NATIONAL COMPANY LAW TRIBUNAL
GUWAHATI BENCH
GUWAHATI

ORDER SHEET OF THE HEARING ON 5th AUGUST 2026

IA (IBC)/167/GB/2025
CP (IB)/28/GB/2025

Present: 1. Hon'ble Member (Judicial), Shri Rammurti Kushawaha
2. Hon'ble Member (Technical), Shri Yogendra Kumar Singh

In the Matter of	Accord India International Private Limited Vs Bagasa Plantations Pvt. Ltd.
Under Section	U/s 7 of IBC, 2016

Appearances (via video conferencing/physically)

CP (IB)/28/GB/2025

For Petitioner (s) : Mr. Joy Saha, Sr. Adv. (Accord India International Private Ltd.)
: Dr. Swati Tejawat, CA
: Ms. Urmila Chakraborty, Adv.

For Respondent (s) : Mr. Dhrupad Das, Adv. (Bagasa Plantations Pvt. Ltd.)
: Ms. Prerna, Adv.

ORDER

Order pronounced in open court *vide* separate sheets.

Sd/-
Yogendra Kumar Singh
Member (Technical)

Sd/-
Rammurti Kushawaha
Member (Judicial)

Zeba (PS)

NATIONAL COMPANY LAW TRIBUNAL
GUWAHATI BENCH
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CP(IB)/28/GB/2025

A Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

In the matter of CP(IB)/28/GB/2025:

Accord India International private Limited, having its registered Office at 224, A.J.C. Bose Road, Krishna Building, Room No. 414, 4th Floor, Kolkata – 700017;

...Petitioner/ Financial Creditor

-Versus-

Bagasa Plantations Private Limited, (CIN: U01132AS1984PTC002213), having its registered office at P.O Ratanpur, Dibrugarh, Assam, India – 786003.

...Respondent/ Corporate Debtor

Coram:

Shri Rammurti Kushawaha	:	Member (Judicial)
Shri Yogendra Kumar Singh	:	Member (Technical)

Appearances (through video conferencing/physical):

For Petitioner	:	Mr. J. Saha, (Sr. Adv), Dr. S. Tejawat, CA, Ms. U. Chakraborty, (Adv.)
For Respondent	:	Mr. D. Das, (Adv.)

Order pronounced on: 05.08.2026

As Per Bench

1. The present Petition has been filed by **Accord India International private Limited** ('Financial Creditor'), under Section 7 of the Insolvency and Bankruptcy Code, 2016 ('the Code') read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, to initiate Corporate Insolvency Resolution Process ('CIRP') of **Bagasa Plantations Private Limited** ('Corporate Debtor') for an unresolved Financial Debt of Rs. 2,78,15,125.94/- (Two Crore Seventy-Eight Lakh Fifteen Thousand One Hundred Twenty-Five Rupees and Ninety-Four Paise only) as on 20.09.2025.
2. As per the Financial Creditor/Petitioner, the brief facts of the case are as follows: -
   2.1 The Corporate Debtor is a Private Limited Company incorporated on 18.08.1984 having CIN: U01132AS1984PTC002213. The Corporate Debtor had approached the Financial Creditor on 22.03.2025, seeking short-term accommodation on urgent and immediate basis for the purpose of its business and financing.
   2.2 The petitioner further submitted that at the time of such negotiation, the Corporate Debtor has represented the following:
      a. The financial debt in the form of short-term credit facility/loan financing will be used exclusively for the purpose of its business and no part of the financial debt will be used for any other purposes by the Corporate Debtor.
      b. Such financial debt will be availed by the Corporate Debtor on the basis of its fund requirement.
      c. As and when the business requirement will arise, the Corporate Debtor will request for disbursement of the credit facility and the Financial Creditor will disburse the amount so requested. However, it was mutually agreed by and between the parties that at no point of time, the disbursed amount will exceed Rs. 3,00,00,000/-
      d. The Corporate Debtor will repay the amount or any part thereof together with interest @18% per annum on quarterly compound basis.
      e. The principal amount together with interest was repayable on demand.
   2.3 The petitioner further submitted that believing such representation to be true and correct and in good faith, the Financial Creditor has from time to time lent and advanced a total sum of Rs. 3,34,50,750/- to the Corporate Debtor from 02.04.2025 till 07.08.2025 at the request of the Corporate Debtor. Such financing

of inter-corporate deposit has been made as per the need and/or request made by the corporate debtor. Particulars of the amount lent and advanced by the Financial Creditor to the Corporate Debtor are hereunder:

Date	Amount in Rs.
02.04.2025	80,00,000/-
08.04.2025	16,00,000/-
11.04.2025	7,50,000/-
16.04.2025	15,00,000/-
22.04.2025	1,45,453/-
23.04.2025	15,00,000/-
29.04.2025	1,36,686/-
06.05.2025	22,47,330/-
13.05.2025	3,49,755/-
13.05.2025	9,00,000/-
21.05.2025	14,91,387/-
28.05.2025	17,63,276/-
03.06.2025	1,50,000/-
04.06.2025	11,36,011/-
11.06.2025	16,95,872/-
18.06.2025	15,08,831/-
25.06.2025	11,36,011/-
01.07.2025	14,68,236/-
09.07.2025	12,62,548/-
16.07.2025	21,68,968/-
23.07.2025	12,71,466/-
30.07.2025	12,13,392/-
07.08.2025	10,000/-

Copies of the bank statements of the Financial Creditor demonstrating such disbursement are annexed as '*Annexure A-4'*.

2.4 Out of the aforesaid sum of Rs. 3,34,50,750/-, the Corporate Debtor has repaid a meagre sum of Rs. 74,45,000/- towards part payment thereof. The particulars of the said part payments are set out in the table below:

Date	Amount in Rs.
21.05.2025	6,70,000/-
26.05.2025	8,00,000/-
31.05.2025	10,00,000/-
13.06.2025	9,75,000/-
23.06.2025	8,00,000/-
14.07.2025	8,00,000/-
18.07.2025	11,00,000/-
29.07.2025	13,00,000/-
Total	74,45,000/-

2.5 As on date, a principal sum of Rs. 2,60,05,750/- is due and outstanding and payable by the Corporate Debtor to the Financial Creditor and as per the ledger account maintained by the Financial Creditor in respect of the accounts of the Corporate Debtor, a total sum of Rs. 2,78,15,125.94/- is due and outstanding towards principal as well as interest as on 20.09.2025. A copy of the ledger account of the Financial Creditor in respect of the Corporate Debtor is annexed as *'Annexure A-5.'*

2.6 The Corporate Debtor has failed to pay the aforesaid principal sum together with the agreed interest @18% per annum to be paid on quarterly compound basis. As such, as on date, the outstanding dues of the Financial Creditor is Rs. 2,78,15,125.94/- together with interest.

2.7 Thereafter, the Financial Creditor was issued the Demand Notice dated 20.09.2025, thereby, demanding payment of the outstanding dues of Rs. 2,78,15,125.94 /- due as on 20.09.2025. A copy of the said Demand Notice dated 20.09.2025 together with proof of service thereof is annexed as *'Annexure A-6'.*

2.8 Upon Receipt of Demand Notice, the Corporate Debtor has not issued any reply thereto. As the Corporate Debtor has not issued a reply to the said Demand Notice, the statements made in the Demand Notice remain uncontroverted and undisputed. The Corporate Debtor has thereby committed further default in respect of the said financial debt.

2.9 The Entire financial debt is admitted by the Corporate Debtor, which will be evident from various What's App communication exchanged by and between the authorized representatives of the Financial Creditor and the Corporate Debtor. Copies of the said communication are annexed as *'Annexure A-7'.*

2.10 Despite assuring to make payment, the corporate debtor has failed to repay the financial debt together with interest, there has been a default on the part of the corporate debtor in respect of a financial debt aggregating to a sum of Rs. 2,78,15,125.941/- as on 20.09.2025 due, outstanding and payable by the Corporate Debtor to the Financial Creditor.

3. Submission of the Corporate Debtor *vide* Reply dated 19.12.2025:

3.1 The Corporate Debtor submitted that the present petition is not maintainable as the Financial Creditor is misleading, untenable in law and liable to be dismissed at the threshold. The FC is also guilty of gross suppression and misleading this Hon'ble Court, abusing the process of court and lying on oath.

3.2 The Corporate Debtor further submitted that application under reply is not maintainable and is liable to be dismissed, with costs, as the Applicant is not a 'financial creditor' under Section 5(7) of the Code as:

a. It is a settled position of law that only a 'financial creditor' can file a petition under Section 7. It is the CD's case that the amounts alleged to be due and payable as a 'financial debt' (as defined under Section 5(8) of the Code) is in fact payments made by the FC to the CD in exchange for good and services purchased by it and not a financial debt, thus no debts are owned by the CD to the FC, for which reason, the Respondent is not even a 'corporate debtor' under the Code.

b. Under Section 7(1) of the IBC, only a 'financial creditor' may file an application before the Adjudicating Authority for initiating the CIRP against a 'corporate debtor', only when a 'default' has occurred. For a default to occur, there has to be a 'financial debt' which is owed by the CD to the FC. In this case there is not a 'financial debt'.

c. The transactions purported by the FC as creating a 'debt' are transactions of sale of goods and services, which the FC has maliciously and contemptuously characterized as a 'financial debt'.

d. The legal relationship between the FC and the CD was in the nature of a joint venture/collaboration (and not that of a borrower and lender), wherein the FC group and the CD jointly undertook to operate and manage the CD's tea factory located at the Koliabur Tea Estate Factory, located in Silghat Main Road, PO Silghat, Koliabur, Nagaon, Assam- 782143 ('Factory') and carry out allied business activities. This JV/collaboration was structured through three distinct transactions, as detailed, under and in terms of which the entire sum of Rs. 3,34,40,750/- was credited to the CD's bank account towards sale of goods (tea), lease rentals and reimbursements for expenses incurred by the CD on behalf of the FC.

e. The management and representatives of the CD and FC respectively were in talks for over 4 years, wherein, discussions pertaining to potential collaborations were ongoing. However, it was only in the year 2025 that these discussions translated into a tangible action, wherein the parties decided to join hand to carry out various activities needed to grow, process, manufacture, auction and sell tea. This took the form of three separate agreements, being contracts as defined under the Indian Contracts Act, 1872, which, took on the following form:

- The FC was to lease the Factory from the CDs for a predetermined value contingent on the amount of tea produced by the FC in the CD's Factory;
- The FC was to purchase green tea leaves from the CD's tea garden, specifically Koliabur Tea Estate at market prices, which was then to be processed in the said Factory;
- As the FC had no experience in operating a tea factory, it engaged the CD to run, operate and manage the Factory on its behalf. Since the CD incurred operational expenses in the course of such management, the FC advanced funds to the CD, which were subsequently adjusted against actual expenses upon submission of supporting vouchers.
- To collaborate on these joint understandings between the parties and give effect to the larger transaction, certain WhatsApp groups were created by the parties, on which the entire understanding between the parties were discussed in detail and is evidence of the same. Apart from the group chats there are also individual Whats App chats and email chains which evidence the above transaction, more specifically:
    - *'Koliabur Fasttrack Operations'* (later changed to *'Koliabur MGMT'* by the FC); A copy of the entire WhatsApp chat history of the Koliabur MGMT group from 31.03.2025 to 06.08.2025, along with shared media are annexed as *'Annexure B1 (Colly)'*.
    - Chat between the management of the FC (Sumaysh Agarwal) and the CD (Shekib Ahmed); A copy of the entire WhatsApp chat history between the management of the FC and the CD from 24.03.2021 to 31.07.2025, along with shared media is annexed as *'Annexure B2 (Colly)'*.
    - WhatsApp chat between the FC's representative, Mr. Abhijeet Hazarika and the CD's management, Mr. Shekib Ahmed, demonstrates the true nature of the transactions between the parties.

The FC has relied upon only a selective extract of this chat (*Annexure 7* at Page 63 of the Section 7 Application), while suppressing the complete Chat in an attempt to mischaracterise the commercial arrangement as a loan transaction. The complete WhatsApp chat history from 03.03.2020 to 22.09.2025, along with the shared media, is annexed as *Annexure B3 (Colly)'*.

- Emails exchanged between representative and management of FC (Aditya Hazarika, Vivek Khator and Abhijeet Hazarika) and the management of the CD (Shekib Ahmed); A copy of the email exchanges between representative and the management of FC and the management of CD from 01.04.2025 to 28.07.2025, along with the shared documents are annexed as *'Annexure-B4 (Colly)'*.
- *'Koliabur FT Functional Group'* (later changed to *'Koliabur Accounts'* by the FC) wherein the management and representatives of both the FC and the CD were present. A copy of entire WhatsApp Chat history of the Koliabur Accounts group from 04.04.2025 to 01.08.2025, along with the shared media are annexed as '*Annexure-B5 (Colly)'*.

3.3 From the forgoing Chats and email exchanges between the FC and the CD, it is clear that the transaction was never one of a financial borrowing or lending and that under no circumstances can the relationship between the FC and the CD be termed as a 'financial debt', for which reason the FC is guilty of having filed the present Section 7 petition maliciously and fraudulently, but suppressing material facts and information.

3.4 The aforesaid WhatsApp chats and email exchanges are electronic records. Certificates of Authenticity under Section 63 of the Bharatiya Sakshya Adhiniyam, 2023 are annexed as '*Annexure-B6'* (WhatsApp chats) and *'Annexure-B7'* (email exchanges).

3.5 The FC has deliberately suppressed the true commercial nature of the transactions and has wrongly portrayed the contractual arrangement as a financial debt. Such conduct guilty of perjury and contempt of court.

3.6 The CD submitted that in order to ascertain the true nature of the transactions pursuant to which the amounts claimed as 'financial debt' were deposited in the accounts to the Corporate Debtor, it is necessary to explain the underlying arrangements in detail:

Koliabur Tea Estate Factory was leased by the CD to FC ('Transaction No.1').

- The First transaction arose from a proposed lease agreement whereby the CD's factory was initially intended to be taken on lease by Fast Track, a group entity of the FC. However, the FC subsequently took the factory on lease, thereby establishing a contractual relationship of lessor and lessee between the parties. A copy of the Accord India International Private Limited's (FC's) master data and the LLP Information of Fast Track as available on the website of the Ministry of Corporate Affairs, is annexed as *'Annexure- B8 & B9'.*
- Although the parties had been exploring potential collaborations since 2021, discussions regarding the lease of the Corporate Debtor's factory, pursuant to which the Corporate Debtor shared the factory details on 22.03.2025 over whatsapp, including factory capacity, machinery and production output, with the Financial Creditor.
- As the proposed lease with Fast Track was never executed, following which the FC agreed to take the factory on lease on similar terms. Accordingly, possession and operations of the factory were handed over to the FC, which paid the agreed lease consideration. Although no formal lease deed was executed, the agreed terms were recorded through whatsapp communications between the parties.

S. No	Terms
1.	The Koliabur Factory would be taken on lease by FC from 01.04.2025 and agreed to pay a lease amount of INR 10/kg of produced tea.
2.	The operations, control and management of the leased Koliabur Factory would be with the FC.
3.	The FC appointed the CD to run the Factory on their behalf and the expenses would be borne by the FC.
4.	The FC offered to buy the green leaves from the Koliabur Tea Estate that is the CD's tea estate to process at the Factory.
5.	The produced tea would be then sent to RedOaks warehouse in Kolkata for auction by J. Thomas & Co. Pvt. Ltd ('JT').
6.	Apart from auction the tea would be also sold through private sale.

- Once the terms of the lease were agreed between the parties, the Factory was handed over to the FC by the CD on 01.04.2025 and the control and management of the Factory was also taken over by the FC. Detailed extract of the relevant chats and emails pertaining to Transaction No. 1 are annexed as '*Annexure- B10'.*
- Under the aforesaid lease agreement, the FC was liable to pay lease rent at the rate of Rs. 10 per kilogram of tea produced. Pursuant thereto, the CD raised a voucher no. 110 dated 30.06.2025 towards payment of *"Factory Lease till 22 June 2025 of 43,800 KG"* for an amount of INR 4,38,000/-, which was shared with the FC and the corresponding payment was thereafter made by the FC on 01.07.2025. A copy of the voucher is annexed as '*Annexure- B11'*.

Purchase of Green Leaf by the FC for Koliabur Factory from the CD ('Transaction No. 2')

- The Second transaction pertained to the purchase of green tea leaves by the FC from Koliabur Factory of the CD, for use in the leased factory, with the purchase price being fixed on a weekly basis and payments being made in advance and adjusted against subsequent supplies.
- During the discussion, the FC confirmed that it would procure the green tea leaves required for production from the CD's Tea Estate, initially at the prevailing market rates fixed by nearby APPL gardens. The consideration for the purchase of green tea leaves was agreed to be paid in advance and adjusted against subsequent supplies, with a separate account proposed to be maintained for such transactions with effect from 01.04.2025.
- Between 01.04.2025 and 28.07.2025, the FC regularly communicated the weekly price of green tea leaves and monitored the quantity procured for the factory through WhatsApp and email communications. Detailed extract of the relevant chats and emails pertaining to Transaction No. 2 are annexed as *'Annexure- B12'.*
- The arrangement for the purchase of green tea leaves was co-terminus with the lease of the factory and the amounts transferred by the FC were consideration for such purchases, paid in various tranches:

S. No.	Tea Growing Week	Amount (INR)
1	Week No. 15	7,23,521

2	Week No. 16	3,04,470
3	Week No. 17	3,46,680
4	Week No. 18	4,54,890
5	Week No. 19	6,61,260
6	Week No. 20	9,85,215
7	Week No. 21	10,50,385
8	Week No. 22	7,29,828
9	Week No. 23	8,17,632
10	Week No. 24	5,69,534
11	Week No. 25	8,62,618
12	Week No. 26	9,46,148
13	Week No. 27	11,61,972
14	Week No. 28	15,08,609
15	Week No. 29	12,42,513
16	Week No. 30	12,30,925
Total		**1,35,96,200**

A copy of the table showing the price, quantity and the adjustments made on the advances by FC towards the green leaves, is annexed as *'Annexure- B13'*.

Control and Management of the Factory was taken over by the FC and expenses was paid by the FC towards running of the Factory by the CD ('Transaction No. 3')

- The Third transaction pertain to handed over the leased Koliabur Factory to CD to manage the day-to-day control, operations and management. Consequently, apart from the agreed lease rent, the FC was liable to reimburse the operational and running expenses incurred by the CD. Towards this, the CD periodically raised vouchers and the FC made payments either in advance, subject to subsequent adjustment or upon submission of such vouchers, including payments towards labour wages and other operational expenses.
- Prior to taking the factory on lease, the FC sought detailed information regarding the estimated operational costs, including labour wages, staff strength, electricity charges, coal and firewood requirements for running the factory.
- Then FC appointed the CD to manage and operate the factory on its behalf and in accordance with its directions, while undertaking to bear all expenses incurred towards the operation and maintenance of the factory. The FC requested the CD to provide an estimated operational budget and a detailed statement of the proposed utilisation of advances towards the factory's expenses. To facilitate the implementation of this arrangement, various

WhatsApp groups were created for coordinating and monitoring the day-to-day operations, which *inter alia* included:

a. Reports regarding the quantity of green leaves received at the Factory.
b. Directions regarding the tea manufacturing process, including withering, rolling, oxidation, drying and grading.
c. Direction regarding sampling.
d. Directions concerning packaging and procurement of packaging materials.
e. Reporting formats for daily output vouchers and operational information.
f. The modalities for effecting sales.
g. Strategies for future growth and expansion amongst other.

- Furthermore, the FC created a another WhatsApp group on 04.04.2025, initially titled 'Koliabur FT Functional Group' and subsequently renamed 'Koliabur Accounts', through which the parties discuss the following:
  a. Expenses payable by the FC to CD for running factory.
  b. Amounts towards purchase of green leaves that FC had to pay.
  c. The amount that is received against inventory finance and sale prompts by sale of the tea in the Kolkata Auction by JT by the CD after which was then remitted to FC's account from CD.
  d. All other transactions related to the Factory, its operations, transportation and selling the tea in auction.
- The FC also conducted weekly meetings with the CD's management and factory personnel to review production, assess the quantity and quality of tea manufactured, devise measures to improve productivity and address operational issues arising in the course of running the factory. Detailed extract of the relevant chats and emails pertaining to Transaction No. 3 are annexed as *'Annexure- B14'*.
- Upon taking over the factory, the FC initially paid a sum of Rs. 80,00,000/- on 02.04.2025 towards operational expenses. Thereafter, from 07.04.2025, the CD periodically raised vouchers, supported by relevant bills, for expenses incurred in operating the factory, which were submitted to the FC's accounts team and the corresponding payments were made by the FC from time to time. Following payment were made:

S. No.	Week No.	Amount (INR)

1	Week No. 14	69,112
2	Week No. 15	2,73,680
3	Week No. 16	1,52,658
4	Week No. 17	1,36,686
5	Week No. 18	2,36,329
6	Week No. 19	6,69,722
7	Week No. 20	10,71,648
8	Week No. 21	11,62,135
9	Week No. 22	8,52,513
10	Week No. 23	3,74,896
11	Week No. 24	5,83,901
12	Week No. 25	2,36,010
13	Week No. 26	2,53,043
14	Week No. 27	3,00,914
15	Week No. 28	9,20,462
16	Week No. 29	2,59,047
17	Week No. 30	2,24,090
Total		77,76,846

A copy of the detailed tabulation of all the vouchers shared by the CD to the FC from 07.04.2025 to 28.07.2025 are annexed as '*Annexure -B15'*.

3.7 The aforesaid documents, facts, and circumstances clearly establish that the transactions were purely operational in nature, pertaining to reimbursement and accounting of expenses and did not involve any disbursal against the consideration for the time value of money.

3.8 Further, apart from the advances adjusted towards the green leaves purchased by the FC, the FC advanced a total sum of Rs. 1,16,29,704/- towards the various operational transactions. However, upon the FC abandoning the Factory without prior notice, the said advances were adjusted towards operational expenses, including lease rent for balance quantity manufactured till July 2025, electricity charges, GST, TDS, aggregating to Rs. 31,68,929/-, as well as losses suffered by the CD. Consequently, no amount is due or payable by the CD to the FC, rather, the FC remains liable to pay the amounts detailed herein. A detailed tabulation of the expenses incurred by the CD post-abandonment by the FC is annexed as '*Annexure - B16'.*

3.9 Thus, the amount received by the CD from the FC under the aforesaid transactions totals Rs. 3,34,40,750/-. The said amount does not represent a loan but comprises sums transferred to give effect to the aforementioned commercial transactions. The table totaling same is set out below:

Total amount received from FC

S. No.	Deposited Under	Aggregate Amount (INR)
1	Transaction No. 1	4,38,000
2	Transaction No. 2	1,35,96,200
3	Transaction No. 3	77,76,846
4	Advances Adjusted Post Abandonment of Factory	1,16,29,704
Total		3,34,40,750

3.10 Accordingly, the amounts received by the CD from FC were towards goods, services and not towards any financial borrowing. The alleged claim, therefore, does not constitute a 'financial debt' within the meaning of Section 5(8) of the Code, nor is the Applicant a 'financial creditor' entitled to maintain a petition under Section 7 of the Code. The present application is without any merit and liable to be dismissed with costs.

Re: Remittances made by the CD to the FC

3.11 The FC's submission that the CD has 'repaid' Rs. 74,45,000/- towards the alleged loan of Rs. 3,34,40,750/- is false and misleading. The said amount was not a repayment of any loan but payments made pursuant to a separate commercial arrangement between the parties, as evidenced by the WhatsApp communications and email exchanges.

3.12 The tea manufactured at the Factory was sold through two channels, namely, auction sales conducted through JT and private sales to the FC's sister concern, Fast Track. JT, a licensed tea auctioneer/broker engaged by the FC through the CD, merely facilitated auction sale of the tea and remitting the advance against the stock of tea and the sale proceeds, after deducting the amounts due under the credit line extended by it to the CD.

3.13 Upon receipt of such advances and sale proceeds from JT, after such deductions, the CD remitted the corresponding amounts to the FC. These payments were for merely transfers of inventory stock advances and sale proceeds arising from the operation of the Factory on behalf of the FC.

3.14 The aforesaid transactions are duly reflected in the WhatsApp groups '*Koliabur MGMT'* and '*Koliabur Accounts*' which clearly show how the funds were received and transferred between the parties. Detailed extract of the relevant chats and emails pertaining to remittances made by the CD to the FC are annexed as '*Annexure B17*'.

3.15 Accordingly, the payments made by the FC to the CD were towards lease, advances for procurement of green leaves and expenses incurred in running the Factory. Conversely, the payments made by the CD to the FC represented the advances against the stock of tea and sale proceeds received from JT after auction of the tea. These transactions were purely commercial and operational in nature and did not create any relationship of a 'Financial Creditor' and 'Corporate Debtor'. Consequently, the present application under Section 7 of the Code is untenable in law and facts. A copy of the bank transfers between the FC and the CD is annexed hereto as *'Annexure–B18'.*

Re: Dispute between the parties

3.16 The arrangement between the FC and the CD ultimately broke down due to a dispute concerning the ledger maintained by JT, the auctioneer engaged for the sale of tea produced by the Factory. The FC insisted on direct access to JT's ledgers and financial statements to verify sale proceeds, deductions and advances. The CD clarified that JT maintained a common financing account for both the Koliabur and Dubba Tea Estates and therefore no authorisation could be issued to the FC to access the ledger.

3.17 The FC was benefiting from the CD's longstanding goodwill and credit relationship with JT and disclosure of the common ledger would have exposed the accounts of the CD's other estates. The CD also informed the FC that JT issued statements only on a quarterly basis due to its internal reconciliation process, the CD making continuous efforts to obtain the statements from JT.

3.18 Despite these explanations, the FC persisted in demanding weekly or monthly ledgers and linked the release of operational funds to their production. This resulted in disputes between the parties, following which the FC unilaterally withdrew from the arrangement and abandoned the Factory around 28.07.2025, in the midst of the tea season, causing substantial financial and reputational losses to the CD. Detailed extract of the relevant chats and emails pertaining to the dispute between the CD and the FC are annexed as *'Annexure- B19'*.

Re: Counterclaim

3.19 It is submitted that the present counterclaims arise from the FC's abrupt withdrawal from the arrangement between the parties. By abandoning the Factory in the middle of the production season, the FC left the CD without sufficient time to find alternate party to operate, thereby causing substantial financial losses. Accordingly, the CD is entitled to recover the following counterclaims from the FC:

- Counterclaim No. 1 - Loss due to Non-Supply of Committed Capital Inputs: The FC had undertaken to provide Rs. 15,00,000/- towards field inputs for May and June. Its failure to release the committed funds resulted in shortage of field inputs, disruption of operations and loss of approximately 7 lakh kgs of green leaf (around 30% of the crop). At an average value of Rs. 30/kg, the CD suffered a loss of Rs. 2,10,00,000/-, for which the FC is liable.
- Counterclaim No. 2 - Loss from to Non-utilization of Factory Production Capacity: The FC had agreed that after giving priority to the CD's green leaf, the FC would procure additional green leaf from nearby gardens to utilize the Factory's full production capacity. Contrary to this understanding, the FC procured green leaf only from the Koliabur Tea Estate, resulting in substantial underutilization of the Factory. Against an installed capacity of 10 lakh kgs of made tea, only 43,800 kgs of tea were produced up to June 2025, resulting in a loss of Rs. 95,62,000/- towards unrealized lease value and consequent financial loss.
- Counterclaim No. 3 – Loss of Goodwill and Business Reputation:
  The CD has operated the Factory since 1984 and has earned substantial goodwill and recognition for high-quality of its tea. The FC's failure to provide committed inputs and its abrupt abandonment of the Factory during the production season disrupted operations, adversely affected production, and damaged the CD's commercial reputation and market standing. The CD accordingly claims Rs. 2,00,00,000/- as compensation for loss of goodwill and business reputation.
- Accordingly, the CD is entitled to recover a total sum of Rs. 5,05,62,000/- (Rupees Five Crore Five Lakhs Sixty-Two Thousand Only) from the FC by way of counterclaims.

3.20 It is settled position that proceedings under Section 7 of the Code are summary in nature and where there are disputes regarding the financial debts including counter claims thereon the same are to be adjudicated by the appropriate civil court and not by this Hon'ble Tribunal. Thus, the counterclaims are being included in this present reply to establish the true nature of the transaction and also the fact that serious disputes exist between the parties which flow from the transactions mentioned herein above.

3.21 For proper adjudication of the disputes and recovery of Rs. 5,05,62,000/- (Rupees Five Crore Five Lakhs Sixty-Two Thousand Only) due from the FC, the CD has instituted Money Suit No. 109 of 2025 before the Civil Judge (Senior Division), Dibrugarh. The institution of the said suit itself demonstrates that the FC is, in fact, indebted to the CD. The present Section 7 application is therefore a mala fide attempt to evade the FC's contractual liabilities and is liable to be dismissed. A copy of the plaint in Money Suit No. 109 of 2025 is annexed as *'Annexure–B20'*.

Re: Hon'ble Tribunal is not the right forum, as issues persist with regard to the purported debt between the parties, and has to be tried before the appropriate forum.

3.22 As stated above, proceedings under Section 7 of the IBC are summary in nature. At the stage of admission, this Hon'ble Tribunal is only required to determine the existence of a default on the basis of the record of the Information Utility or other evidence and is not expected to adjudicate disputed claims on their merits. In the present case, the alleged debt which involve triable issues and have to be decided by appropriate forum as there is involvement of complex question of law and fact. These include, inter alia:

a. Whether the arrangement between the parties constituted a loan or was merely a lease, supply or commercial arrangement?
b. Whether there exists any document, correspondence, or request made by the CD to substantiate the FC's claim of a short-term loan or credit facility?
c. Whether the disbursements purportedly claimed by the FC between 02.04.2025 and 07.08.2025, amounting to Rs. 3,34,50,750/- were made towards any loan or were payments made in the course of business transaction of goods and services?
d. Whether the payments made by the CD between 25.05.2025 and 29.07.2025 amounting to Rs. 74,45,000/- were towards repayment of any alleged loan or

against commercial transactions, and what is the nature and purpose of these payments?

e. whether there exists any document stipulating the loan limit, interest rate, or terms of repayment, and if not, whether any enforceable financial debt can be said to exist?

f. Whether the alleged debt amount of Rs. 2,60,05,750/- is due and payable in law or whether it stands fully discharged by the payments already made by the CD?

g. Whether the FC can lawfully claim interest at the rate of 18% per annum compounded quarterly in the absence of any written agreement or express consent of the CD?

h. Whether the CD is entitled to any set-off against the amounts alleged as due or is entitled to counterclaim?

i. Whether the CD is entitled to claim damages and compensations for the abrupt halting of factory operations, consequential business losses and the mental harassment caused thereby?

j. Whether the FC has suppressed or selectively disclosed communications, documents, or ledger entries that would alter the nature of the transaction?

3.23 Thus, these issues require hots triable issue and these issues have to be resolved first to determine whether or not there exists any default, and if there exists any default, then, whether any dues are payable by the CD or the FC, and if so, what sums. The Hon'ble Tribunal would not be right forum for this adjudication. Consequently, the present application is not maintainable and is liable to be dismissed.

Re: Legal defects that render the application under reply liable to be dismissed with exemplary costs.

3.24 The present application suffers from fundamental defects under the IBC, the Rules and Regulations framed thereunder, as well as the provisions of governing law of Evidence.

3.25 Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, read with Form 1, mandates that a Section 7 application be accompanied by the particulars of financial debt. The expression "financial contract" under Rule 3(d) contemplates a contract setting out the terms of the financial debt, including tenure, interest and repayment. In the present case, no such financial contract has been filed. Consequently, the FC's assertions regarding the existence of a short-term loan facility, credit limit, interest at 18% per annum (quarterly compounded), repayment terms and other alleged loan conditions are wholly unsupported, false and contrary to the actual commercial transactions between the parties.

3.26 Section 7(3)(a) of the IBC read with Regulation 2A requires the FC to produce a record of default from the Information Utility or other prescribed evidence of default, such as certified bankers' book entries or a judicial determination of non-payment. The FC has failed to produce any such record. There is no Information Utility record, no certified bankers' book entries in accordance with the Bankers' Books Evidence Act, 1891 and no order of any court or tribunal determining any default. In the absence of legally admissible evidence of default, the present application is liable to be dismissed.

3.27 The FC has relied upon WhatsApp communications without furnishing the mandatory certificate under Section 63(4) of the Bharatiya Sakshya Adhiniyam, 2023. Accordingly, such electronic records are inadmissible in evidence and cannot be relied upon.

3.28 Hence, in view of foregoing facts and circumstances, it is submitted that present application is not maintainable and should not be admitted and in facts deserves to be dismissed with exemplary costs.

4. Additional submission on behalf of Petitioner/ Financial Creditor *vide* Rejoinder dated 17.02.2026 filed on 18.02.2026.

4.1 The Financial Creditor submitted that CD has failed to disclose any ground to resist passing of an order of admission, it is evident that the corporate debtor has admitted the financial debt and default committed by the corporate debtor in respect thereto.

4.2 The corporate debtor has attempted to mislead and misrepresent as to true and real nature of the loan transaction by following ways:

a. The corporate debtor admits to the existence of an agreement between the Fast Track Agro Tech LLP on one hand and the corporate debtor on the other hand for lease of the Koliabur T.E. factory.

b. The corporate debtor further admits to the existence of a term sheet containing the terms of the agreement between the Fast Track Agro Tech LLP and the corporate debtor. The agreement with the Fast Track Agro Tech LLP was not executed and on the contrary the FC offered to take factory on lease.
c. The said allegation is ex-facie, sham and absurd, make belief and liable to be rejected in that one Mr. Aditya Hazarika being the son of Abhijeet Hazarika is a designated partner of the Fast Track LLP and is the person in the management and control of the said LLP.
d. The CD has annexed WhatsApp chats and messages most of which are between the said Abhijeet Hazarika on behalf of Fast Track and Shekib Ahmed, representing the corporate debtor which Cleary demonstrate that it is Fast Track and not the FC had an agreement with CD to run the factory at Koliabur Tea Estate.
e. There is no document or letter correspondence or even WhatsApp messages showing the existence of any letters or other arrangement between the financial creditor on one hand and the corporate debtor on the other hand to run the tea factory of the corporate debtor.
f. The Allegation that there was an agreement between the financial creditor and the corporate debtor to run the said tea factory is absurd and must be disbelieved in that:-
    - There is no such agreement in writing.
    - There are no such correspondences evidencing agreement in writing.
    - There is no terms and conditions by and between the financial creditor and the corporate debtor to run, manage and control the said factory.
    - Neither the financial creditor nor any of its men, servants, agents or nominees were ever nominated to the Board of Directors of the corporate debtor or as employees of the corporate debtor.
    - No bank account of the CD was ever operated by the FC or its men, servants, agents or nominees.
    - No purchase orders were issued or materials or correspondences were sourced or purchased or payment of wages and other statutory outgoings or any other payments whatsoever were made by the financial creditor on

behalf of the corporate debtor or were made in the name of the financial creditor.

- No invoices, bills or challans were raised or generated in the name of the financial creditor.

g. Further, submitted that there is no document whatsoever to show that the Financial Creditor was ever in the management or control of the Corporate Debtor. Fast Track LLP and Accord India International Private Limited are separate and independent entities.

h. Further, there is no Board Resolution, shareholders' resolution, or any other record evidencing that the Financial Creditor ever took over, or that the Corporate Debtor ever handed over, the management and control of the tea factory.

i. It is undisputed from the statements of account of both the Financial Creditor and the Corporate Debtor that the Financial Creditor paid a total sum of Rs. 3,34,50,750/- to the Corporate Debtor between 02.04.2025 and 07.08.2025. The said amount, as reflected in the books of the Corporate Debtor, constitutes a debt allegedly payable to the Financial Creditor.

j. Out of the said amount, the Corporate Debtor has repaid only Rs.74,45,000/-, leaving an alleged outstanding principal of Rs. 2,60,05,750/-. As there is no evidence of repayment of the balance amount by the CD, hence the Corporate Debtor is in default and is liable to be admitted into insolvency.

k. The Corporate Debtor has expressly admitted the existence of a line of credit extended by the Financial Creditor. The CD unequivocally acknowledge that the Financial Creditor had extended a credit facility to the Corporate Debtor, pursuant to which a total sum of Rs. 3,34,50,750/- was disbursed from time to time in accordance with the Corporate Debtor's business requirements and exigencies.

l. Further submitted that the Corporate Debtor has also admitted that it paid a sum of Rs. 74,45,000/- to the Financial Creditor. Such admitted payment completely demolishes the Corporate Debtor's defence that the amounts disbursed were towards a lease arrangement, operational expenses or management of the tea factory. Had the Financial Creditor taken the factory on lease or made payments for operating the factory, there would have been no occasion for the Corporate Debtor to repay any part of the amount to the Financial Creditor. The admitted part repayment, therefore, conclusively establishes that the amounts were advanced under a financial arrangement, thereby affirming the existence of a financial debt and the Corporate Debtor's liability thereunder.

m. The FC submitted that the Corporate Debtor has further admitted payment of Rs. 74,45,000/-, thereby leaving an admitted outstanding principal of Rs. 2,60,05,750/-, which is well above the minimum threshold prescribed under Section 4 of the Code.

n. The FC further submitted that the Corporate Debtor's contention that the transaction pertained to goods or services is wholly untenable, as there is no purchase order, sale invoice, bill, challan or any other commercial document evidencing any sale of goods or rendering of services by the Corporate Debtor to the Financial Creditor. The said defence is therefore unsupported by any contemporaneous record and deserves to be rejected.

o. Despite receipt of the demand notice dated 20.09.2025, the Corporate Debtor failed to issue any reply disputing either the debt or the default. The absence of any response constitutes a clear admission of the liability and default.

p. The FC further submitted that the money suit instituted by the Corporate Debtor is a clear afterthought and a counterblast to the present insolvency proceedings, having been filed only after the institution of the Section 7 application. In any event, it is trite in law that pendency of a suit is not a bar for admission of a proceeding under Section 7 of Code.

4.3 The FC submitted that the financial debt has not been disputed by the corporate debtor and thus, the same is uncontroverted and admitted. The financial debt has fallen due upon demand being made by the financial creditor. The allegations that the Section 7 Petition is misleading, not maintainable, liable to be dismissed or has been filed by suppressing material facts, committing fraud or abusing the process of law are wholly false, baseless and unsupported by any evidence.

4.4 The FC further submitted that the Financial Creditor is a 'Financial Creditor' within the meaning of Section 5(7) of the Code and the amounts advanced constitute a 'financial debt' under Section 5(8) of the Code, being money disbursed against consideration for the time value of money. The Corporate

Debtor itself has made part payment leaving an outstanding principal of Rs. 2,60,05,750/- payable with interest @18% per annum on quarterly compound basis. It is clearly evident the existence of the financial debt. The utilisation of the loan amount by the Corporate Debtor for its own business or operational requirements cannot alter the legal character of the transaction or convert the financial debt into an operational transaction.

4.5 The FC submitted that the Corporate Debtor has deliberately attempted to mischaracterise the admitted loan transaction by alleging that the payments were towards lease rentals, purchase of green tea leaves, reimbursement of operational expenses, or pursuant to a joint venture or collaboration. Such allegations are entirely unsupported by any lease agreement, purchase order, invoice, bill, challan, voucher or any other contemporaneous document. The Financial Creditor never agreed to lease the tea factory, purchase green tea leaves, manage or operate the factory, bear operational expenses or enter into any joint venture or collaboration with the Corporate Debtor. The entire defence is an afterthought intended solely to avoid repayment of the admitted financial debt.

4.6 The FC further submitted that the Corporate Debtor has intentionally attempted to confuse the independent legal identity of Fast Track Agro Tech LLP with that of the Financial Creditor merely because both entities have a common director, Mr. Sumaysh Agarwal. Any discussions, negotiations or proposed arrangements regarding leasing of the factory were exclusively between the Corporate Debtor and Fast Track Agro Tech LLP and have no nexus whatsoever with the Financial Creditor. Similarly, the WhatsApp groups, chats and email communications relied upon by the Corporate Debtor pertain to Fast Track Agro Tech LLP and not to the Financial Creditor. Mr. Abhijeet Hazarika were neither directors nor authorised representatives of the Financial Creditor and therefore their communications cannot be attributed to the Financial Creditor or relied upon to establish any contractual or operational relationship between the parties.

4.7 The FC submitted that the allegations that the transaction was not a financial borrowing, that the Financial Creditor acted fraudulently or maliciously, suppressed material facts, misrepresented the nature of the transaction, committed perjury, abused the insolvency process or rendered itself liable under Sections 65 or 75 of the Code are categorically denied. The FC submitted that the

WhatsApp chats and email communications relied upon by the Corporate Debtor neither establish the alleged nature of the transaction nor satisfy the statutory requirements of admissibility and therefore cannot displace the admitted financial debt.

4.8 The FC further submitted that the Corporate Debtor has deliberately attempted to confuse the transactions between the Corporate Debtor and Fast Track Agro Tech LLP with the independent financial transaction between the Corporate Debtor and the Financial Creditor. The Affidavit itself admits that the proposed term sheet and lease arrangement related exclusively to Fast Track Agro Tech LLP and not to the Financial Creditor. Fast Track Agro Tech LLP and the Financial Creditor are separate and independent legal entities and merely sharing a common director does not create any contractual or legal relationship between the Financial Creditor and the Corporate Debtor. Consequently, all allegations concerning Fast Track Agro Tech LLP are wholly irrelevant for adjudication of the present Section 7 proceedings.

4.9 The FC submitted that there is no lease agreement, oral or written understanding, Board Resolution, shareholders' resolution or any contemporaneous document to establish that the Financial Creditor ever agreed to take the Koliabur Tea Factory on lease, assume its management or control, appoint the Corporate Debtor to operate the factory on its behalf, bear operational expenses, procure green tea leaves or undertake any commercial operations of the Corporate Debtor. The allegations of an oral lease arrangement are inherently improbable and constitute a fabricated narrative devised solely to disguise the admitted financial transaction.

4.10 The FC further submitted that the WhatsApp groups, chats, emails and vouchers relied upon by the Corporate Debtor do not implicate the Financial Creditor in any manner. The 'Koliabur Accounts' WhatsApp Group was created by representatives of Fast Track Agro Tech LLP, while the 'Koliabur MGMT' group was created by the Corporate Debtor itself. The persons relied upon by the Corporate Debtor, including Mr. Abhijeet Hazarika and Mr. Vivek Khator, were neither directors nor authorised representatives of the Financial Creditor and their communications cannot be attributed to the Financial Creditor. The Financial Creditor further clarified that the WhatsApp communications annexed to the Petition were relied upon only to demonstrate the Corporate Debtor's acknowledgment of its financial liability and not to establish any operational arrangement.

4.11 The FC submitted that the Corporate Debtor has failed to produce a single purchase order, sale invoice, tax invoice, bill, challan, delivery record or any other commercial document evidencing that the Financial Creditor purchased green tea leaves, paid consideration for goods or services or entered into any commercial arrangement with the Corporate Debtor. On the contrary, the Corporate Debtor has admitted receipt of the monies advanced by the Financial Creditor and has merely attempted to assign a different colour to the admitted loan transaction. The entire defence is therefore unsupported by documentary evidence, contrary to the admitted facts on record and liable to be rejected.

4.12 The FC submitted that the Corporate Debtor's allegations that the Financial Creditor took over the management, control or operations of the Koliabur Tea Factory, appointed the Corporate Debtor to run the factory on its behalf, agreed to bear operational expenses, lease rentals, labour costs, electricity charges or other day-to-day expenses are wholly false and unsupported by any contemporaneous record. The Financial Creditor never sought operational reports, budgets, production details, labour information or factory accounts, nor did it issue any directions concerning the management or functioning of the factory. The monies advanced were purely financial accommodations extended to the Corporate Debtor, and the manner in which such funds were utilised by the Corporate Debtor does not alter the nature of the transaction as a financial debt.

4.13 The FC further submitted that the Corporate Debtor has failed to produce any lease agreement, purchase order, invoice, bill, voucher, challan or any other documentary evidence establishing that the Financial Creditor agreed to purchase green tea leaves, reimburse operational expenses, acquire the factory on lease or undertake any operational or commercial obligations. The alleged WhatsApp groups, emails, vouchers and annexures relied upon by the Corporate Debtor neither establish such arrangements nor create any contractual liability on the Financial Creditor. On the contrary, the Corporate Debtor has merely attempted to assign a different colour to the admitted loan transaction without any supporting documentary evidence.

4.14 The FC submitted that the transaction between the parties was exclusively one of financial lending and the amounts disbursed by the Financial Creditor constituted financial debt within the meaning of Section 5(8) of the Code. The Corporate Debtor's attempt to characterise the disbursements as reimbursement of expenses, advances towards purchase of green tea leaves, stock advances, sale proceeds, lease rentals or operational payments is wholly misconceived and contrary to its own admissions regarding receipt of the funds and part repayment thereof. The Financial Creditor never abandoned the factory, caused operational losses or became liable for any alleged statutory dues, operational expenses or business losses of the Corporate Debtor.

4.15 The FC further submitted that the allegations relating to JT Tea, reconciliation of accounts, factory operations, production, alleged delays in release of funds, operational constraints, breach of contract, abandonment of the factory and consequential losses are entirely irrelevant to the present proceedings. There was never any arrangement under which the Financial Creditor was required to operate, supervise or manage the tea factory or monitor its commercial affairs. Consequently, all allegations seeking to attribute operational failures or losses to the Financial Creditor are baseless and liable to be rejected.

4.16 The FC submitted that the Corporate Debtor's alleged counterclaim is wholly untenable and cannot be adjudicated in proceedings under Section 7 of the Code. The allegations regarding disruption of factory operations, under-utilisation of capacity, loss of goodwill, damage to business reputation, failure to procure green tea leaves, increased operational costs and the purported claim of Rs. 5,05,62,000/- are unsupported by any contractual or documentary evidence and have no nexus with the admitted loan transaction. In any event, the Code does not contemplate adjudication of such counterclaims in a Section 7 proceeding, which is confined to determining the existence of financial debt and default.

4.17 The FC submitted that the alleged disputes, counterclaims and the Money Suit instituted by the Corporate Debtor do not affect the maintainability of the present application under Section 7 of the Code. The purported Money Suit is a clear afterthought, having been instituted only after filing of the present Section 7 application and has been filed solely to delay and frustrate the insolvency proceedings. In any event, it is well settled that the pendency of a civil suit or an alleged counterclaim is neither a bar to nor a relevant consideration for admission of a petition under Section 7, where the existence of financial debt and default stands established.

4.18 The FC further submitted that the Corporate Debtor has failed to raise any genuine or bona fide dispute regarding the financial debt or default. The allegations that the transaction pertained to a lease, supply of goods or services, joint venture, operational arrangement, or any other commercial relationship are wholly unsupported by documentary evidence and are contrary to the Corporate Debtor's own admissions regarding receipt of the loan amount and part repayment thereof. The allegations of set-off, damages, compensation, loss of goodwill, operational losses, or any liability of the Financial Creditor are equally baseless and fall wholly outside the scope of adjudication under Section 7 of the Code.

4.19 The FC submitted that the allegations that the petition suffers from technical defects, is unsupported by mandatory documents, suppresses material facts, misstates the nature of the transaction or is liable to be dismissed are wholly misconceived. There is no statutory requirement under the Code that a financial debt must necessarily be evidenced by a written loan agreement or financial contract. The Financial Creditor is entitled to establish the existence of the financial debt from the surrounding circumstances, bank transactions, ledger accounts, admissions of the Corporate Debtor and other contemporaneous material placed on record.

4.20 The FC finally submitted that the Corporate Debtor has failed to substantiate its version of the alleged 'real transaction' by any contemporaneous documentary evidence, whereas the Financial Creditor has established the financial debt and default through bank records, ledger accounts, admissions contained in the Reply Affidavit and authenticated electronic records, including the WhatsApp communications. Accordingly, the allegations of fraud, suppression of material facts, abuse of process and liability under Sections 65 and 75 of the Code are wholly untenable and the present petition deserves to be admitted with consequential declaration of moratorium.

4.21 The FC submitted that the present application fully satisfies the requirements of Sections 5(7), 5(8) and 7 of the Code and is maintainable in law. The allegations that no financial debt exists, that there was no borrowing or disbursement, that the transaction was not an Inter-Corporate Deposit (ICD) or loan, that the advances were not towards goods, services or any other commercial arrangement, or that the Financial Creditor was not authorised to extend the credit facility are wholly false and contrary to the admitted conduct of the parties. The disbursement of funds, the Corporate Debtor's acknowledgements, the ledger accounts and the admitted part repayment unequivocally establish the relationship of lender and borrower and the existence of a financial debt.

4.22 The FC further submitted that the Corporate Debtor's allegations that the Financial Creditor breached any contractual obligation, caused operational losses, is liable for damages or that no amount remains due are wholly unsupported by any contemporaneous evidence. Equally untenable are the allegations that the entries relating to the loan or interest in the ledger accounts are fabricated or misleading or that the Financial Creditor has inflated its claim. The absence of a written loan agreement or financial contract does not negate the existence of the financial debt, which stands established from the contemporaneous documentary evidence, admissions of the Corporate Debtor and the conduct of the parties.

4.23 The FC finally submitted that the demand notice dated 20.09.2025 was duly served upon the Corporate Debtor through its registered email address as well as by Speed Post and the Financial Creditor has produced certificates of authenticity under Section 63 of the Bharatiya Sakshya Adhiniyam, 2023 together with proof of service. The allegations that the demand notice, electronic records, WhatsApp communications, date of default or supporting documents are fabricated, inadmissible or incapable of establishing the financial debt are wholly baseless. The Financial Creditor has conclusively established the existence of a financial debt and the occurrence of default, and accordingly, the present Section 7 application deserves to be admitted.

5. Heard the learned counsels for both parties and perused the records. The present petition CP(IB)/28/GB/2025 under Section 7 of the Code has been filed by the

Financial Creditor seeking initiation of the CIRP against the Corporate Debtor on the ground of default in repayment of a purported financial debt.

6. The Financial Creditor has placed on record FC's Bank Statement, Ledger of CD in books of FC, Demand Notice dated 20.09.2025, WhatsApp communications and Last Audited Financial Statements of the CD.

Finding and Analysis:

7. Before jumping into the rival submission advanced by the parties, it would be appropriate for this Tribunal to first explain the scope of enquiry contemplated under Section 7 of the Code.
8. The jurisdiction of this Adjudicating Authority while exercising powers under Section 7 of the Code is circumscribed by the statutory requirements prescribed under the Code. Admission of an application under Section 7 is not automatic merely because amount have admittedly passed from one entity to another or because a claim for payment has been raised. The *sine qua non* for admission of an application is the existence of a 'financial debt', the status of the applicant as a 'financial creditor' and the occurrence of 'default' in respect of such 'financial debt'.
9. It is well settled that before admitting a Corporate Debtor into CIRP, the Adjudicating Authority is duty bound to satisfy itself that the debt sought to be enforced answers the statutory definition of a 'financial debt' as contained in Section 5(8) of the Code. Unless this foundational jurisdictional fact is established, the machinery under Section 7 cannot be invoked.
10. Therefore, the first and foremost question which falls for determination before this Tribunal is whether the transactions relied upon by the Financial Creditor satisfy the ingredients of Section 5(8) of the Code so as to constitute a 'financial debt'.

Whether the Applicant has established that the amount claimed in the present petition constitutes a "financial debt" within the meaning of Section 5(8) of the Insolvency and Bankruptcy Code, 2016?

11. The Principal contention of the Applicant is that between 02.04.2025 and 07.08.2025, an aggregate amount of Rs. 3,34,50,750/- was advanced to the Corporate Debtor by way of an Inter-Corporate Deposit carrying interest at the rate of 18% per annum compounded quarterly and repayable on demand. It is further contended that out of

the said amount, only a sum of Rs. 74,45,000/- has been repaid between 21.05.2025 and 29.07.2025, leaving the balance outstanding. On this basis, the Financial Creditor asserts that the Corporate Debtor has committed a 'default' within the meaning of Section 3(12) of the Code, thus entitled to invoke the provisions of Section 7.

12. However, the Corporate Debtor has submitted that this Transaction formed part of an integrated commercial transactions between the parties concerning the lease and operation of the CD's Koliabur Tea Factory, procurement of green tea leaves, reimbursement of operational expenses incurred for running the factory, adjustment of advances from stocks and settlement of accounts arising from the sale of manufactured tea. The Corporate Debtor has further submitted that the FC has sought to isolate certain financial transactions from the larger commercial relationship and has attempted to characterise them as loans with a view to invoke the summary jurisdiction under the Code.

13. Upon careful consideration of the pleadings, this Adjudicating Authority finds that the transfer of funds from the Applicant to the Corporate Debtor is not seriously disputed. What is disputed is the legal character of those remittances. The issue before this Tribunal is therefore not whether money was transferred from one party to another, but whether such transfer answers the statutory description of a 'financial debt' within the meaning of Section 5(8) of the Code. The distinction assumes considerable importance because every payment made by one commercial entity to another does not necessarily become a 'financial debt' merely by reason of such transfer.

14. It is Relevant to mention Section 5(8) of the Code here, which provides as follows:

(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 dematerialised 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 non-recourse basis;

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

[Explanation. -For the purposes of this sub-clause, -

(i) any amount raised from an allottee under a real estate project shall be deemed to be an amount having the commercial effect of a borrowing; and (ii) the expressions, "allottee" and "real estate project" shall have the meanings respectively assigned to them in clauses (d) and (zn) of section 2 of the Real Estate (Regulation and Development) Act, 2016 (16 of 2016);]

(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-clause (a) to (h) of this clause;

15. Thus by reading the bare provision of Section 5(8) of the code, the Legislature has consciously employed the expression ***"disbursed against the consideration for the time value of money"***, thereby making it clear that the essence of a 'financial debt' lies not merely in the transfer of money but in the commercial nature of the transaction. The expression *"time value of money"* embodies the principle that money is advanced for use by another over a period of time in return for consideration flowing to the lender. Consequently, every commercial payment cannot automatically be regarded as a 'financial debt' unless the essential criteria contemplated under Section 5(8) are established.
16. The Hon'ble Supreme Court in several of Judgment ascertain that there is existence of 'financial debt' for invoking the Section 7 petition. The burden to establish the ingredients of Section 5(8) of the code lies squarely upon the Applicant. Mere assertion in the pleadings that a transaction constitutes a loan cannot relieve the Applicant of its obligation to establish through contemporaneous material that the transaction possessed the commercial effect of borrowing and that the disbursement was made against consideration for the time value of money.
17. In the present case, the Financial Creditor has submitted that Financial Creditor lent and advance a total sum of Rs. 3,34,50,750/- to the CD from 02.04.2025 till 07.08.2025

which would be repaid by the Corporate Debtor together with an interest rate of 18% per annum on quarterly compounded basis. However, upon perusal of record this Tribunal finds that there is no loan agreement reflecting there was a debt along with interest, no Inter-Corporate Deposit Agreement, no sanction letter, no promissory note, no repayment schedule, no security documents, demonstrating disbursal against time value of money.

18. It is undoubtedly correct that the Code does not prescribe any mandatory form in which a 'financial debt' must be documented. There may indeed be cases where a 'financial debt' can be established even in the absence of a formal written agreement. However, the evidentiary burden necessarily depends upon the facts of each case. Where the very existence of the relationship of lender and borrower is seriously disputed and the opposite party places before the Tribunal contemporaneous documents suggesting a fundamentally different commercial arrangement, absence of any contemporaneous financial documentation assumes considerable significance. In a commercial dealing involving corporate entities and transactions running into several crores of rupees, one would ordinarily expect some documentary record indicating the terms upon which such financial accommodation was extended. The complete absence of any such material substantially weakens the Petitioner's case.

19. At the same time, this Adjudicating Authority also notes that, despite the parties asserting a broader commercial arrangement, No Loan Agreement, No formal Lease Agreement, Joint Venture Agreement or any other comprehensive agreement governing the overall transaction has been placed on record by either party. Thus, the complete contractual framework between the parties has not been brought before this Adjudicating Authority. In the absence of such foundational documents, this Adjudicating Authority is required to adjudicate the matter on the basis of the contemporaneous records and other materials available on record, while examining whether the essential ingredients of a 'financial debt' under the Code stand established.

20. The Financial Creditor has placed on records the bank statements evidencing time to time lent and advanced a total sum of Rs. 3,34,50,750/- to the Corporate Debtor in multiple tranches on different dates. While there is no doubt or dispute regarding the transfer of funds, the pattern and manner of such transfers, prima facie, do not indicate a loan transaction. Rather, the disbursements appear to have been made in the course of commercial dealings between the parties. In the absence of any material

demonstrating that the transfers of funds were intended to be in the nature of a loan or borrowing, the bank statements, by themselves, are insufficient to establish the existence of a 'financial debt' under the Code.

21. The Financial Creditor has also relied upon ledger accounts maintained in its own books. While entries in regularly maintained books of account constitute relevant evidence, they cannot, by themselves, conclusively determine the legal nature of a disputed transaction. The Corporate Debtor has specifically disputed the correctness of the Applicant's accounting treatment and has placed on record its own explanation supported by vouchers, operational records, email correspondence, WhatsApp communications and other contemporaneous business documents. In these circumstances, unilateral accounting entries maintained by one party cannot be treated as conclusive proof of a 'financial debt'.

22. What assumes considerable significance is that the Corporate Debtor has not merely denied liability in a bald or evasive manner. It has furnished a comprehensive explanation regarding the commercial relationship existing between the parties and has supported such explanation by contemporaneous documents. According to the Corporate Debtor, the Financial Creditor had taken the Koliabur Tea Factory on lease at the rate of Rs. 10 per kg of tea produced and also issued voucher no. 110 dated 30.06.2025 towards payment of *"Factory Lease till 22 June 2025 of 43,800 KG"* for an amount of Rs. 4,38,000/- and on 01.07.2025, the FC made the payment.

23. Since, the FC had lack of experience in managing the operations of the tea estate and factory, assigned to the CD to manage the day-to-day management of the Factory. It is further stated that the amount relied upon by the applicant was the amount released by the FC for procurement of green tea leaves and other operational expenses necessary for running the tea factory. The Corporate Debtor has also relied upon auction records, inventory financing documents and correspondence relating to sale proceeds of manufactured tea to explain the subsequent remittances made by it to the Applicant.

24. This Tribunal is conscious that the correctness of every defence raised by the Corporate Debtor is not required to be conclusively determined in proceedings under Section 7. At the same time, the contemporaneous documents relied upon by the Corporate Debtor cannot be ignored while examining whether the Applicant has discharged the threshold burden cast upon it under Section 5(8) of the Code. The materials on record prima facie show that the parties were engaged in an ongoing commercial arrangement

involving several mutual obligations and not merely a lender-borrower relationship. The Applicant cannot isolate individual fund transfers and treat them as loan transactions without considering the overall nature of the dealings between the parties.

25. The Financial Creditor has placed considerable reliance upon the sum of Rs. 74,45,000/- made by the Corporate Debtor. According to the Financial Creditor, these sum constitute an unequivocal acknowledgment of the alleged financial liability and establish that the original disbursements were in the nature of loans.
26. The Corporate Debtor has consistently explained that the aforesaid sum did not in the nature of repayment of any financial borrowing but were amounts remitted from the sale proceeds of tea manufactured during the operation of the Koliabur Tea Factory, together with advances received from J. Thomas & Co., which, according to the Corporate Debtor, formed part of the commercial understanding governing the relationship between the parties. According to the Corporate Debtor, the payments formed part of the commercial arrangement between the parties and were not repayments of any financial borrowing.
27. It is also significant to note that the documents relied upon by the Corporate Debtor disclose continuous interaction between the parties in relation to procurement of green tea leaves, deployment of labour, processing of tea, transportation expenses, auction schedules, inventory financing and operational management of the factory. The WhatsApp communications, email exchanges and vouchers placed on record do not, prima facie, portray a relationship confined merely to lending and repayment of money. On the contrary, they indicate that the parties were actively engaged in the day-to-day commercial functioning of the tea factory and were continuously coordinating matters relating to manufacture, sale and operational expenditure. These contemporaneous records assume considerable significance while appreciating the true nature of the transactions relied upon by the Financial Creditor.
28. The Financial Creditor has urged this Tribunal to read isolated portions of the WhatsApp communications as acknowledgments of debt. This approach, in the considered opinion of this Adjudicating Authority, cannot be accepted. Electronic communications, particularly those exchanged during an ongoing commercial relationship, cannot be appreciated by lifting isolated expressions out of context while ignoring the chain of correspondence of which they form an integral part. The Corporate Debtor has specifically alleged that the conversations relied upon by the

Financial Creditor are selective extracts and that the complete communications demonstrate an altogether different commercial understanding between the parties. Although this Tribunal refrains from undertaking a detailed appreciation of every communication in these summary proceedings, it is evident that the electronic correspondence does not unambiguously establish the existence of a lender-borrower relationship so as to satisfy the threshold requirement under Section 5(8) of the Code.

29. Upon an overall appreciation of the pleadings and documents, this Tribunal finds that the relationship between the parties was not confined to a single isolated transaction but comprised several interlinked commercial dealings. The alleged remittances cannot be viewed in isolation from the lease agreement, the operational management of the tea factory, procurement of green leaves and other operational charges therefrom. The very fact that the parties have offered fundamentally different explanations regarding the same transactions, each supported by contemporaneous documents, demonstrates that determination of their respective rights would necessarily require a detailed examination of evidence, including reconciliation of accounts, interpretation of contractual obligations and appreciation of the complete course of dealings between the parties. Such an exercise is plainly beyond the limited jurisdiction exercised by this Adjudicating Authority under Section 7 of the Code.

30. This Tribunal further notes that the financial accommodation was not advanced through a single disbursement but by way of multiple transfers made by the Financial Creditor to the Corporate Debtor between 02.04.2025 and 07.08.2025. Equally, the Corporate Debtor also made payments to the Financial Creditor in different tranches during the period 21.05.2025 to 29.07.2025. However, this Tribunal finds that there is no contemporaneous document on record conclusively evidencing the purpose for which each of these transfers was made. In the absence of any such contemporaneous material clearly recording the nature of the transactions, this Tribunal is unable, within the limited jurisdiction under Section 7 of the Code, to conclusively hold whether the amounts were advanced towards a ‘financial debt’ or formed part of the broader commercial and operational arrangements between the parties. Such determination would necessarily require a detailed examination of evidence, which falls beyond the scope of these summary proceedings.

31. The scheme of the Code does not contemplate that the Adjudicating Authority should embark upon a roving enquiry into disputed commercial transactions or undertake a

trial for determining the true nature of complex contractual relationships. The jurisdiction under Section 7 is summary in character and is intended to ascertain whether a 'financial debt', as statutorily defined, exists and whether a corresponding 'default' has occurred. Where the very foundation of the alleged 'financial debt' is intertwined with multifaceted commercial arrangements requiring elaborate evidence, the insolvency process cannot be invoked as a substitute for ordinary civil adjudication. The Code is designed to revival procedure and not to determine commercial disputes arising from ongoing business relationships

32. The material placed before this Tribunal is that the Applicant has transfer the funds but has failed to establish the legal character of those transfers as disbursements made against consideration for the '*time value of money'*. The documents relied upon by the Corporate Debtor furnish a plausible and substantiated explanation that the remittances formed part of a larger commercial arrangement involving reciprocal rights and obligations. In the absence of cogent evidence demonstrating that the transactions possessed the '*commercial effect of borrowing*', this Tribunal is unable to hold that the essential ingredients of Section 5(8) of the Code stand satisfied.

33. This Tribunal placed reliance on ***Gp Capt Atul Jain vs Tripathi Hospital Pvt Ltd, 2023 SCC OnLine NCLAT 366,*** wherein the Hon'ble NCLAT observed, that the basic requirement of the existence of "financial debt" being owed by the corporate debtor to the financial creditor has to be first satisfied and cannot be overlooked.

34. Consequently, this Adjudicating Authority is of the considered view that the Applicant has failed to discharge to establish the existence of a 'financial debt' within the meaning of Section 5(8) of the Code. Once the existence of a 'financial debt' is not established, the Applicant cannot be treated as a 'Financial Creditor' under Section 5(7) of the Code.

35. This Adjudicating Authority is, therefore, of the considered view that the Applicant has failed to discharge the primary burden of establishing the existence of a 'financial debt' within the meaning of Section 5(8) of the Code. The existence of a 'financial debt' is not merely one of the ingredients of an application under Section 7 but constitutes the foundational jurisdictional fact upon which the entire pillar of the proceedings rests. Unless such foundational requirement is satisfied, the question of examining the occurrence of 'default', the status of the Applicant as a 'Financial Creditor', the satisfaction of the statutory 'threshold', 'limitation' or any other ancillary requirement

does not arise for consideration. Once the existence of a 'financial debt' itself remains unestablished, the application under Section 7 necessarily fails at its threshold and is liable to be dismissed without requiring this Adjudicating Authority to enter into any further enquiry.

Order

36. In view of the abovementioned observation and findings, Company Petition bearing **CP(IB)/ 28/GB/2025** is hereby **dismissed** and **disposed of.**
37. The Registry is directed to send e-mail copies of the order forthwith to all the parties inclusive of the Counsels.
38. Urgent certified copy of this order, if applied for, be issued upon compliance with all requisite formalities.
39. File be consigned to records.

Sd/-
Yogendra Kumar Singh
Member (Technical)

Sd/-
Rammurti Kushawaha
Member (Judicial)

Signed this on 5th day of August, 2026.

Aditya P. (LRA)