

**NATIONAL COMPANY LAW TRIBUNAL
CHANDIGARH BENCH (COURT-I), CHANDIGARH**

CP (IB) No.105/Chd/Hry/2025

(An Application under Section 9 of the Insolvency and Bankruptcy Code, 2016)

IN THE MATTER OF:

Mr. Dakshesh Divyakant Desai, Proprietor,
Dwarkesh Trading Co.
Office At: G-9, Vaibhavlaxmi Complex,
Near Hb Kapadia High School, Outside Delhi
Darwaja, Ahmedabad, Gujarat- 380004
EMAIL: ddekshi@yahoo.com
PAN No.: AEHPD2821F

.... Applicant/Operational Creditor

Versus

INODAYA FOODS PRIVATE LIMITED
Through its Director/ Authorised Representative
Cin: U15202hr2006ptc036441
Rego. Office At: H.B. 364. Pipli Ladwa Road,
Vpo Mathana, Thesil Thansar,
Kurukshetra, Haryana - 136131
Pan No.: AABCJ8976E
Also At: 4, Km Milestone, Pipli Gadwa Road,
Ta Mathana, Dist. Kurukshetra, Haryana
Email: Inodayafoods@Gmail.Com

....Respondent/ Corporate Debtor

Order delivered on: 05.06.2026

**Coram: SH. KHETRABASI BISWAL, HON'BLE MEMBER (JUDICIAL)
SH. SHISHIR AGARWAL, HON'BLE MEMBER (TECHNICAL)**

Present:

For the Petitioner : Mr. Prakhar Mithal, Advocate

For the Respondent : Mr. Karan Mehta Proxy for
Mr. Ravi Data, Adv

ORDER

1. The present Petition has been filed by Mr. Dakshesh Divyakant Desai, Proprietor of Dwarkesh Trading Co., having its registered office at G-9, Vaibhavlaxmi Complex, Near HB Kapadia High School, Outside Delhi Darwaja, Ahmedabad, Gujarat – 380004 (hereinafter referred to as the "Operational Creditor") under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as the "Code") read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 to initiate the Corporate Insolvency Resolution Process (for short "CIRP") against M/s. Inodaya Foods Private Limited (CIN: U15202HR2006PTC036441), having its registered office at H.B. 364, Pipli Ladwa Road, VPO Mathana, Thesil Thansar, Kurukshetra, Haryana – 136131 (hereinafter referred to as the "Corporate Debtor").

FACTS

2. The averments made by the Operational Creditor in the application are summarised as under:

- (i) The Operational Creditor is a trusted supplier of high-quality pure ghee to various businesses across the industry. The Operational Creditor and the Corporate Debtor have maintained a longstanding

business relationship since 2016, wherein the Operational Creditor supplied high-quality pure ghee to the Corporate Debtor. The Corporate Debtor utilised the supplied pure ghee in its manufacturing process to produce and sell butter and other products under its brand.

(ii) The Corporate Debtor consistently procured pure ghee from the Operational Creditor, and payments were periodically settled through direct payments and, at times, by way of set-offs against mutual obligations. However, from July 2021 onwards, the Corporate Debtor began defaulting on its payment obligations, disrupting the longstanding business relationship.

(iii) Despite the defaults, the Operational Creditor continued to supply pure ghee to the Corporate Debtor, relying on repeated assurances of payment. Vide letter dated 13.09.2021, the Corporate Debtor explicitly requested the Operational Creditor to continue supplying pure ghee, assuring payment upon improvement of its financial conditions.

(iv) The Corporate Debtor defaulted on each occasion by failing to make timely payments upon the issuance of invoices for the period from 07.07.2021 to 17.01.2022. As per the agreed terms, payments were due immediately upon the issuance of each invoice. Defaults accordingly occurred on multiple dates, including 07.07.2021, 08.07.2021, 10.07.2021, and so on, up to 17.01.2022, being the date of issuance of the last invoice. For the purpose of the present petition, the date of default is considered as **17.01.2022**.

(v) The Corporate Debtor, vide letter/balance confirmation dated 31.03.2023, expressly admitted its outstanding liability, subject to minor accounting adjustments, and deducted a sum of Rs. 48,596/- from the outstanding balance as recorded in the books of the Operational Creditor. In support of this acknowledgement, the Corporate Debtor also furnished its balance confirmation ledgers for previous financial years, reflecting the outstanding balances as of 31.03.2021, 31.03.2022, and 31.03.2023. Despite these repeated admissions and reconciliations, the Corporate Debtor failed to fulfil its payment obligations.

(vi) The total amount of outstanding dues is Rs. **6,77,17,695/-** (Rupees Six Crores Seventy-Seven Lakhs Seventeen Thousand Six Hundred Ninety-Five Only) arising from 30 unpaid invoices raised for the period between 07.07.2021 to 17.01.2022, along with interest @ 12% per annum until full realisation.

(vii) Being aggrieved by the inaction and non-payment of the operational debt by the Corporate Debtor, the Operational Creditor issued a Statutory Demand Notice under Section 8 of the IB Code dated **01.03.2025** in Form 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, which was duly served upon the Corporate Debtor through Email and Speed Post. No reply was received from the Corporate Debtor to the said Demand Notice.

(viii) The Operational Creditor has proposed Mr Parminder Singh Bhullar, having Registration No. IBBI/IPA-002/IP-N01127/2021-2022/13700, as the Interim Resolution Professional. Subsequently, vide Additional Affidavit filed on 30.04.2026, the

Operational Creditor has withdrawn the nomination of Mr. Parminder Singh Bhullar on account of the expiry of his Authorisation for Assignment (AFA), which was valid only until 30.06.2025, and has proposed Mr. Ashok Kumar Gupta, having Registration No. IBBI/IPA-003/IP-N00010/2016-17/10072, Address: LD-46, LD Block, Pitampura, North West, New Delhi – 110034, Email: cmaashokgupta@gmail.com, whose AFA is valid till 31.12.2026, as the Interim Resolution Professional in the CIRP of the Corporate Debtor.

REPLY TO THE PETITION

3. The Corporate Debtor filed its Reply to the Petition and made the averments which are summarised as under:

(i) At the outset, the captioned petition filed under Section 9 of the Code is not maintainable and is liable to be dismissed with cost. The alleged operational debt is wholly disputed, and the Petition has been filed with mala fide intent to recover an alleged amount under the garb of insolvency proceedings.

(ii) While admitting business dealings with the Operational Creditor, the Corporate Debtor contended that the nature of the business was seasonal and largely dependent on fluctuating market demand. The commercial arrangement between the parties was informal and evolved over time, without any fixed credit period or strict payment schedules. A substantial portion of the payments were adjusted through goods and products supplied by the Corporate Debtor to the Operational Creditor as part of a mutual business understanding.

(iii) Owing to severe financial losses and an increasingly unsustainable cost structure, the Corporate Debtor was eventually forced to shut down its manufacturing unit, which led to a significant liquidity crisis and an inability to continue regular operations. These facts were stated to be within the knowledge of the Operational Creditor.

(iv) The Corporate Debtor alleged that there has been a long-standing dispute between the parties in relation to quality issues with the supplied pure ghee; over-supply and excess billing not as per agreed quantities; returns and rejected stock not accounted for in the Operational Creditor's statement; and improper adjustments and wrong debit entries passed unilaterally by the Operational Creditor. It is submitted that these disputes were ongoing and unresolved well before the issuance of the demand notice, thereby making the claim non-actionable under Section 9 of the Code.

(v) The Corporate Debtor contended that the balance confirmation letter dated 31.03.2023, relied upon heavily by the Operational Creditor, was not a clean admission of liability but was expressly subject to further adjustments. The reconciliation itself was undertaken in view of the ongoing disputes over quantities, rates, rejected goods, and pricing discrepancies, and was never concluded or agreed upon mutually and also the said confirmation was made without prejudice and cannot be interpreted as a final admission.

(vi) The Corporate Debtor denied the total amount claimed of Rs. 6,77,17,695/- on the ground that there has been no final agreement or settlement of accounts. The Corporate Debtor contended that on multiple

occasions it had pointed out inconsistencies in the billing and accounting to the Operational Creditor's team over phone calls and physical meetings.

(vii) Relying upon the judgment of the Hon'ble Supreme Court in ***Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd., (2018) 1 SCC 353***, the Corporate Debtor submitted that where a dispute truly exists in fact and is not spurious, hypothetical or illusory, the Adjudicating Authority has no option but to reject the application. The Corporate Debtor further relied upon the judgment of the Hon'ble NCLAT in ***Kay Bouvet Engineering Ltd. v. Overseas Infrastructure Alliance (India) Pvt. Ltd., (Company Appeal (AT) (Insolvency) No. 239 of 2018)*** to submit that the IBC cannot be invoked for recovery purposes in a case where there is a real dispute.

REJOINDER

4. The Operational Creditor filed its Rejoinder to the Reply filed by the Corporate Debtor which are summarised as under:

(i) The Operational Creditor denied all averments, contentions and allegations made in the Reply. The objection regarding maintainability of the present petition was stated to be wholly misconceived, unsubstantiated, and deserving of outright rejection. The petition under Section 9 of the Code has been filed strictly in accordance with law, after issuance of a valid Demand Notice under Section 8 and the lapse of the mandatory 10-day period without any payment or reply.

(ii) The Corporate Debtor's admission of business dealings with the Operational Creditor was stated to further strengthen the Operational Creditor's claim. The invoices issued for the period 07.07.2021 to 17.01.2022 were received by the Corporate Debtor without any objections. The alleged informal or mutual arrangements do not affect the validity of the said invoices.

(iii) The Corporate Debtor's plea of financial distress and business closure cannot absolve it of its admitted liability. The Corporate Debtor, vide its letter dated 13.09.2021, specifically requested the Operational Creditor to continue the supply of pure ghee, while acknowledging its financial difficulties and assuring that the outstanding dues would be cleared once the situation stabilised.

(iv) The so-called pre-existing disputes raised by the Corporate Debtor pertain to vague allegations regarding quality of goods and reconciliation of accounts. The Corporate Debtor has not annexed a single document of evidence, no credit notes, rejection memos, inspection reports, or any correspondence, showing that such disputes were raised prior to the issuance of the Demand Notice dated 01.03.2025. The allegations of over-supply, excess billing, improper adjustments and quality issues have been raised for the very first time in the Reply and are vague, unsubstantiated and afterthought defences.

(v) The Corporate Debtor's reference to the letter dated 31.03.2023 as being conditional was stated to be grossly misleading. The said communication, in fact, evidences a balance confirmation and partial reconciliation of accounts. The Corporate Debtor expressly admitted its

liability vide the said document of balance confirmation, while suggesting minor accounting adjustments and subsequently deducting only Rs. 48,596/- from the outstanding balance recorded in the books of the Operational Creditor.

(vi) Relying upon the judgment of the Hon'ble NCLAT, Delhi in ***Deepak Modi v. Shalfeyo Industries (P) Ltd.***, decided on 31.03.2023, the Operational Creditor submitted that a genuine pre-existing dispute must exist for rejecting an application under Section 9 of the Code. Relying further upon the judgment of the Hon'ble NCLAT, Delhi in ***Hyline Mediconz Private Limited v. Anandaloke Medical Centre Private Limited***, decided on 20.09.2022, the Operational Creditor submitted that the threshold of Rs. 1 Crore has been duly met and satisfied in the present case, and that even if the alleged deduction of Rs. 48,596/- or any such amount is accepted, the remaining balance still far exceeds the prescribed threshold.

(vii) The Operational Creditor submitted that the Petition is complete in all respects, the debt is operational in nature, the default is evident, and no credible defence has been raised by the Corporate Debtor.

ANALYSIS AND FINDINGS

5. Heard the learned counsel for both sides and perused the material placed on record carefully.

6. For the adjudication of the Petition filed under Section 9 of the Code, the Adjudicating Authority is required to examine whether the application is complete, whether there has been a default in payment of the operational

debt, whether the demand notice or invoice has been duly served upon the Corporate Debtor, and whether any notice of dispute has been received by the Operational Creditor prior to the issuance of the demand notice. For ready reference, the relevant portion of Section 9 of the Code is reproduced hereunder:

"Section 9 – Application for initiation of corporate insolvency resolution process by operational creditor.

....XXX....

(3) The operational creditor shall, along with the application furnish— (a) a copy of the invoice demanding payment or demand notice delivered by the operational creditor to the corporate debtor; (b) an affidavit to the effect that there is no notice given by the corporate debtor relating to a dispute of the unpaid operational debt; (c) a copy of the certificate from the financial institutions maintaining accounts of the operational creditor confirming that there is no payment of an unpaid operational debt by the corporate debtor, if available; (d) a copy of any record with information utility confirming that there is no payment of an unpaid operational debt by the corporate debtor, if available; and (e) any other proof confirming that there is no payment of an unpaid operational debt by the corporate debtor or such other information, as may be prescribed.

....XXX....

(5) The Adjudicating Authority shall, within fourteen days of the receipt of the application under sub-section (2), by an order— (i) admit the application and communicate such decision to the operational creditor and the corporate debtor if,— (a) the application made under sub-section (2) is complete; (b) there is no payment of the unpaid operational debt; (c) the invoice or notice for payment to the corporate debtor has been delivered by the operational creditor; (d) no notice of dispute has been received by the operational creditor or there is no record of dispute in the information utility; and (e) there is no disciplinary proceeding pending against any resolution professional proposed under sub-section (4), if any; (ii) reject the application and communicate such decision to the operational creditor and the corporate debtor, if— (a) the application made under sub-section (2) is incomplete; (b) there has been payment of the unpaid operational debt; (c) the creditor has not delivered the invoice or notice for payment to the corporate debtor; (d) notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility; or (e) any disciplinary proceeding is pending against any proposed resolution professional."

7. It is observed that the Operational Creditor and the Corporate Debtor have maintained a longstanding business relationship since 2016, wherein the Operational Creditor supplied pure ghee to the Corporate Debtor. It is an undisputed fact that the Corporate Debtor entered into business dealings with the Operational Creditor and procured pure ghee from the Operational Creditor. The Corporate Debtor has itself admitted the existence of business dealings in its Reply. The Demand Notice under Section 8 of the Code dated **01.03.2025** was duly served upon the Corporate Debtor through Email and Speed Post, and no reply was received by the Operational Creditor within the statutory period of 10 days, nor at any time thereafter.

8. It is also noted that the Corporate Debtor, vide letter dated 13.09.2021, explicitly requested the Operational Creditor to continue the supply of pure ghee while acknowledging its financial difficulties, and further vide balance confirmation letter dated 31.03.2023, expressly admitted its outstanding liability, subject only to a minor adjustment of Rs. 48,596/-. The said balance confirmation also covered financial years ending 31.03.2021, 31.03.2022, and 31.03.2023. The Corporate Debtor has not raised any dispute with respect to the invoices raised by the Operational Creditor for the period 07.07.2021 to 17.01.2022 prior to the issuance of the Demand Notice. No credit notes, rejection memos, inspection reports, or any contemporaneous correspondence indicating rejection of goods or existence of any dispute have been placed on record by the Corporate Debtor.

9. We further observe that the Corporate Debtor's defence of pre-existing dispute is based entirely on bald, self-serving allegations raised for the first time in the Reply, without any contemporaneous communication or supporting documentary evidence whatsoever. The alleged disputes pertaining to quality of goods, over-supply, excess billing, improper adjustments and wrong debit entries are vague and unsubstantiated, and have been raised only after the issuance of the Demand Notice dated 01.03.2025. The Hon'ble Supreme Court in ***Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd., (2018) 1 SCC 353***, has held that the dispute must truly exist in fact and must not be spurious, hypothetical or illusory. The dispute must not be a patently feeble legal argument or an assertion of fact unsupported by evidence. In the present case, the Corporate Debtor has failed to demonstrate the existence of any genuine pre-existing dispute.

10. It is also noted that the contention of the Corporate Debtor that the balance confirmation dated 31.03.2023 was conditional and without prejudice does not sustain, since the said letter reflects a clear acknowledgement of the outstanding balance by the Corporate Debtor, subject only to a minor deduction of Rs. 48,596/-, which in itself demonstrates that the parties treated the outstanding balance as a settled figure. Furthermore, the said acknowledgement of debt by the Corporate Debtor vide letter dated 13.09.2021 and letter/balance confirmation dated 31.03.2023 extends the period of limitation under Section 18 of the Limitation Act, 1963.

CONCLUSION

11. Accordingly, we find that the present application is complete in all respects as per Section 9(5) of the Code, the operational debt is established, the default is proved, the Demand Notice under Section 8 has been duly served and no reply has been received, the Corporate Debtor has not established pre-existing dispute, and the outstanding amount of Rs. 6,77,17,695/- (Rupees Six Crores Seventy-Seven Lakhs Seventeen Thousand Six Hundred Ninety-Five Only) meets the threshold limit as prescribed under Section 4 of the Code. Hence, we allow this Petition with the following directions:

- (i) The Corporate Debtor, viz., M/s. Inodaya Foods Private Limited (CIN: U15202HR2006PTC036441), having its registered office at H.B. 364, Pipli Ladwa Road, VPO Mathana, Thesil Thansar, Kurukshetra, Haryana – 136131, is hereby admitted into the Corporate Insolvency Resolution Process under Section 9 of the Insolvency and Bankruptcy Code, 2016.
- (ii) The moratorium under Section 14 of the Code is declared for prohibiting all of the following, in terms of Section 14(1) of the Code:
 - (a) 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;
 - (b) transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;

(c) 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 Act, 2002;

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.

(iii) The order of 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 or passes an order for liquidation of the Corporate Debtor under Section 33 of the Code, as the case may be.

(iv) We hereby appoint Mr Ashok Kumar Gupta, having Registration No. IBBI/IPA-003/IP-N00010/2016-17/10072, Address: LD-46, LD Block, Pitampura, North West, New Delhi, Delhi – 110034, Email: cmaashokgupta@gmail.com, to act as the Interim Resolution Professional ("IRP") under Section 13(1)(c) of the Code. The proposed Interim Resolution Professional has a valid Authorisation for Assignment up to 31.12.2026, and nothing has been placed on record to show that any disciplinary proceeding is pending against him. He shall conduct the CIRP as per the provisions of the Code read with the Regulations made thereunder.

(v) The IRP shall perform all its functions as contemplated, inter alia, by Sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its Promoter or any other person associated with the management of the Corporate Debtor are under a legal obligation under Section 19 of the Code to

extend every assistance and cooperation to the Interim Resolution Professional. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or cooperate with the IRP does not assist or cooperate, the IRP is at liberty to make an appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

(vi) The IRP shall make a public announcement of the initiation of the CIRP and call for submission of claims under Section 15 of the Code, as required by Section 13(1)(b) of the Code.

(vii) The supply of goods or services to the Corporate Debtor, if continuing, shall not be terminated, suspended, or interrupted during the moratorium period. The IRP shall be under a duty to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern as part of the obligation imposed by Section 20 of the Insolvency and Bankruptcy Code, 2016. The Operational Creditor shall pay an advance of Rs. 4,00,000/- (Rupees four lakhs only) to the IRP within 2 (two) weeks from the date of receipt of this order for the purpose of smooth conduct of the Corporate Insolvency Resolution Process, and the IRP is directed to file proof of receipt of such amount before this Adjudicating Authority along with the First Progress Report. Subsequently, the IRP may raise further demands for interim funds, which shall be considered and provided in accordance with the Code and the Regulations.

(viii) The IRP shall send a communication, along with a copy of the public announcement made under Regulation 6 of the Insolvency and

Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations (CIRP Regulations), 2016, to all statutory authorities likely to have claims against the Corporate Debtor. Such authorities shall include the Income Tax Department, GST Authorities, State Trade Tax Department, Provident Fund Organisation, and any other concerned departments, as well as the trade unions and employees' associations of the Corporate Debtor. The purpose of such communication shall be to duly inform them of the admission of the Corporate Debtor into the CIRP and to ensure that they are apprised of its commencement in a timely manner.

(ix) The Registry shall communicate a copy of this Order to the Operational Creditor, the Corporate Debtor, and the Interim Resolution Professional, and to the concerned Registrar of Companies, after completion of necessary formalities, within 7 working days and upload the same on the website immediately after pronouncement of the Order.

12. Accordingly, **CP (IB) No. 105/CHD/HRY/2025** is ***allowed*** and the Corporate Debtor, M/s Inodaya Foods Private Limited, is hereby ***admitted*** into the Corporate Insolvency Resolution Process (CIRP).

Sd/-

(SHISHIR AGARWAL)
MEMBER (TECHNICAL)

Yuvraj

Sd/-

(KHETRABASI BISWAL)
MEMBER (JUDICIAL)