of dispute on NeSL portal. The relevant portion of the judgment is reproduced as under:

"79. The contention regarding the NeSL portal is also not convincing. The Code does not treat the NeSL information as determinative of the existence of a dispute. The mere marking of a debt as "disputed" on the portal, without supporting evidence, cannot override the underlying contractual documents and financial records".

7.22 The CD with regard to above, relied upon the judgment of Hon'ble NCLAT in Bhawani Prasad Mishra v. Aramco Infralinks Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 557 of 2025 (Order dated 25.04.2025), wherein it was held that Section 9(5)(ii) (d) of the IBC is mandatory and that the application must be rejected if either notice of dispute is received or there is a record of dispute in the Information Utility. However, the said

order has already been challenged before the Hon'ble Supreme Court in Civil Appeal Diary No. 26723 of 2025. In any event, in the present case, the Applicant has substantiated its claim through invoices, e-way bills and GSTR-1 filings, thereby establishing the operational debt and default.”

8.23 To summarize, the Hon'ble NCLAT in *Salil Musale v. Lintec India Pvt. Ltd. & Ors. (supra)*, reiterated that Section 9(5)(ii)(d) of the IBC mandates rejection of a Section 9 application where either

- (i) a notice of dispute has been received by the Operational Creditor, or
- (ii) there exists a record of dispute in the Information Utility.

The ingredients as laid down by Hon'ble NCLAT are present in the present Company Petition before us as there exists a record of dispute in the Information Utility.

8.24 Having considered the totality of the material placed on record, we are of the view that considering the provisions of section 9(5)(ii)(d) of IBC, 2016, this adjudicating authority is bound to reject an application in case the record of default as issued by the information utility reflects the status of authentication of default as “disputed”. The recent judgments of Hon’ble NCLAT as referred to above including the judgments in the matter of Bhawani Prasad Mishra and in the matter of Salil Musale have clearly confirmed the above view and, therefore, this Adjudicating Authority is left with no alternative but to reject the application.

8.25 The present Petition **CP(IB)/780/MB/2025** is therefore **rejected** under Section 9(5)(ii)(d) of the IBC as non-maintainable and is accordingly dismissed.

8.26 Needless to mention here that dismissal of the present CP does not precludes the applicant to recover its dues, if any, through methods as known to law.

Sd/-
NILESH SHARMA
MEMBER (JUDICIAL)

//AS//

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)