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 07.08.2026 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	**: CPIB)/218(CHE)2025**
NAME OF THE PETITIONER	**: Agrohaat Retail Private Limited**
NAME OF THE RESPONDENT(S)	**: CPF (India) Private Limited**
UNDER SECTION	**: Sec 9 Rule 6 of IBC, 2016**

ORDER

Present : Ld. Representing Counsel Ms. Aparna for Ld. Counsel

Mr. Ramaswamy Meyyappan for the Petitioner.

Ld. Counsel Mr. K. Sanjay for Ld. Counsel

Mr. Vishnu Mohan for the Respondent.

Vide separate order pronounced in open court, **CP/(IBC)/218/CHE/2025** is dismissed.

-SD-	**-SD-**
RAVICHANDRAN RAMASAMY	**JYOTI KUMAR TRIPATHI**
Member (Technical)	**Member (Judicial)**

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

CP(IB)/218(CHE)/2025

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

In the matter of ***CPF (India) Private Limited***

AGROHAAT RETAIL PRIVATE LIMITED,
Plot 2-3-210 to 212, Shatter 4 and 5,
Kala Complex, Sundar Talkis Road,
Khammam, Telangana, 507002.

.... Petitioner/Operational Creditor

-Vs-

CPF (India) Private Limited
(Formerly Charoen Pokphand (India) Private Limited)
Floor No. 40, 2nd Street,
1st Floor, F2, Sparton Nagar,
Mogappair East,
Chennai- 600037,
Tamil Nadu, India

...Respondent/Corporate Debtor

Order Pronounced on ***7th August 2026***

<u>CORAM</u>

Shri. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)
Shri. RAVICHANDRAN RAMASAMY, MEMBER (TECHNICAL)

For Operational Creditor : Mr. Ramaswamy Meyappan
For Corporate Debtor : Mr. Vishnu Mohan

ORDER

Under Adjudication is **CP(IB)/218(CHE)/2025** filed by **AGROHAAT RETAIL PRIVATE LIMITED**, (hereinafter referred to as (**'Operational Creditor'**) under Section 9 of the Insolvency & Bankruptcy Code 2016 (in short, 'IBC, 2016') r/w Rule 6 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 against CPF (INDIA) PRIVATE LIMITED (Hereinafter referred to as **'Corporate Debtor'**). It has been prayed to admit the Application and initiate the Corporate Insolvency Resolution Process against the Corporate Debtor, declare a moratorium and appoint Interim Resolution Professional (IRP).

2. Part I of the application, sets out the details of the Applicant, the Operational Creditor **AGROHAAT RETAIL VATE LIMITED,** In Part II of the application, the details of the Corporate Debtor is mentioned as CPF (INDIA) PRIVATE LIMITED. In part-III of the petition the Operational Creditor has not proposed any Insolvency Professional to act as a Resolution Professional and has left the discretion of this tribunal.

3. Part IV of the application signifies the amount of debt to the tune of Rs. 1,80,66,142.00/-, (One Crore Eighty Lakhs Sixty-Six Thousand One Hundred and Forty-Two Only) which consists of principal outstanding amount of Rs.1,27,34,706.84/- and interest amounting to Rs.53,31,425.27/- calculated up to 11.11.2024 as the outstanding dues that is payable by the Corporate Debtor.

4. Part V of the application describes List of other documents attached to this Application in order to prove the existence of Operational Debt and the amount in Default -

1. Demand Notice along with postal receipts.
2. Auditor's Email
3. Reply to Demand Notice by Corporate Debtor.
4. Purchase Orders and Invoices.
5. E-way bills and Quality Check Reports.
6. GST filings.

SUBMISSIONS OF THE PETITIONER

5. It is submitted that the Respondent, CPF (India) Private Limited (Formerly Charoen Pokphand (India) Private Limited, operates integrated agro-industrial and food business. The Petitioner and the Respondent have had an ongoing business relationship since 2022. The standard transactional procedure between the parties involves the

Respondent issuing a Purchase Order specifying the required goods, such as Monosodium Phosphate (MSP). The Petitioner sources these goods from reputable suppliers and delivers them to the Respondent's designated premises and upon delivery, the Respondent's Quality Control Team conducts a rigorous inspection by sampling the goods directly from the delivery vehicle and only upon explicit approval following this quality check are the goods unloaded and accepted.

6. It is submitted that the Respondent issued multiple Purchase Orders to the Petitioner for the supply of MSP and other goods. The Petitioner fulfilled these orders in several tranches, with each delivery undergoing and passing the Respondent's quality inspection prior to unloading. Despite this, the Respondent has failed to remit payment for the supplied goods, resulting in outstanding dues totalling INR 1,27,34,706, along with accrued interest of INR 53,31,435 (calculated at 24% per annum up to 11.11.2024), amounting to a total of INR 1,80,66,142.

7. The details of pending invoices, including invoice numbers, dates, delivery details, Purchase Order numbers, E-Way Bill numbers, due amounts, due dates, and interest are tabulated hereinbelow:

List of Pending Dues:

Invoice Details (Invoice Number, Invoice Date, Vehicle Number)	Delivery Details (Unloading Date, Metric Tonne)	EWAY bill No.	PO Number	Due Amount (INR)	Due Date	Interest (INR)
AHINV01202305288, 05-Jan-2023, AP16TY7344	07-Jan-2023, 20 Tonne	1115 7977 2453	2281001198	6,95,121.53	25-Jan-2023	1,63,134.13
AHINV01202305640, 14-Jan-2023, TN66W9977	14-Jan-2023, 15 KG	1315 8650 6223	2281001292	10,61,078.55	9-Jan-2023	4,54,897.45
AHINV01202305698, 18-Jan-2023, AP05TD4848	20-Jan-2023, 20 Tonne	1315 8605 2838	2281001293	8,39,516.83	10-Feb-2023	3,53,287.08
AHINV01202305714, 19-Jan-2023, AP05TG4549	20-Jan-2023, 20 Tonne	1815 8647 1669	2281001201	8,85,337.81	9-Feb-2023	3,73,151.69
AHINV01202305721, 19-Jan-2023, AP05TG2535	21-Jan-2023, 20 Tonne	1915 8658 3008	2281000609	8,04,759.56	10-Feb-2023	3,38,660.46
AHINV01202305729, 20-Jan-2023, AP21TF2730	23-Jan-2023, 15 Tonne	1415 8671 7220	2222000699	10,33,205.26	6-Feb-2023	4,37,512.89
AHINV01202305738, 20-Jan-2023, AP05TG4487	23-Jan-2023, 20 Tonne	1915 8665 25 58	2222000599	7,92,930.01	12-Feb-2023	3,32,639.57
AHINV01202305741, 20-Jan-2023, AP05TG2659	23-Jan-2023, 20 Tonne	1715 8707 8012	2281001303	7,91,631.51	2-Feb-2023	3,32,094.84
AHINV01202305799, 21-Jan-2023, AP39TN3488	24-Jan-2023, 15 Tonne	1515 8762 8210	2222000999	10,64,211.73	8-Feb-2023	4,49,243.13
AHINV01202306111, 29-Jan-2023, AP39TQ6308	31-Jan-2023, 15 Tonne	1315 9913 2939	2281001292	7,43,998.50	15-Feb-2023	3,10,644.85
AHINV01202306219, 31-Jan-2023, KA3485626	02-Feb-2023, 15 Tonne	1415 9914 2282	2222000699	7,35,144.92	17-Feb-2023	3,05,981.41
AHINV02202306331, 05-Feb-2023, AP07TC1456	06-Feb-2023, 20 Tonne	1615 9449 8253	2222000699	6,58,529.42	26-Feb-2023	2,70,195.52
AHINV02202306333, 05-Feb-2023, AP16TE4055	06-Feb-2023, 20 Tonne	1615 9474 2535	2222000599	7,40,789.33	26-Feb-2023	3,03,946.88
AHINV02202306349, 05-Feb-2023, AP07TT9085	06-Feb-2023, 20 Tonne	1515 9473 5322	2222000699	6,65,392.56	26-Feb-2023	2,73,011.48

AHINV02202306356, 05-Feb-2023, AP16TW8967	06-Feb-2023, 20 Tonne	1515 9489 2760	2222000599	6,44,205.71	26-Feb-2023	2,64,318.49
AHINV02202306445, 08-Feb-2023, AP39UF2468	09-Feb-2023, 15 Tonne	1615 9617 3177	2281001305	8,95,774.19	24-Feb-2023	3,68,715.38
Total:				1,27,34,706		53,31,435

8. It is stated that on 11.11.2024, the Petitioner issued a Demand Notice with the aforesaid dues to the registered address of the Respondent and the same was also issued vide email communication on 11.11.2024. It is stated that The Respondent replied on 09.12.2024, raising untenable and baseless objections without denying the receipt of goods or the validity of the invoices Specifically, the Respondent alleged quality issues with five truckloads of goods delivered on 29.08.2022 (two trucks), 30.08.2022 (two trucks), and 11.10.2022 (one truck). These allegations were first communicated via email on 21.12.2022, several months after the goods were delivered, inspected, approved, and unloaded by the Respondent.

9. It is stated that the Respondent had on 21.12.2022 sent an email that they are rejecting five truckloads of goods which were supplied, alleging that the quality was not proper. This alleged issue was raised months after the goods were delivered. The stated basis for this

rejection was an ambiguous allegation of improper quality, made months after the Respondent had taken full possession and control of said goods.

10. It is stated that a joint meeting was eventually convened on 08.05.2023, following diligent follow-up by the Petitioner. However, the Respondent declined to allow the supplier to participate in said meeting. It is stated that Petitioner agreed to request the supplier to replace the goods in order to maintain the business relationship.

11. It is stated that on 02.06.2023, two trucks carrying replacement goods were dispatched after approval by the Respondent's QC team and these goods were also rejected on 14.06.2023. It is pertinent to note that though the goods were rejected, the load has been taken by the Respondent herein and it has been in their possession. The Petitioners are shocked by the Respondent's conduct, rejecting goods they had originally approved and after retaining possession.

<u>SUBMISSIONS OF THE RESPONDENT</u>

12. It is submitted that the claim of the Applicant/OC arises from the supply of Monosodium Phosphate (MSP) and other raw material used in feeds, to the Corporate Debtor, pursuant to various Purchase

Orders, under which the Operational Creditor has claimed a sum of Rs.1,80,66,142/- (comprising of Rs. 1,27,34,706.84/- and interest computed @ 24% p.a. until 11.11.2024 amounting to Rs.53,31,435.27/-) allegedly due for goods supplied to the Corporate Debtor. The said claim is based on supplies made between January 2023 and February 2023.

13. It is stated that the Applicant/OC has made supplies to the Respondent of various raw material even prior to the invoices in question. The Respondent/CD has made timely payments for all supplies and has fulfilled its contractual obligations.

14. The Respondent/CD states that as regards the principal amount of Rs. 1,27,34,706.84/- as claimed by the Applicant, the same pertains to invoices between January and February 2023 for the raw material supplied by the Applicant to the Respondent. As regards the alleged dues claimed by the Applicant, it is pertinent to state that the Respondent has already disputed the claims made by the Applicant in respect of these supplies under the invoices mentioned by the Applicant owing to the faulty goods supplied between August and

October, 2022 for which the Respondent/CD is entitled to reimbursement and/or withholding of further payments.

15. The Respondent states that even as long back as on 21.12.2022, the Respondent herein had raised quality issues in respect of supplies made by the Applicant between August-October 2022 involving about 5 truckloads of raw material supplied. It is stated that the fact of a pre-existing dispute raised by the Respondent is admitted by the Applicant in the petition itself.

16. It is stated that the Applicant represented that it would supply the said raw material in terms of the Respondent's specification. The goods were dispatched and taken delivery between August-October 2022, subject to testing and quality control by the Respondent. Since there was no testing facility available for this specific item, the same was sent to a lab for testing and the result was received much later and it was found that the said raw material failed the quality control tests in respect of the specifications sought for by the Respondent. Hence, the goods were rejected, and this was notified to the Applicant promptly in December, 2022 itself.

17. It is stated that the email of 21.12.2022 itself shows that the dispute is genuine in respect of a specified number of shipments, which batch was found to be of poor quality and not in compliance with the quality specified and expected by the Respondent. Furthermore, the Respondent states that until checking/testing the actual goods supplied, the Respondent cannot be deemed to have accepted the raw material supplied or accepted the quality because the goods in question are raw material used in feed for shrimp farming, which can only be deciphered on careful inspection and test to find out if they are of specified quality. It was immediately upon such issues being noticed by the Respondent, that too in respect of these 5 shipments alone, the issues were flagged promptly to the Applicant, who also accepted the same. However, despite acknowledging the quality issues the Applicant kept insisting on payment for the subsequent shipments between January-February 2023 (which is the claim in the present application) without addressing the pending disputes with regard to these 5 shipments which led to substantial financial and reputational loss to the Respondent.

18. The Respondent further states that by an email 14.05.2023, pursuant to a meeting held with the parties on 08.05.2023 at Red Hills, Chennai, the Respondent sent the Minutes of Meeting held between the Applicant and Respondent company representatives wherein the Respondent has categorically notified the Applicant regarding the inferior quality of goods / Monosodium Phosphate Anhydrous ("MSP" in short), which is used in shrimp feed supplied by the Applicant, and sought for replacement of the rejected material. During this meeting, the Applicant had sought to rope in the manufacturer of the goods / MSP to discuss with the Respondent regarding the inferior quality of material, at which time the Respondent categorically refused stating that the supplies were made only by the Applicant company and hence, the Respondent would only hold them liable for such inferior quality of goods supplied.

19 It is stated that non-replacement of inferior quality material/MSP supplied, the Respondent has suffered huge losses of Rs. 2,45,44,000/- which it is entitled to claim against the Applicant and also to adjust the payments withheld against this amount, leaving an amount to be recovered by my client to the extent of about Rs. 1,21,99,266/- from the

Applicant, which counter claim has also been made by the Respondent in its reply to the notice under Section 8 of the Code.

FINDINGS OF THIS TRIBUNAL

20. We have heard the rival arguments of both parties and perused the records.

21. This application has been filed under Section 9, Rule 6 of IBC, 2016 by the Applicant alleging to be Operational Creditor seeking relief to initiate CIRP against the Respondent/CD.

22. This application has been filed under Section 9, Rule 6 of IBC, 2016 by the Applicant alleging to be Operational Creditor seeking relief to initiate CIRP against the Respondent/CD.

23. Before devolving into the merits of the case, we have to look into the matter, of whether debt is within the limitation. In other words, we have to look into whether the Application under Section 9(6) of IBC has been filed against the Respondent/CD within the limitation period which has been provided in the IBC Code, the date of default mentioned in the application is 24.02.2023 and the application is filed in 2025 which is well within the limitation period.

24. At this Juncture the short point for our consideration is whether any operational debt qua has been proven to have become due and payable by the corporate debtor and whether there is any pre-existing dispute between the parties. This examination would be in line with the test which has been laid down by the Hon'ble Supreme Court in ***Mobilox Innovations (P) Ltd. v. Kirusa Software (P) Ltd. (2018) 1 SCC 353 ('Mobilox' in short)*** which is as reproduced below

> *"34. Therefore, the adjudicating authority, when examining an application under Section 9 of the Act will have to determine:(i) Whether there is an "operational debt" as defined exceeding Rs. 1 lakh? (See Section 4 of the Act) (ii) Whether the documentary evidence furnished with the application shows that the aforesaid debt is due and payable and has not yet been paid? And (iii) Whether there is existence of a dispute between the parties or the record of the pendency of a suit or arbitration proceeding filed before the receipt of the demand notice of the unpaid operational debt in relation to such dispute? If any of the aforesaid conditions is lacking, the application would have to be rejected. Apart from the above, the adjudicating authority must follow the mandate of Section 9, as outlined above, and in particular the mandate of Section 9(5) of the Act, and admit or reject the application, as the case may be, depending upon the factors mentioned in Section 9(5) of the Act."*

25. For ready reference relevant provisions are extracted.

> ***Section 3(11****) of IBC "**debt**" means a liability or obligation in respect of a claim which is due from any person and includes a financial debt and operational debt*
>
> ***Section 5 (21) operational debt**" means a claim in respect of the provision of goods or services including employment or a debt in respect of the [payment] of dues arising under any law for the time being in force and payable to the Central Government, any State Government or any local authority*
>
> ***section 3(12) Default**" means non-payment of debt when whole or any part or instalment of the amount of debt has become due and payable and is not [1][paid]by the debtor or the corporate debtor, as the case may be;*

26. To decide on the question of whether the applicant has proved that there is a debt that is due and payable which is defaulted by the corporate debtor we would refer to the judgements of Hon'ble Supreme Court in ***Macquarie Bank Limited v. Shilpi Cable Technologies Limited 2018*** held as follows the relevant paragraph are extracted

> *Section 9(1) contains the conditions precedent for triggering the Code insofar as an operational creditor is concerned. The requisite elements necessary to trigger the Code are: (i) occurrence of a default; (ii) delivery of a demand notice of an unpaid operational debt or invoice demanding payment of the amount involved; and (iii) the fact that the operational creditor has not received payment from the corporate debtor within a period of 10 days of receipt of the demand notice or copy of invoice demanding payment, or received a reply from the corporate debtor which does not indicate the existence of a pre-existing dispute or repayment of the unpaid operational debt. It is only when these conditions are met that an application may then be filed under Section 9(2) of the Code in the prescribed manner, accompanied with such fee as has been prescribed ..."*

27. At this juncture it is relevant for us to refer to the application filed by the applicant, it is an admitted fact that the applicant and the respondent are in business relationship and the operational creditor was rendering service to the corporate debtor.

28. The short point for consideration for this tribunal is whether the amount which is stated to be defaulted by the corporate debtor is

disputed by the corporate debtor before the demand notice was issued by the applicant.

29. In order to appreciate the facts of this case to the tire law we would reiterate that the intent of the IBC is not to act as recovery proceedings it is to put the distressed company into CIRP with the larger interest of the stakeholders. We are of the view that if the amount which is claimed to be defaulted has an existence of a dispute, CIRP cannot be initiated against the corporate debtor.

30. The applicant's contention is that the goods were received, and possession was taken, and the respondent is falsely claiming the pre-existing of dispute as an afterthought, and the contention of the applicant is pertaining to dispute being false or the lack of genuineness.

31. However, the point of consideration in a Section 9 application is the existence of a pre-existing dispute. As per the records placed before us, it is seen that the demand notice is dated 11.11.2024 and the emails addressing and raising the quality dispute date back to 21.12.2022 and 14.05.2023 which is before the issuing of the demand notice. Therefore, we can safely conclude that there is an existence of a pre-existing

dispute in this transaction, and CIRP cannot be initiated against the company when the transaction is disputed.

32. Even otherwise, it is seen that the applicant has already accepted the existence of discussions surrounding the dispute. The claim of the applicant is that the dispute raised by the respondent is an afterthought, that a false dispute is raised, and that the products were used for meeting business needs. But on perusal of the application, it is seen that in the email correspondence it is clearly requested to the applicant to take back the stocks which have been delivered to the corporate debtor and the quality of the product which was delivered has been consistently disputed the Corporate Debtor had raised specific quality issues regarding five truckloads of MSP supplied by the Operational Creditor. This pre-existing dispute was further underscored during the joint meeting held on 08.05.2023, the Minutes of Meeting dated 14.05.2023, and subsequent communications where the Corporate Debtor explicitly requested the Operational Creditor to take back the defective stock and asserted counterclaims/losses arising out of inferior quality supplies since the communications flagging quality deficiencies and non-conformance of goods date back to

December 2022 and May 2023 long before the Demand Notice under Section 8 was issued on 11.11.2024 the existence of a prior dispute between the parties regarding the operational debt stands clearly established.

33. In this regard, this Tribunal to lay down the following test to determine the existence of a pre-existing dispute within the meaning of Section 8(2)(a) of the code, we are of the view that where it is demonstrated from the record that the Operational Creditor and the Corporate Debtor were, prior to the issuance of the demand notice under Section 8, already engaged in correspondence, communication, or discussion whether by way of email, minutes of meeting, touching upon the non-satisfaction, deficiency, or dispute regarding the very transaction out of which the claimed debt arises, such prior engagement between the parties on the subject-matter of the debt would by itself constitute sufficient material to establish the existence of a pre-existing dispute. We further hold that where the Operational Creditor, by its own conduct, has supplied substituted goods in replacement of the goods alleged to be faulty or deficient, such conduct amounts to an implicit acknowledgment of the deficiency complained

of, and consequently lends further credence to, and substantiates, the existence of the dispute so raised by the Corporate Debtor.

34. We are of the considered view that when a dispute with regard to the quality of the goods has been raised prior to the Section 8 notice, and the amount which is due and payable for those goods is in question, this tribunal doesn't find it appropriate to initiate CIRP against such a respondent

35. In view of the above-mentioned reasons and contentions, the application filed by the applicant under Section 9 of IBC, 2016 is ***Dismissed.*** No order as to costs.

-SD-	-SD-
RAVICHANDRAN RAMASAMY	**JYOTI KUMAR TRIPATHI**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)

Rannika/LRA