

NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – II
CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING OF NATIONAL
COMPANY LAW TRIBUNAL, CHENNAI BENCH, HELD ON 19.06.2026 AT
10.30 A.M. THROUGH VIDEO CONFERENCING:

CORAM : SHRI. JYOTI KUMAR TRIPATHI, HON'BLE MEMBER (JUDICIAL)
SHRI. RAVICHANDRAN RAMASAMY, HON'BLE MEMBER (TECHNICAL)

APPLICATION NUMBER : --
PETITION NUMBER : CP(IB)/238(CHE)2024
NAME OF THE PETITIONER : Smas Auto leasing India Pvt Ltd
NAME OF THE RESPONDENT(S) : Market Simplified India Ltd
UNDER SECTION : Sec 9 Rule 6 of IBC, 2016

ORDER

Present: Ld. Counsel for the Applicant.

Vide separate order pronounced in open court, **CP(IB)/238(CHE)2024** is
Dismissed.

Sd/-
RAVICHANDRAN RAMASAMY
Member (Technical)

Sd/-
JYOTI KUMAR TRIPATHI
Member (Judicial)

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**IN THE NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH – II, CHENNAI**

CP (IBC) / 238 (CHE) / 2024

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

In the matter of Market Simplified India Limited

M/s. SMAS AUTO LEASING INDIA PRIVATE LIMITED,
404, 4th Floor, World Mark 2, Asset No.8,
Aerocity Hospitality, New Delhi

... Operational Creditor/Applicant

-Vs-

M/S.MARKET SIMPLIFIED INDIA LIMITED,
13th Floor, Zenith building, Asecendas International,
Tech Park, CSIR Road, Taramani Chennai,
Tamil Nadu – 600 113

...Corporate Debtor/Respondent

Order Pronounced on 19th June 2026

CORAM

SHRI JYOTI KUMAR TRIPATI, MEMBER (JUDICIAL)

SHRI RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

For Petitioners:- Lakshana Viravalli, Bhuvnesh Satija, Udit Sharma, Advocates

For Respondent:- Mohamed Wasif Khan. N, Adharsh S, Ashif. K, Advocate

ORDER

(Heard Through Hybrid Mode)

1. This Petition has been filed 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 by **M/s SMAS Auto Leasing India Private Limited**, (hereinafter referred to as

'Operational Creditor') seeking to initiate Corporate Insolvency Resolution Process against **M/s Market Simplified India Limited** (hereinafter referred to as '*Corporate Debtor*').

2. Part-I of the Petition sets out of the details of the Operational Creditor.

It is averred that the SMAS Auto Leasing India Private Limited is engaged in the business of providing vehicles on Financial / Operational lease to its customers along with other services such as fleet management service, with its office situated at D4, Ceebros Building, 3rd Floor, 32 Cenotaph Road, Teynampet, Chennai – 600 018.

3. Part-II of the Petition sets out the details of the Corporate Debtor, M/s Market Simplified India Limited, with Identification No. 72900TN2000PLC045869, incorporated on 09.10.2000, having its registered office at the 13th Floor, Zenith building, Asecendas International, Tech Park, CSIR Road, Taramani Chennai, Tamil Nadu – 600 113.

4. In Part-III of the Petition the Operational Creditor has not proposed any Resolution Professional to act as a Resolution Professional and therefore, prayed the Tribunal for appointment as Interim Resolution professional.

5. Part-IV of the Petition states that the total outstanding Debt is Rs. 1,60,23,260/- (Rupees One Crore Sixty Lakhs Twenty Three Thousand Two Hundred and Sixty Only), out of which Rs. 1,28,03,282/- (Rupees One Crores Twenty Eight Lakhs Three Thousand Two Hundred and Eighty Two Only) is

the principal amount and Rs. 32,19,978/- (Rupees Thirty Two Lakhs Nineteen Thousand Nine Hundred and Seventy Eight Only) is payable towards the interest. It is stated that the Date of Default is 01.04.2023.

6. Part-V of the Petition describes the Particulars of the Operational Debt, documents, records and evidence of the default as below:

1. Special Power of Attorney authorizing Mr. Amit Singh as Authorized Representative of OC.
2. The Master Lease Agreement dated 26.06.2018 between M/s. SMAS Auto Leasing India Private Limited v M/s. Market Simplified India Limited - Annexure-1
3. Copy of the vehicle request letter received from Corporate Debtor - Annexure-2.
4. Copy of the RC issued in respect of vehicles - Annexure 3
5. Copy of the email dated 17.12.2021 sent by the Corporate Debtor - Annexure 4
6. Copy of the email dated 05.04.2022 sent by the OC - Annexure 5
7. Copy of the email dated 17.03.2023 - Annexure 6
8. Copies of the invoices - Annexure 7
9. Copy of the demand notice dated 04.03.2024 sent by OC - Annexure 8 (Colly)
10. Copy of the email communication had between OC and Corporate Debtor - Annexure 9
11. Copy of the default record received from NeSL - Annexure 10

7. **OPERATIONAL CREDITORS SUBMISSIONS:**

7.1 It is submitted that the total outstanding Debt is Rs. 1,60,23,260/- (Rupees One Crore Sixty Lakhs Twenty Three Thousand Two Hundred and Sixty Only), out of which Rs. 1,28,03,282/- (Rupees One Crores Twenty Eight Lakhs Three Thousand Two Hundred and Eighty Two Only) is the principal amount and Rs. 32,19,978/- (Rupees Thirty Two Lakhs Nineteen Thousand

Nine Hundred and Seventy Eight Only) is payable towards the interest. It is stated that the Date of Default is 01.04.2023.

7.2 It is submitted that the OC is engaged in the business of providing vehicles on Financial / Operational lease to its customers along with other services such as fleet management services that includes the provision of services like registration of vehicle with the regional transport authorities, maintenance and repair management, uninterrupted mobility service, breakdown service, total loss protection, accident depreciation waiver, etc.

7.3 It is submitted that the OC entered into a Master Lease Agreement dated 25.06.2018 with CD for the provision of vehicles on Operating lease basis and the fleet management services. It is further submitted that the OC had received twenty-one Vehicle request letters from the Corporate Debtor.

7.4 In regard to the same, the Corporate Debtor is liable to pay an amount of Rs. 9,97,609.23/- as monthly consideration for a rendition of the lease rental and Rs. 5,18,738.01/- towards for management services, in respect of all leased vehicles. The said payment becomes due on the Corporate Debtor on the first calendar day of every month also, interest @ 2% per month on the amounts due and outstanding from the period till amounts are finally paid.

7.5 It is submitted that the CD vide email dated 17.12.2021, requested to discontinue the maintenance and repair related services with respect to the leased vehicles which forms a part of Fleet Management Services. It is also stated that the other component of the Fleet Management Services i.e. Road

Tax / Registration Tax, Insurance and other miscellaneous charges were continued by the Corporate Debtor.

7.6 It is submitted that at the time of termination of the above service, the Respondent failed to clear its earlier outstanding on account of Fleet Management Services i.e. Road Tax/ Registration Miscellaneous charges for which the invoices were already raised and remained unpaid.

7.7 It is further submitted that the OC and CD had multiple rounds of discussions on the outstanding amount and vide email dated 17.03.2023, OC shared a breakup of outstanding. It is further stated that the Corporate Debtor failed to respond to the said email as well as failed to discharge the outstanding dues.

7.8 It is also submitted that between July 2023 and October 2023, 10 out of 21 vehicles were surrendered. It is also stated that since, the OC had failed to make the payment, a Demand Notice dated 04.03.2024 was issued to CD. Later, it was submitted that the CD vide email dated 13.03.2024, acknowledged the debt, but disputed the quantum of amount to be paid.

8. CORPORATE DEBTOR'S SUBMISSIONS:

8.1 It is submitted in the written Arguments dated 30.03.2026 filed by the respondent that vide email dated 17.12.2021, it was communicated that owing to repeated deficiencies in the services and lack of proper maintenance support, the Respondent discontinued the FMS with effect from

01.01.2022, while continuing to honour the lease rentals, which is extracted as follows:

“This is to bring to your attention that we would like to discontinue the Fleet Management Services as of 31-Dec-2021 for the vehicles (21 vehicles) given on lease to Market Simplified India Limited (MSIL). While we would like to continue these vehicles, the management of MSIL has decided to discontinue FMS w.e.f. 1-Jan-2022. Kindly intimate your team so that invoices are not raised henceforth. Please note that this discontinuance is only with respect to FMS, and we would still continue to honour the lease rental as of Jan ‘22.”

8.2 It is also submitted that even prior to the Form-3 demand notice dated 04.03.2024, there were clear and ongoing disputes between the parties. The email correspondence on record, spanning the period from 17.03.2020 to 03.05.2023, evidences the existence of prior disputes and dissatisfaction, wherein the Respondent had repeatedly raised issues regarding deficient services, lack of support and unjustified claims.

8.3 It is submitted that the Petitioner had raised invoices dated 08.02.2024 for Rs. 1,00,10,703.93/- towards FMS and a further sum of Rs. 32,19,977.99/- towards penalty on FMS fee. It is also stated that these invoices were in fact forwarded for the first time along with the Form-3 demand notice.

8.4 It is further submitted that there was a glaring mismatch and are contrary to the records as stated by the respondents, which is extracted as follows:

Sl. No.	Document / Communication	Date	Amount Claimed / Reflected
1	Balance Confirmation Email (Pg. 39, Respondent TS)	14.02.2024	Rs. 27.92 lakhs.
2	Invoices issued along with the Form-3 demand notice by email	04.03.2024	Rs. 1,00,10,703.93 (FMS) + Rs. 32,19,977.99 (Penal Interest)
3	Form-3 Demand Notice	04.03.2024	Rs. 1,60,23,260/- (as allegedly claimed)
4	Balance Confirmation Email (Page 51 and Page 58 Respondents TS)	Sept-Dec 2024	Rs. 48,92,495.47

8.5 It is additionally submitted that the record from the Information Utility, namely NeSL, reflects that the alleged default had been disputed by the Respondent. It is submitted that it is well settled that where there is a pre-existing dispute, a petition under Section 9 is liable to be rejected at the threshold. The materials on record clearly show that the claim is disputed, and once the disputed amounts are excluded, no operational debt meeting the statutory threshold remains due and payable.

FINDINGS OF THE TRIBUNAL

9. We have heard the learned Counsels for both the parties and perused the documents on record.

10. The present Application has been filed under Section 9 of the Code by the Operational Creditor seeking initiation of Corporate Insolvency Resolution Process against the Corporate Debtor on the ground of alleged non-payment of operational debt.

11. The Operational Creditor has asserted that a sum of Rs. 1,60,23,260/- is due and payable by the Corporate Debtor. It is the case of the Operational

Creditor that pursuant to the Master Lease Agreement dated 25.06.2018 and twenty-one vehicle request letters issued by the Corporate Debtor, vehicles were provided on lease and various fleet management services were rendered. According to the Operational Creditor, despite repeated requests and follow-ups, the Corporate Debtor failed to clear the outstanding dues, thereby necessitating issuance of the demand notice under Section 8 of the Code.

12. On the other hand, the Corporate Debtor has strongly opposed the admission of the present petition and contended that serious disputes existed between the parties long before the issuance of the demand notice dated 04.03.2024. It has been specifically contended that owing to repeated deficiencies in the services rendered by the Operational Creditor and the lack of proper maintenance support, the Corporate Debtor had communicated its decision to discontinue the Fleet Management Services with effect from 01.01.2022 while continuing with the lease rentals for the vehicles. The same is extracted as follows:



13. In this regard, the email dated 17.12.2021 assumes considerable significance. The said communication unequivocally records the Corporate Debtor's decision to discontinue Fleet Management Services with effect from 31.12.2021 and further requests the Operational Creditor not to raise invoices towards such services thereafter. The email also clarifies that the discontinuance pertained only to Fleet Management Services and not to the lease rentals payable for the vehicles. The contents of the said communication leave little room for doubt that disputes relating to the Fleet Management Services had already surfaced between the parties as early as December 2021.

14. The Corporate Debtor has further placed reliance upon various email correspondences exchanged between the parties from 17.03.2020 till 03.05.2023. A perusal of the said correspondence reveals continuous exchanges regarding service deficiencies, maintenance-related grievances, operational issues concerning the leased vehicles and disagreements regarding the charges

claimed by the Operational Creditor. These communications indicate that the relationship between the parties had become contentious much before the issuance of the statutory demand notice.

15. Herein, this tribunal observes that there were certain invoices which showcases the dispute exists between the parties even before the issuance of the Demand Notice dated 04.03.2024. The dispute in the present case pertains to the poor quality of the service being provided. Also, the dispute also arises in relation to the road tax and GST being paid by the Corporate Debtor in lieu of the Master Agreement entered between the parties, which is extracted as follows:

From: Vinoth G <vinoth.g@marketsimplified.com>
Sent: Wednesday, March 29, 2023 17:35
To: G Ajay Kumar <ajay.kumar@smasindia.com>
Cc: DARVASH GUPTA <darvash.gupta@smasindia.com>; HITESH SAINI <hitesh.saini@smasindia.com>; Koya Takahashi <koya.takahashi@smasindia.com>; Ramesh Taneja <ramesh.taneja@smasindia.com>; SIDHARTH KAUL <sidharth.kaul@smasindia.com>; rajeshkannan.t@marketsimplified.com; sankar@marketsimplified.com; taranum sameena <taranum.sameena@smasindia.com>; Amit Singh <amit.singh@smasindia.com>; Ashok Kumar <ashok.kumar@smasindia.com>
Subject: Re: Regarding Outstanding amounts for Fleet management services- SMAS

Hi Ajay,

This is not what we discussed.

I've informed that we have already paid a huge amount in FMS without proper services provided from your end. We requested service bills for all our cars which have not been provided till date. You are well aware that even when FMS was in vogue, there was maintenance carried out from our end since the same was denied by SMAS. The amount paid by us towards FMS is double the amount of the road tax that is paid from your end. Interest on GST is collectible only in case supplier charges GST in bill and doesn't remit or makes delayed remittance wrt GST. In our case, GST is actually charged and remitted by SMAS to statutory authorities. So asking for interest on GST is illegal as per the GST Act. The explanation given by Amit is not tenable considering the fact that since SMAS is the rightful owner of the vehicle, either GST will be capitalised or ITC availed as per your accounting policies.

We are not obligated to pay any amount that you claim is payable towards road tax or interest on GST.

Regards

Vinoth

AVP - Finance

Market Simplified India Limited

Phone :044-61703090

On Thu, 23 Mar 2023 at 2:11 PM, Vinoth G <vinoth.g@marketsimplified.com> wrote:

Hi Amit,

The main reason for discontinuing the FMS is on account of no proper service provided from your end. This was reiterated time and again to your team but there was no response/improvement. There were 30 instances where we had to pay the service cost from our end even when the FMS was in vogue. Since you are requesting for a particular amount to be paid to cover your road tax, we wanted to have a cost benefit analysis and also compare the benefits drawn as against the payment made wrt FMS. This has no correlation to your not demanding the balance FMS. As far as Interest on GST is concerned, the same has not been mentioned in the quotes shared with us nor in the invoice raised by the dealer. Hence, the question of we bearing the "Interest on GST" does not arise. Also, we have enquired with the dealers and have been informed that the price mentioned in the invoice (on-road) was only paid and nothing extra from SMAS was paid. Please share the services bill for closure.

Regards

Vinoth

AVP - Finance

Market Simplified India Limited

Phone :044-61703090

16. The records further reveal that after the discontinuation of Fleet Management Services, the parties continued to engage in discussions regarding outstanding amounts. The Operational Creditor has admitted that several

rounds of discussions took place and that a breakup of the alleged outstanding dues was shared with the Corporate Debtor through email dated 17.03.2023. The very fact that discussions were ongoing and the liability was under deliberation demonstrates that the quantum and basis of the claim exhibit the fact that there exists dispute between the parties. The issues, per se raised by the Corporate Debtor vide various emails regarding the same is extracted as follows:

From: Amit Singh [mailto:amit.singh@smasindia.com]
Sent: Friday, March 24, 2023 09:36
To: Vinoth G <vinoth.g@marketsimplified.com>
Cc: DARVASH GUPTA <darvash.gupta@smasindia.com>; G Ajay Kumar <ajay.kumar@smasindia.com>; HITESH SAINI <hitesh.saini@smasindia.com>; Koya Takahashi <koya.takahashi@smasindia.com>; Ramesh Taneja <ramesh.taneja@smasindia.com>; SIDHARTH KAUL <sidharth.kaul@smasindia.com>; rajeshkannan.t@marketsimplified.com; sankar@marketsimplified.com; taranum sameena <taranum.sameena@smasindia.com>
Subject: Re: Regarding Outstanding amounts for Fleet management services- SMAS

Hi Vinoth

I think there is a confusion. We don't believe road tax should form part of any analysis or any further doubts on releasing the said amount since it is simply paid by us as an advance and recovered over the period. It's a very straightforward component to be released. That you have Service related issues does not make road tax non payable in this case.

For the interest on gst, let me clarify that the price of the vehicle along with gst on it, is paid as an advance from SMAS to dealers at the time of procurement of vehicles and then recovered over a period of lease from the client. Since this is paid in advance, hence there is an interest portion applied to it and it does form part of fms.

You are very well aware that in your lease structure the detailed breakdown of fms payments are not given and a monthly consideration as a fixed amount is required to be paid.

I understand issues in service related matters and that is the reason we have done away with maintenance amount.

Now, I wanted to be on a call to understand your apprehension below on road tax and understanding issue on interest on gst. Since we are in March we want to close amicably without dragging it any further.

Let me know a good time to connect

Look forward.

Thank you

On Fri, Mar 17, 2023 at 11:25 AM Amit Singh <amit.singh@smasindia.com> wrote:

Hi Vinoth and market simplified Team,

I am Amit Singh, the legal counsel for SMAS.

This is with regards to our ongoing discussion on the outstanding amount for fleet management services due to SMAS. With reference to the same, please find below the breakup of the amounts payable. We believe that receipts for road tax has already been shared to your team in the past and hence the payment for the same can be released at the earliest possibility.

The interest on GST is the amount that has been already paid to the dealerships as an advance at the time of procurement of the vehicles leased to you and hence is payable as well. In case you have any concerns on the amounts, my colleagues Ajay and sameena should be able to help you out.

Total Recovery:

Balance Road Tax yet to be recovered –	47,78,811
Balance Interest on GST yet to be recovered –	22,18,568
Total to be recovered	- 69,97,379

Additionally, Koya san has in due consideration of the long standing relationship, decided to waive off the maintenance amount for the remaining lease period as well as the management fee and hence we will not recovering the same.

Since we are in the year end financial closing, we would appreciate to close the discussion at the earliest and start the new financial year on a positive note.

Shall look forward for your response.

17. Another significant aspect which merits consideration is the nature and timing of the invoices forming the basis of the present claim. The Corporate Debtor has specifically pointed out that invoices dated 08.02.2024 amounting to Rs.1,00,10,703.93 towards Fleet Management Services and Rs.32,19,977.99 towards penalty charges were forwarded for the first time along with the demand notice issued under Section 8 of the Code. The Corporate Debtor has disputed not only the quantum reflected in these invoices but also the very entitlement of the Operational Creditor to raise such claims after the

discontinuation of Fleet Management Services. Therefore, there is no crystallization of debt in question.

18. This Tribunal finds substance in the contention of the Corporate Debtor that the disputes regarding Fleet Management Services were not raised as an afterthought in response to the insolvency proceedings. The documentary record demonstrates that objections regarding the services rendered and the consequent charges had been raised much earlier and had remained unresolved.

19. The Corporate Debtor has also drawn attention to the record maintained with the Information Utility, namely NeSL, wherein the alleged debt has been reflected as disputed. While the entries in the Information Utility are not conclusive of the matter, they nevertheless lend support to the contention that the liability itself was under challenge and was not unequivocally admitted by the Corporate Debtor, which is extracted as follows:

**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 SMAS AUTO LEASING INDIA PVT LTD in respect of the default of debt as per details given below-

(a) Name of the Submitter: M/s SMAS AUTO LEASING INDIA PVT LTD
 (b) Schedule-2 Bank (Y/N): N
 (c) Name of Corporate Debtor: M/s MARKET SIMPLIFIED INDIA LIMITED
 (d) Unique Debt Identifier Number: AATCS9490A_TN//2023-24/202301
 (e) Registered Address: OFFICE NO 404, 4TH FLOOR, WORLDMARK-2, AEROCITY HOSPITALITY DISTRICT
 (f) Total Outstanding Amount: 16023260.00
 (g) Default Amount: 16023260.00
 (h) Date of Default: 01-04-2023
 (i) Status of Authentication of Default: DISPUTED
 (j) Date of Last Acknowledgement of Debt (AoD): Not Available

Filing of Default (Submission ID No.)	Submitted on	Status of Authentication (Authenticated / Disputed / Deemed to be authenticated)	Authentication completed on
(1)	27-05-2024 11:16:49	DISPUTED Colour Code :RED	27-05-2024 13:28:36

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.

20. At this juncture, it is necessary to bear in mind the settled legal position governing applications under Section 9 of the Code. The object of the Code is resolution of insolvency and not recovery of disputed claims. The jurisdiction of the Adjudicating Authority under Section 9 is limited. The Authority is not required to adjudicate upon the merits of the dispute or determine the exact amount payable. It is only required to ascertain whether there exists a real dispute between the parties prior to the issuance of the demand notice.

Once a pre-existing dispute is demonstrated, the Adjudicating Authority is obligated to reject the application under Section 9, irrespective of the merits of

the rival claims. The insolvency process cannot be invoked as a substitute for adjudication of contractual disputes or as a debt recovery mechanism.

21. Applying the aforesaid principles to the facts of the present case, this Adjudicating Authority finds that the disputes raised by the Corporate Debtor are neither vague nor unsupported by evidence. The email dated 17.12.2021 clearly records the discontinuation of Fleet Management Services. The subsequent correspondence between the parties' evidences continuing disagreements regarding the quality of services rendered, the amounts claimed, and the liability of the Corporate Debtor towards Fleet Management Service charges. The invoices forming a substantial portion of the claim were themselves disputed. Furthermore, the Corporate Debtor's response to the demand notice dated 13.03.2024 specifically disputed the quantum of the alleged dues.

22. The chronology of events clearly establishes that the disputes existed long before the issuance of the demand notice dated 04.03.2024. Therefore, the defence raised by the Corporate Debtor cannot be characterized as a mere attempt to avoid payment. Rather, the materials on record disclose a genuine and substantial dispute requiring adjudication before an appropriate forum.

23. This Tribunal is also conscious of the fact that a considerable component of the claim pertains to Fleet Management Services and penalty charges, the very basis of which stands disputed by the Corporate Debtor.

24. In the case of Mobilox Innovations Private Limited v. Kirusa Software Private Limited, the Supreme Court held that while considering a Section 9 application, the Adjudicating Authority is only required to examine whether there exists a plausible contention requiring investigation and whether the dispute is not a patently feeble legal argument or an assertion unsupported by evidence. If a genuine dispute exists prior to the issuance of the demand notice, the application must be rejected. The Court further held that the IBC cannot be used as a substitute for debt recovery proceedings.

"All that the Adjudicating Authority is to see at this stage is whether there is a plausible contention which requires further investigation and that the dispute is not a patently feeble legal argument or an assertion of fact unsupported by evidence. So long as a dispute truly exists in fact and is not spurious, hypothetical or illusory, the application under Section 9 must be rejected."

25. Applying the above test, the email dated 17.12.2021 discontinuing FMS services, the correspondence from 2020–2023 regarding service deficiencies, and the dispute regarding invoices and quantum of claim clearly establish the existence of a pre-existing dispute.

26. In the present case, the Corporate Debtor has placed on record contemporaneous correspondence evidencing disputes concerning the quality of Fleet Management Services, discontinuation thereof with effect from 01.01.2022, objections regarding invoices and the quantum of liability. These disputes admittedly predate the demand notice dated 04.03.2024. Applying the

principles laid down by the Hon'ble Supreme Court in Mobilox Innovations Private Limited v. Kirusa Software Private Limited, this Adjudicating Authority is satisfied that a genuine pre-existing dispute exists between the parties. Consequently, the present application under Section 9 of the Insolvency and Bankruptcy Code, 2016 is not maintainable and is liable to be dismissed.

27. In these circumstances, this Adjudicating Authority is of the considered view that the present dispute is not a simple case of admitted non-payment of operational debt. Rather, it is a case involving substantial and bona fide disputes regarding the nature of services rendered, the entitlement of the Operational Creditor to raise certain invoices, the correctness of the amounts claimed and the liability of the Corporate Debtor to make payment thereof.

28. Accordingly, this Adjudicating Authority is satisfied that a pre-existing dispute existed between the parties prior to the issuance of the demand notice under Section 8 of the Code.

29. In view of the foregoing facts, circumstances and findings, this Adjudicating Authority holds that the materials placed on record unequivocally demonstrate the existence of a genuine and bona fide pre-existing dispute between the parties regarding the operational debt claimed by the Operational Creditor.

30. Since the dispute existed prior to the issuance of the demand notice and the claim itself requires adjudication on disputed questions of fact and contractual obligations, the present proceedings under Section 9 of the

Insolvency and Bankruptcy Code, 2016 are not maintainable. Accordingly, the Company Petition filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 stands dismissed.

31. Accordingly, Company Petition CP (IBC) / 238 (CHE) / 2024 is **DISMISSED** and disposed of.

-Sd-
RAVICHANDRAN RAMASAMY
MEMBER (TECHNICAL)

-Sd-
JYOTI KUMAR TRIPATHI
MEMBER (JUDICIAL)