IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT-I

CP (IB) No. 423 (MB) 2025

An application under section 7 of the Insolvency and Bankruptcy Code, 2016, and Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016

In the matter of;

KUSHAL FINNOVATION CAPITAL PVT. LTD.

…Financial Creditor/Applicant

Versus

NEELAMBER AGROTECH PVT LTD

…Corporate Debtor/Respondent

Order Pronounced on 20.11.2026

Coram:

Sh. Prabhat Kumar	**Sh. Sushil Mahadeorao Kochey**
Hon'ble Member (Technical)	Hon'ble Member (Judicial)

Appearances:

For the Operational Creditor : Adv. Nikita Abhyankar i/b Gravitas Legal

ORDER

BRIEF FACTS OF THE CASE:

1. The present Company Petition (IB) No. 423 (MB) of 2025 was filed on 25.02.2025 under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC'), by KUSHAL FINNOVATION CAPITAL PRIVATE LIMITED (hereinafter referred to as the 'Financial Creditor/Applicant'), seeking to initiate

the Corporate Insolvency Resolution Process ('CIRP') against NEELAMBER AGROTECH PRIVATE LIMITED (hereinafter referred to as the Corporate Debtor/Respondent).

2. The Applicant is a company incorporated on 29.01.2022 under the provisions of the Companies Act, 2013, bearing CIN: U65929KA2022PTC157209, and having its registered office at Condor Vista #5, Ground Floor, Near Anjappar Chettinad Restaurant, 4th B Block, 100 FT Road, Koramangala, Bangalore, Karnataka – 560034. The Applicant is engaged in the business of credit granting

3. The Corporate Debtor is a company incorporated on 14.06.2013, bearing CIN: U74999MH2013PTC244499, with its registered office at Unit No. S-157, Second Floor, Fantasia Multiplex & Entertainment Complex, Plot No.47, Sec-30A, Vashi, Navi Mumbai, Maharashtra, India - 400703. The authorised share capital of the Corporate Debtor is Rs.9,00,00,000/- (Rupees Nine Crore Only), and its paid-up share capital is Rs.4,50,00,000/- (Rupees Four Crore Fifty Lakhs Only).

SUBMISSIONS OF THE APPLICANT:

4. The Financial Creditor submits that sometime in the year 2022, the Corporate Debtor approached the Financial Creditor seeking a loan facility in the nature of Invoice Financing, for a sanctioned limit of Rs. 2,00,00,000/- (Rupees Two Crores Only). The said facility was sanctioned by the Financial Creditor vide Sanction Letter dated 18.12.2022, for a tenure of twelve (12) months, with each repayment cycle being 60 days. As per the terms and conditions stipulated in the Sanction Letter, the Corporate Debtor was required to repay the amount availed at the end of each repayment cycle, i.e., upon completion of 60 days from the respective date of disbursement.

5. The Financial Creditor further submits that upon issuance of the Sanction Letter, the parties executed a Loan Agreement dated 28.12.2022, a Deed of Corporate Guarantee dated 28.12.2022, and a Demand Promissory Note dated 30.12.2022, all for 100% of the sanctioned limit. Further, a Deed of Personal Guarantee was

executed by Mrs. Harshada Hanumant Nanche in favour of the Financial Creditor.

6. It is further submitted that, having regard to the nature of the sanctioned loan facility, the Financial Creditor was required to disburse the loan amounts directly to the suppliers of the Corporate Debtor, for and on behalf of the Corporate Debtor. Such disbursements were to be made subject to the sanctioned limit of Rs. 2,00,00,000/- (Rupees Two Crores Only).

7. Thereafter, in accordance with the terms and conditions of the Sanction Letter and the Loan Agreement, the Financial Creditor commenced disbursing the loan amounts against the invoices furnished by the Corporate Debtor from January 2023 onwards. It is further submitted that, against the amounts so disbursed, the Corporate Debtor made the requisite repayments to the Financial Creditor in accordance with the terms of the facility.

8. The Financial Creditor submits that sometime in or around February 2024, the Corporate Debtor began defaulting on repayments within the stipulated 60-day period, as agreed under the Sanction Letter and the Loan Agreement. It is further submitted that during the period from 26.12.2023 to 28.12.2023, the Financial Creditor disbursed an aggregate amount of Rs. 2,00,00,000/- (Rupees Two Crores Only) to the suppliers of the Corporate Debtor, against which an amount of Rs. 5,91,777/- (Rupees Five Lakhs Ninety-One Thousand Seven Hundred Seventy-Seven Only) was deducted upfront towards interest at the rate of 18% per annum, in accordance with the terms of the Sanction Letter.

9. The Financial Creditor further submits that, in terms of the Sanction Letter, the repayment cycle was fixed at 60 days from the respective date of disbursement. Accordingly, the disbursed amount was required to be repaid to the Financial Creditor during the period from 24.02.2024 to 26.02.2024. However, the Corporate Debtor failed to make the repayment within the stipulated timelines.

10. The Financial Creditor further submits that, upon expiry of the stipulated 60-day repayment period under the Sanction Letter, it continuously followed up with the Corporate Debtor for repayment of the outstanding dues. It is submitted that the Corporate Debtor subsequently made a part payment of Rs. 5,00,000/- between March 2024 and April 2024. Thereafter, the Financial Creditor issued a Recall Notice dated 23.04.2024 to the Corporate Debtor, calling upon it to repay the outstanding amount within five (5) days of receipt of the said notice.

11. The Financial Creditor further submits that it issued a Legal Notice dated 14.01.2025 to the Corporate Debtor, calling upon it to pay an amount of Rs. 2,53,85,591.74/- (Rupees Two Crores Fifty-Three Lakhs Eighty-Five Thousand Five Hundred Ninety-One and Seventy-Four Paise Only) within fifteen (15) days from the date of receipt of the said notice. It is submitted that the said notice was issued as a final opportunity to the Corporate Debtor to clear the outstanding dues. However, no further payments were forthcoming from the Corporate Debtor. Consequently, the Financial Creditor submits that it was constrained to levy overdue and penal interest in accordance with the terms and conditions of the Loan Agreement.

12. The Financial Creditor further adjusted the Cash Collateral of Rs. 20,00,000/- furnished by the Corporate Debtor towards the outstanding dues. Accordingly, an aggregate amount of Rs. 25,00,000/-, comprising the part payment of Rs. 5,00,000/- made by the Corporate Debtor and the amount of Rs. 20,00,000/- realised from the Cash Collateral, was credited to the outstanding liability of the Corporate Debtor.

13. The Financial Creditor submits that the present Petition has been filed under Section 7 of the Code against the Corporate Debtor for recovery of the outstanding financial debt. The total gross amount claimed by the Financial Creditor is Rs. 2,95,10,030/- (Rupees Two Crores Ninety-Five Lakhs Ten Thousand and Thirty Only), comprising a principal amount of Rs. 1,94,08,223/-, regular interest of Rs. 5,91,777/-, overdue interest of Rs. 31,70,010/- and penal

interest of Rs. 63,40,020/-. Out of the aforesaid amount, the Financial Creditor has adjusted Rs. 5,00,000/- received from the Corporate Debtor and Rs. 20,00,000/- realised from the invocation of the Cash Collateral furnished by the Corporate Debtor. Accordingly, after giving credit for the aforesaid adjustments, the net outstanding amount claimed as due and payable by the Corporate Debtor is Rs. 2,70,10,030/- (Rupees Two Crores Seventy Lakhs Ten Thousand and Thirty Only).

14. The Financial Creditor further submits that it filed an Additional Affidavit dated 04.02.2026, placing on record additional bank statements that evidence disbursements made under the Sanction Letter. It is submitted that the Financial Creditor used the Veefin software as a transactional portal for processing invoices and payments, which was discontinued in April 2025 for commercial reasons. The Financial Creditor further submits that it issued a Legal Notice dated 19.03.2025 to S&R Viva Organic Pvt. Ltd., which was replied to on 10.04.2025. It is alleged that the Corporate Debtor, in collusion with the said vendor and other individuals, misused the vendor's credentials to obtain financial assistance. In this regard, the Financial Creditor lodged a criminal complaint with the Bandra-Kurla Complex Police Station, alleging cheating, forgery, breach of trust and misappropriation.

FINDINGS AND ANALYSIS:

15. We have heard the learned counsel appearing for the Applicant/Financial Creditor and perused the pleadings, documents and submissions placed on record.

16. The Co-ordinate Bench (VI) of this Tribunal, vide order dated 25.07.2025, proceeded ex-parte against the Respondent/Corporate Debtor, observing that despite service of notice, the Respondent had failed to appear. Subsequently, upon transfer of the matter from Court Room No. 6 to Court Room No. 1, this Tribunal, vide order dated 16.10.2026, issued a fresh notice to the Respondent, directing it to enter appearance, failing which the matter would proceed further. However, despite the issuance of the fresh notice, none appeared on behalf of the

Respondent/Corporate Debtor on the subsequent date of hearing. However, Learned counsel for the Applicant Financial Creditor informs that the Corporate Debtor has served an application notice under Section 10 of the Code, indicating its intention to initiate the CIRP process on its own motion.

17. In order to establish the maintainability of the present Petition, the Applicant/Financial Creditor is required to demonstrate the existence of a financial debt and a default in repayment thereof. There is no dispute that an outstanding debt exists and that there is a default in its repayment. The Corporate Debtor, despite repeated service through this Tribunal and the applicant creditor, has chosen not to file a reply or to represent itself.

18. The primary consideration before this Tribunal is whether the amount advanced by the Financial Creditor under the invoice financing facility constitutes a financial debt owed by the Corporate Debtor and whether the Corporate Debtor has committed a default in repayment thereof.

19. The expression 'financial debt', defined under Section 5(8) of the Code as:

> *"5(8) "financial debt" means a debt alongwith interest, if any, which is disbursed against the consideration for the time value of money and includes—*
> *(a) money borrowed against the payment of interest;*
> *(b) any amount raised by acceptance under any acceptance credit facility or its de-materialised equivalent;*
> *(c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;*
> *(d) the amount of any liability in respect of any lease or hire purchase contract which is deemed as a finance or capital lease under the Indian Accounting Standards or such other accounting standards as may be prescribed;*
> *(e) receivables sold or discounted other than any receivables sold on nonrecourse basis;*

(f) any amount raised under any other transaction, including any forward sale or purchase agreement, having the commercial effect of a borrowing;

(g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price and for calculating the value of any derivative transaction, only the market value of such transaction shall be taken into account;

(h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, documentary letter of credit or any other instrument issued by a bank or financial institution;

(i) the amount of any liability in respect of any of the guarantee or indemnity for any of the items referred to in sub-clauses (a) to (h) of this clause;"

20. Upon perusal of the records, it is observed that the Financial Creditor sanctioned an invoice financing facility of Rs. 2,00,00,000/- to the Corporate Debtor vide Sanction Letter dated 18.12.2022. Pursuant thereto, the parties executed a Loan Agreement dated 28.12.2022, along with the Deed of Corporate Guarantee and other security documents. The terms of the facility stipulated a 60-day repayment cycle from the respective disbursement dates, with interest payable at the agreed rate. Further, the loan agreement contemplates payment of additional interest @ 3% p.m. on overdue amounts. The said facility is collaterally secured by the lien over deposits to the extent of 10% of the total sanctioned facility and personal guarantee of the directors of the corporate debtor. The Corporate Debtor was also required to issue 4 undated cheques for the whole of the sanctioned amount.

21. It is further observed that, under the terms of the invoice financing facility, the Financial Creditor was required to disburse the sanctioned amounts directly to the suppliers of the Corporate Debtor against the invoices furnished by the Corporate Debtor. The Financial Creditor has placed reliance upon the bank statements filed along with its Additional Affidavit dated 04.02.2026 to substantiate the disbursements made under the said facility. Clause 3.1 of the Agreement (Page 37) provides that the disbursement, if any, made by the Lender to the aforesaid designated person/s shall not affect the obligations of the Borrower(s) in relation to the Loan and such disbursement of the Loan to the

designated person (s) shall be deemed to be the Loan granted to and availed by the Borrower (s) under this Agreement or arrangement.

22. In this regard, the execution of the Loan Agreement, Demand Promissory Note and Deed of Corporate Guarantee assumes relevance in determining the contractual obligations of the parties. The Financial Creditor has also relied upon the repayment transactions undertaken by the Corporate Debtor during the subsistence of the facility. Such repayments are relevant circumstances while examining the nature of the financial arrangement and the liability undertaken by the Corporate Debtor. However, the existence of the financial debt can ultimately be established from the underlying contractual documents and evidence of actual disbursement.

23. As regards the occurrence of default, the Financial Creditor submits that an aggregate amount of Rs. 2,00,00,000/- was disbursed during the period from 26.12.2023 to 28.12.2023, against which the repayment was due upon completion of the respective 60-day cycles, i.e., between 24.02.2024 and 26.02.2024. However, the Corporate Debtor failed to repay the amounts within the stipulated period. The Financial Creditor thereafter issued a Recall Notice dated 23.04.2024, calling upon the Corporate Debtor to clear the outstanding dues within five days from receipt thereof. Despite the aforesaid notice, the Corporate Debtor failed to regularise the outstanding liability.

24. The Financial Creditor has further placed on record that the Corporate Debtor made a part payment of Rs. 5,00,000/- during March–April 2024 and that the Cash Collateral of Rs. 20,00,000/- furnished by the Corporate Debtor was subsequently invoked and appropriated towards the outstanding dues. Accordingly, the Financial Creditor has given credit for the aggregate amount of Rs. 25,00,000/- while computing its claim. The gross outstanding amount is stated to be Rs. 2,95,10,030/-, comprising principal amount of Rs. 1,94,08,223/-, regular interest of Rs. 5,91,777/-, overdue interest of Rs. 31,70,010/- and penal interest of Rs. 63,40,020/-. After adjustment of the aforesaid payments and cash

collateral, the net outstanding amount is stated to be Rs. 2,70,10,030/- as on 29.01.2025.

25. We have also taken note of the additional documents and averments placed on record by the Financial Creditor concerning the use of the Veefin software platform and the alleged involvement of S&R Viva Organic Pvt. Ltd. The Financial Creditor has alleged that the Corporate Debtor, in collusion with the said supplier and certain individuals, misused the supplier's credentials for availing financial assistance. In this regard, the Financial Creditor has issued a Legal Notice dated 19.03.2025 to S&R Viva Organic Pvt. Ltd. and has also lodged a criminal complaint with the Bandra-Kurla Complex Police Station alleging cheating, forgery, breach of trust and misappropriation. We are of the considered view that the allegations forming the subject matter of the criminal complaint are separate proceedings and their mere institution would neither establish nor disprove the existence of financial debt under the Code.

26. Further, the Corporate Debtor had served a notice of an application under Section 10 of the Code, indicating its intention to initiate CIRP on its own behalf. However, mere service of such notice, without further material establishing the filing and status of the said application, cannot be treated as proof of any admission of liability or as a substitute for the statutory requirements under Section 7 of the Code. The present Petition is therefore required to be considered on its own merits.

27. In case of ***Canbank Factors Ltd. v. Brijesh Singh Bhaduria (RP) and Ors.,*** ***(2026) ibclaw.in 73 NCLAT***, and ***Mudraksh Investfin Pvt. Ltd. vs. Brijesh Singh Bhadauriya*** ***(2024) ibclaw.in 12 NCLAT***, where the discounting of supplier's invoice(s) on TReDS platform was held to be an operational debt. As is noted, the present transaction is not simpliciter supplier's bill discounting; thus, the arrangement between the parties was in the nature of a financial facility extended for consideration for the time value of money.

28. It is also relevant to note that the present Petition was filed on 25.02.2025, whereas the default is stated to have occurred in February 2024. Thus, on the basis of the dates pleaded, the Petition has been filed within the period of limitation prescribed under Article 137 of the Limitation Act, 1963. Further, the net amount claimed by the Financial Creditor exceeds the minimum threshold prescribed under Section 4 of the Code.

29. In view of the foregoing discussion, we find that the Financial Creditor has relied upon the Sanction Letter, Loan Agreement, security documents, bank statements evidencing disbursements, repayment transactions and the statement of outstanding dues to establish the financial arrangement between the parties. The Corporate Debtor, despite service of notice, has neither appeared nor placed any material on record to controvert the same.

30. Accordingly, this Tribunal is of the considered view that the Applicant has established the existence of a financial debt and continued default exceeding the minimum threshold prescribed under Section 4 of the Code.

31. Therefore, the default stands established, and there is no reason to deny the admission of the Petition. In view of this, this Adjudicating Authority admits this Petition and orders initiation of CIRP against the Corporate Debtor

ORDER

32. The present Company Petition (IB) No. 423 (MB) of 2025, filed by **KUSHAL FINNOVATION CAPITAL PRIVATE LIMITED**, Financial Creditor, under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('IBC') seeking to initiate Corporate Insolvency Resolution Process ('CIRP') against **NEELAMBER AGROTECH PRIVATE LIMITED** the Corporate Debtor is **allowed**.

33. **M/s Resurgent Resolution Professionals LLP** an insolvency professional Entity (IPE) registered as Insolvency Professional with Indian Institute of Insolvency Professionals of ICA1 and IBBI, having registration number

IBBI/IPE-0084/IPA-3/2022-23/50018, having registered Office No. 905, 9th Floor, Tower C, Unitech Business Zone, Nirvana Country Sector- SO, Gurugram - 122018, email address info@resurgentrp.com, Contact Number as 8800450239, is hereby appointed as the IRP of the Corporate Applicant to carry out the functions as mentioned under IBC. The IRP shall carry out functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC. The fee payable to IRP/RP shall be compliant with Regulations, Circulars and Directions issued by the Insolvency & Bankruptcy Board of India (IBBI) as may be applicable.

34. There shall be a moratorium under Section 14 of the IBC, in regard to the following:

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

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

    iii. Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;

    iv. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

35. Notwithstanding the above, during the period of moratorium: -

    i. The supply of essential goods or services to the corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;

ii. That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;

36. The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.

37. Public announcement of the CIRP shall be made immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

38. During the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of section 17 of the IBC. The officers and managers of the Corporate Applicant shall provide all documents in their possession and furnish every information in their knowledge to the IRP within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.

39. The Board of Directors of the Corporate Debtor shall make available requisite funds with the IRP/RP to meet the expenses arising out of issuing public notice and inviting claims till the formation of Committee of Creditors plus out of pocket expenses as well as to meet further process cost, in case the fund is not available with the Corporate Debtor at request of IRP/RP. Needless to say, these expenses shall be subject to rectification by the Committee of Creditors (CoC) and the amount so contributed by the Board of Directors from their personal sources shall be treated as interim finance and dealt with accordingly.

40. The Board of Directors of the Corporate Debtor shall furnish the complete names, addresses, and contact details of the persons/entities from whom the amounts reflected under the head “Current Assets” in the provisional financial statement as on 10th March 2026 were receivable.

41. The Petitioner is directed to deposit **INR 3,00,000/-** (Indian Rupees Three Lakhs only), to the bank account of the Resolution Professional within one week, adjustable against his fees and out-of-pocket expenses, which shall be such as is agreed by the Petitioner herein and subsequently confirmed by the Creditors. Needless to say, this shall be subject to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.

42. The Registry is directed to communicate this Order to the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.

43. A copy of this Order be sent to the Registrar of Companies, Mumbai, Maharashtra, for updating the Master Data of the Corporate Debtor. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within **seven days** from the date of receipt of a copy of this order.

44. Ordered accordingly.

SD/-	**SD/-**
Prabhat Kumar	**Sushil Mahadeorao Kochey**
Member (Technical)	Member (Judicial)

Vipul Ghate