IN THE NATIONAL COMPANY LAW TRIBUNAL,

NEW DELHI BENCH COURT IV

C.P. IB/94/ND/2026

(Under Section 9 of the Insolvency and Bankruptcy Code, 2016, read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules, 2016)

IN THE MATTER OF:

FORSEE POWER INDIA PVT. LTD.

...OPERATIONAL CREDITOR

VERSUS

OMEGA SEIKI PVT. LTD.

...CORPORATE DEBTOR

Order delivered on 08.09.2026

CORAM:

SHRI MAHENDRA KHANDELWAL
HON'BLE MEMBER (JUDICIAL)

SHRI ATUL CHATURVEDI
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Applicant: Ms Honey Satpal, Mr Aman, Mr Akash Agarwalla, Ms Tanya Gupta, Advs

For the Respondent: Mr Rishabh Singh, Mr Shyam Kishor Singh, Advs

ORDER

PER: MAHENDRA KHANDELWAL, MEMBER (JUDICIAL)

1. The Instant Application has been filed by M/s Forsee Power India Pvt. Ltd before this Adjudicating Authority under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC") r/w Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 ("Adjudicating Authority Rules"), for initiating the Corporate Insolvency Resolution Process ("CIRP"), declaring moratorium and for appointment of Interim Resolution Professional ("IRP") for M/s Omega Seiki Pvt. Ltd., the Corporate Debtor ("Respondent"/"CD") on the ground that the Respondent has failed to pay the outstanding amount due to the

Applicant to the tune of INR 6,52,95,519/- (Rupees Six Crores Fifty Two Lakhs Ninety Five Thousand, Five Hundred and Nineteen Only) along with interest being calculated at the rate of 18% per annum compounded monthly with effect from the date on which the payment became due and payable.

BRIEF DETAILS ABOUT THE PARTIES:

2. The Applicant M/s Forsee Power India Pvt. Ltd is a company incorporated under the Companies Act, 2013 and is engaged in the business of selling Battery packs to various retailers and purchasers for use in motor vehicles. The registered office is situated at 91 Springboard, B1/H3, Mohan Co-Operative, Mathura Rd, Industrial Area, Block - B, New Delhi, New Delhi, Delhi, India, 110044.

3. The Respondent/CD, Omega Seiki Private Limited, bearing CIN: U29300DL2018PTC330520, is a company incorporated under the provisions of the Companies Act, 2013, having its registered office at 6-D, 6th Floor, M-6, Uppal Plaza Jasola District Centre, South Delhi, India-110025.

SUBMISSIONS OF THE APPLICANT/OC

4. The Applicant is engaged in the business of providing battery packs for electric vehicles. The Corporate Debtor placed various purchase orders for supply of 10.54 KWH battery packs, pursuant to which the Applicant supplied goods from time to time and raised corresponding invoices. Copies of the purchase orders and invoices are annexed with the Petition.

5. As per the terms of the purchase order, the corporate debtor was obliged to make payment within 30 days of delivery of the goods. However, the Corporate Debtor committed persistent defaults in making payment against invoices raised between October 2023 and March 2024. The last invoice dated 28.03.2024 fell due on 27.04.2024, which constitutes the date of default, and hence, there are a total of 13 unpaid invoices that

are being claimed by the Operational Creditor. Despite repeated reminders and email communications, the Corporate Debtor failed to clear the outstanding dues. The Corporate Debtor acknowledged the outstanding amounts in email correspondence but did not discharge its liabilities.

6. The Corporate Debtor started making delays in the payment and used to make lump-sum payments to induce the Corporate Debtor to continue supply of the goods, and the applicant in good faith continued the delivery despite failure of the CD in timely payment.

7. The Operational Creditor thereafter issued a demand notice dated 30.12.2025 under Section 8 of the Code, which was duly served upon the Corporate Debtor. In response, the Corporate Debtor sent a reply dated 13.01.2026 containing vague and untenable allegations, without raising any genuine dispute. The said reply amounted to a bald denial, bereft of substantive grounds or supporting material.

8. However, the corporate debtor defaulted in making payments to the invoices generated between 21.08.2023 and 28.03.2024, and the last invoice became due on 28.03.2024; hence, the date of default. The last payment was made by the corporate debtor on 07.04.2025 for an amount of Rs. 7,55,200/-

9. Accordingly, the outstanding principal amount to be paid by the Corporate Debtor is Rs. 4,87,39,433/-against principal, and interest accrued thereon amounted to 1,65,56,085/- up to the date of 15.12.2025. Consequently, the total amount outstanding stood at 6,52,95,519/-.

10. The Operational Creditor filed an affidavit in terms of our Order dated 29.04.2026 to state that the present proceedings are genuine, maintainable, and have been instituted in good faith and are non-collusive.

SUBMISSIONS MADE BY THE RESPONDENT/CD

11. The notice sent is defective and non-compliant with the requirements mandated in Section 8. It has failed to disclose the true nature of the dispute and suppressed material facts. Hence, the demand notice issued by the Applicant is void and non-est in the eyes of law, and therefore the present application deserves to be dismissed at the threshold.

12. The alleged operational debt claimed by the Applicant is seriously disputed, and the disputes between the parties arose much before issuance of the demand notice under Section 8 of the Insolvency and Bankruptcy Code, 2016. There is a genuine and bona fide pre-existing dispute and the same has been conveyed to the Applicant on multiple occasions. The issue of defective batteries has been raised with the Applicant on multiple occasions.

13. The Corporate Debtor, vide letter dated 13.10.2025, sent a **demand notice** for an amount of Rs. 8,28,60,000/- for indemnification, warranty compliance, and reimbursement of losses caused by defective Forsee batteries, and it is duly mentioned that the respondent has already raised its own objections and claims against the applicant for breach of warranty, battery defects and other consequential losses.

14. Documents placed on record clearly demonstrate that disputes between the parties regarding the alleged operational debt existed much before the issuance of the demand notice. The correspondence exchanged between the parties and the objections raised by the Corporate Debtor unequivocally establish that the liability itself was contested. Therefore, the alleged operational debt cannot be treated as an "undisputed operational debt" within the meaning of the Code. Reliance on the judgment of the Hon'ble Supreme Court in the case of ***Mobilox***

Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd. (2018) 1 SCC 353 has been made.

15. The alleged debt is disputed on the following grounds:

a) reconciliation of accounts;

b) disputes regarding invoices relied upon by the Applicant;

c) adjustments and payments made by the Corporate Debtor; and

the unilateral and legally untenable claim of interest.

16. Also, there was excessive delay in the repair and warranty support provided by the Applicant, which further exacerbated the issue for the Corporate Debtor, resulting in financial and reputational loss for the Respondent.

17. Continuous technical meetings were held between the parties to sort the issue caused by the defective batteries supplied by the Applicant.

18. The Respondent had to arrange batteries from alternate sources to solve the operational disruptions caused due to defective batteries supplied by the Operational Creditor.

19. Also, Clause 5 of the Purchase Order governing the parties' transactions explicitly stipulates that all goods supplied are subject to final inspection and approval by the Respondent. The Respondent retains the right to reject the goods even after initial acceptance or payment, should defects become apparent during use or further processing. Additionally, the Purchase Order states that non-conforming goods may be rejected without incurring any liability on the Respondent's part, and that all rejection-related costs shall be borne by the Supplier. The Respondent is also empowered to adjust and set off any losses or damages against amounts due under the Purchase Order. These contractual terms clearly demonstrate that the alleged claim is contingent, contested, and subject to settlement, thus ruling out the

existence of any undisputed operational debt as contemplated under the Insolvency and Bankruptcy Code, 2016.

20. Reliance on judgment of the Hon'ble NCLAT in ***Anshul Vashistha v. Jayhind Steel Traders Company Appeal (AT) (Insolvency) No. 656 of 2020,*** in ***Quippo Energy Ltd. v. Soundararaja Mills Ltd. (Company appeal (AT) (Insolvency) No.231 of 2020)*** in ***Solenis Chemicals India Pvt. Ltd. v. Arjun Pulp and Paper (India) Pvt. Ltd.***, in ***Mohammad Moinuddin Khan v. Saraswati Wire & Cable Industries, Company Appeal (AT) (Insolvency) No. 22 of 2024*** judgment of the Hon'ble Supreme Court in ***M/s S.S. Engineers v. Hindustan Petroleum Corporation Ltd., Civil Appeal No. 4583 of 2022*** and in ***Rajratan Babulal Agarwal v. Solartex India Pvt. Ltd., Civil Appeal No. 2199 of 2021,*** has been made.

21. The alleged computation of debt has been made without accounting for payments already made, commercial adjustments, reconciliation issues and disputes relating to the underlying transactions. The Applicant has failed to place on record any mutually acknowledged statement of account or admitted liability to substantiate the alleged operational debt.

22. Corporate Debtor, in terms of Order dated 29.04.2026, filed an affidavit along with the list of Creditors of the Corporate Debtor apart from the present Operational Creditor with whom regular business transactions are going on. The CD in their affidavit has categorically, unequivocally and on oath stated that the present petition filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 by Forsee Power India Pvt. Ltd. is not a collusive petition. Further, the CD has neither entered into any understanding, arrangement, concert, connivance or collusion with the Applicant for institution of the present proceedings.

REJOINDER OF THE APPLICANT

23. At the outset, the Reply filed by the Corporate Debtor is only an attempt to create a false impression of a pre-existing dispute by relying on a

large number of emails. Most of these emails are internal communications of the Corporate Debtor and are not relevant to the present case. They appear to have been placed on record only to create a paper trail. The other emails are routine technical communications exchanged in the normal course of business. They do not show the existence of any dispute. The Applicant has clearly proved the existence of the debt and default, which has also been admitted by the Corporate Debtor. Therefore, any communication made before the acknowledgement of the debt is not relevant and cannot be relied upon to claim that a pre-existing dispute existed.

24. The Corporate Debtor had signed the Part Submission Warrant (PSW) for the product, confirming that the goods supplied met its requirements and specifications. The PSW is a formal document certifying that the components comply with the customer's specifications.

25. Also, from July 2023 to July 2024, the corporate debtor made part-payment of the debt, which clearly shows that there was no dispute. Moreover, the corporate debtor had a remedy available in the Sales and Service Agreement to terminate the agreement, but the same was not availed by the corporate debtor. Furthermore, the corporate debtor has admitted that the issue was with the vehicle and not with the batteries. Hence, the corporate debtor can't take the defence of defect in the batteries after admitting the fault lay with the vehicles.

26. The applicant has already replied to the demand notice raised by the corporate debtor and stated that the issue arose because of end-use conditions, auxiliary battery failures, faulty wiring/cabling, and improper handling of batteries by the Corporate Debtor and its dealers.

27. Reliance on the judgment of Hon'ble NCLAT in the matter of ***Naresh Choudhary v. Sterling Enamelled Wires Pvt. Ltd., (2023) ibclaw.in 532 NCLAT***, and in ***Surendra Sancheti v. Gospell Digital Technologies Co. Ltd. and Anr.,*** have been made.

28. The contention of the corporate debtor that there were continuous technical meetings between the parties to sort the issue is not correct as the same was a collaborative initiative between the parties to identify and address operational challenges.

29. Any replacement of components by the Corporate Debtor was a unilateral operational decision, unsupported by any formal defect finding, contractual rejection, or warranty claim, and therefore cannot by itself establish that the batteries supplied by the Operational Creditor were defective. The Corporate Debtor relies on internal emails regarding replacement of batteries, but has produced no technical report, expert opinion, or formal rejection to support its allegation.

30. Also, the alleged debit note dated 03.08.2024 was withdrawn by the Corporate Debtor during the meeting held on 25.03.2025, which was confirmed by email dated 28.03.2025. Further, the Corporate Debtor has failed to establish any connection between the said debit note and the invoices in question.

FINDINGS AND ANALYSIS

31. We have heard the learned Counsels appearing for the parties, perused the contents of the pleadings and documents placed on record.

32. The present Petition has been filed under Section 9 of the IBC, 2016, i.e. an application for initiation of CIRP by an Operational Creditor. Sub-section (5) of Section 9 enumerates the circumstances when an application u/s 9 can be admitted or rejected. Section 9(5) read as under:

(5) The adjudicating authority shall, within fourteen days of the receipt of the application under sub-section (2), by an order—

(i) admit the application and communicate such decision to the operational creditor and the corporate debtor, if—

(a) the application made under sub-section (2) is complete;

(b) there is no repayment of the unpaid operational debt;

(c) the invoice or notice for payment to the corporate debtor has been delivered by the operational creditor;

(d) no notice of dispute has been received by the operational creditor, or there is no record of dispute in the information utility; and

(e) there is no disciplinary proceeding pending against any resolution professional proposed under sub-section (4), if any.

(ii) reject the application and communicate such decision to the operational creditor and the corporate debtor, if—

(a) the application made under sub-section (2) is incomplete;

(b) there has been repayment of the unpaid operational debt;

(c) the creditor has not delivered the invoice or notice for payment to the corporate debtor;

(d) notice of dispute has been received by the operational creditor, or there is a record of dispute in the information utility; or

(e) any disciplinary proceeding is pending against any proposed resolution professional:

Provided that the adjudicating authority shall, before rejecting an application under sub-clause (a) of clause (ii), give a notice to the applicant to rectify the defect in his application within seven days of the date of receipt of such notice from the adjudicating authority.

33. As per Section 9(5) (ii)(d), the application under Section 9 needs to be rejected where notice of dispute has been received by the operational creditor. The term 'dispute' has been defined in Section 5(6) of the Code. As per Section 5)6) (6), "**dispute**" includes a suit or arbitration proceedings relating to—

(*a*) the existence or the amount of debt;

(*b*) the quality of goods or service; or

(*c*) the breach of a representation or warranty;

34. Regarding admission of Sec 9 petition, the law is clear that the petitioner has to establish undisputed debt and default as per the mandates of Sec 9 of the IBC for the application to be admitted. The judgment of the Hon'ble Supreme Court in ***Mobilox Innovations (P) Ltd. v. Kirusa Software (P) Ltd., (2018) 1 SCC 353*** has considered this aspect of existence of disputes and observed as under:

> ***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?***
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> *If any one 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."*

"51. It is clear, therefore, that once the operational creditor has filed an application, which is otherwise complete, the adjudicating authority must reject the application under Section 9(5)(2)(d) if notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility. *It is clear that such notice must bring to the notice of the operational creditor the "existence" of a dispute or the fact that a suit or arbitration proceeding relating to a dispute is pending between*

the parties. Therefore, all that the adjudicating authority is to see at this stage is whether there is a plausible contention which requires further investigation and that the "dispute" is not a patently feeble legal argument or an assertion of fact unsupported by evidence. It is important to separate the grain from the chaff and to reject a spurious defence which is mere bluster. However, in doing so, the Court does not need to be satisfied that the defence is likely to succeed. At this stage, the Court does not examine the merits of the dispute except to the extent indicated above. So long as a dispute truly exists in fact and is not spurious, hypothetical or illusory, the adjudicating authority has to reject the application."

35. Applying this test requires this Adjudicating Authority to determine three things: (a) whether there is an Operational Debt exceeding the threshold prescribed under Section 4 of the IBC; (b) whether the debt is due and payable and remains unpaid; and (c) whether a genuine dispute existed before receipt of the Section 8 demand notice.

36. It is observed that as per the requirement of Section 8(2)(a) of the Code, the Corporate Debtor is required to bring into notice of the Operational Creditor the existence of any dispute within 10 days of the receipt of the statutory demand notice issued and delivered by the Operational Creditor u/s 8(1) of the Code. In the present case, the Corporate Debtor has filed a reply and contested the demand notice sent by the Operational Creditor to the Corporate Debtor. The Corporate Debtor has disputed both the 'quality of goods' as well as 'quantum of debt' claimed.

37. On the other hand, the Operational Creditor argues that there is no genuine pre-existing dispute exist and the Corporate Debtor has from time to time acknowledged the debt.

38. Thus, the following issues need to be examined and considered –

(a) whether there exists a pre-existing dispute prior to issuance of Section 8 notice.

(b) Effect of alleged acknowledgement of debt by the Corporate Debtor on the pre-existing dispute.

Whether there exists a pre-existing dispute prior to issuance of Section 8 notice.

39. As per the law laid down by the Hon'ble Supreme Court and Hon'ble NCLAT, existence of pre-existing dispute can be substantiated by the written communications including email exchanges between the Operational Creditor and the Corporate Debtor prior to Section 8 notice.

40. The corporate debtor has placed on record a copy of demand notice dated 13.10.2025 sent to the Operational Creditor for indemnification, warranty compliance, and reimbursement of losses caused by defective Forsee Batteries. In para 2 of the Demand Notice, it is stated, "That the relationship between Our Client and your company commenced with an agreement entered into on 3rd June 2021 for the supply of new generation batteries for use in Our Client's Rage+ vehicles. However, soon after deployment, significant technical and performance issues began to emerge, undermining the reliability and intended performance of the vehicles.

41. In paras 3 to 7, examples of defective batteries have been narrated. In para 9, the issue of alleged wrongful rejection of warranty claims has been discussed. In para 11, the following is mentioned:

"In view of the above, we hereby call upon you to reimburse the quantified losses of INR 8,28,60,000/- within seven (7) days of receipt of this notice, and immediately replace/rectify at your own cost all defective batteries, PDUs, and associated components supplied to Our Client, and furnish a clear and binding written assurance confirming warranty coverage and defined service turnaround timelines for all future complaints. In the event of your failure to comply with the aforesaid demand within the stipulated period, Our Client shall be constrained to initiate appropriate civil proceedings against you before the competent courts of law, including but not limited to proceedings for

recovery, damages, and prosecution for offences under applicable statutes."

42. The Operational Creditor has replied to the demand notice of Corporate Debtor. In their reply dated 29.10.2025, the Operational Creditor has referred to the various acknowledgements of debt made by the Corporate Debtor and part payment by the Corporate Debtor. In respect of alleged defects in the batteries, the Operational Creditor has denied any fault or responsibility on their part. In fact, the Operational Creditor, while asking the CD to withdraw the demand notice, has also claimed INR 4,87,39,433/ from the CD. In para 39 of their reply, the Operational Creditor has stated as under:

In light of the aforesaid unequivocal, express and written admission of outstanding liability by Your Client, we hereby call upon you to immediately release payment of outstanding dues amounting to INR 4,87,39,433/- (Rupees Four Crore Eighty-Seven Lakh Thirty-Nine Thousand Four Hundred Thirty-Three Only) within a period of seven (7) days from receipt of this Reply. We have instructions from Our Client to initiate appropriate legal proceedings against Your Client in the event of non-payment, at their risk and cost."

43. The demand notice dated 13.10.2025 sent by the Corporate Debtor and reply dated 29.10.2025 by the Operational Creditor clearly indicate a 'pre-existing dispute regarding quality of batteries supplied by the Operational Creditor which is the subject matter of alleged operational debt'. The Operational Creditor issued a demand notice dated 30.12.2025. Thus, the dispute raised by the Corporate Debtor vide demand notice dated 13.10.2025 is prior to the Section 8 IBC notice given by the Operational Creditor. In fact, the Corporate Debtor in their reply to the Section 8 demand notice, has categorically referred to their demand notice dated 13.10.2025 to substantiate the pre-existing dispute. Corporate Debtor in para 4 of their reply to the Section 8 demand notice has stated as under:

4. Without prejudice to the above, it is hereby stated that the subject matter of the present dispute is fundamentally misconceived and barred by the existence of a clear, bona fide, and long-standing "pre-existing dispute" between Our Client and Your Client. Much prior to the issuance of the impugned Demand Notice, Our Client had already placed its final objections on record, vide the Demand Notice dated 13.10.2025, wherein Our Client expressly asserted its claims arising from breach of warranty, failure of post-sales support, recurring battery defects, and consequential commercial losses and had specifically called upon Your Client to remedy the same and pay the amounts that are lawfully due to Our Client.

The aforesaid objections were communicated to Your Client almost two months prior to the issuance of the impugned Demand Notice. Therefore, the subsequent issuance of the present Demand Notice by Your Client is nothing but a retaliatory and mala fide attempt to misuse the provisions of the IBC. Consequently, the impugned Demand Notice is illegal and liable to be set aside, as there is an existing "dispute" which falls within the ambit of a "pre-existing dispute" under the IBC."

Effect of alleged acknowledgement of debt by the Corporate Debtor on the pre-existing dispute.

44. The Operational Creditor has relied upon the acknowledgements of the debt by the Corporate Debtor in the mail correspondence. The Operational Creditor has submitted that the CD has, on at least five separate occasions, unequivocally and unconditionally acknowledged its liability towards the Operational Creditor by emails dated 05.02.2024, 27.05.2024, 05.07.2024, 12.12.2024 and 27.05.2025, each accompanied by specific assurances or tentative schedules of payment. Illustratively:

05.02.2024 — "…you should expect Rs 1.5 Cr by 20th Feb and balance payments in March and April 2024."

12.12.2024 — a detailed tentative payment plan from December 2024 to May 2025 aggregating to approximately Rs. 4.87 crore.

27.05.2025 — an assurance that the CD would "freeze the payable amount to Forsee Power and issue… a firm payment plan."

45. The Operational Creditor has relied upon the judgments of Hon'ble NCLAT in the case of ***Naresh Choudhary v. Sterling Enamelled Wires Pvt. Ltd., (2023) ibclaw.in 532 NCLAT and Surendra Sancheti v. Gospell Digital Technologies Co. Ltd. and Anr.***

46. We have perused these judgments. In the case of ***Naresh Choudhary v. Sterling Enamelled Wires Pvt. Ltd., (2023) ibclaw.in 532 NCLAT, the Hon'ble NCLAT*** has taken note of the fact that emails by the corporate debtor regarding the quality of material were prior to acknowledgement of debt by the Corporate debtor. We may refer to the following excerpts of the judgment of Hon'ble NCLAT:

10. This now brings us to the issue of pre-existing disputes which have been raised by the Corporate Debtor. It is the contention of the Appellant that four emails had been sent to the Operational Creditor on 23.06.2020, 20.07.2020, 18.08.2020 and 17.09.2020 pointing out the defects in the goods supplied by them besides requesting the Operational Creditor to carry out inspection and verification of the sub-standard quality of goods supplied, which request had not been complied with. Hence, the disputes raised by the Corporate Debtor remained unresolved. In the light of the fact that disputes continued to subsist, it has been contended that the operational debt claimed by the Operational Creditor was a disputed debt and hence not admissible under Section 9 of IBC. 11. It is an undisputed fact that letters of dispute had been raised by the Corporate Debtor on several occasions. Since these letters pertain to the period June 2020 to September 2020, there is no dispute that these pertain to a period prior to the date of demand notice. The Adjudicating Authority at Para 20 of the impugned order has taken notice of these communications but also noted in Paras 21 and 22 that subsequent to these communications, the Corporate Debtor has

acknowledged his liability on 23.07.2021. The relevant paragraphs are reproduced below for easy convenience.

"20. The Corporate Debtor vide their letters dated 24.06.2020, 20.07.2020, 23.07.2020, 18.08.2020 and 17.09.2020 addressed to the Operational Creditor submits that the quality of materials supplied were not good and raised a contention that there is a pre-existing dispute as per section 8 (2) of the Code before filing the captioned company petition.

21. Further, the Corporate Debtor after their letters dated 24.06.2020, 20.07.2020, 23.07.2020, 18.08.2020 and 17.09.2020 regarding inferior quality of goods, sent a letter to the CITI Commercial Bank on 23.07.2021 thereby certified that invoices amounting to Rs.2,07,11,209/- raised by Corporate Debtor are outstanding as per their books.

22. The Corporate Debtor vehemently denied the fact that the letter sent to CITI Commercial Bank amount to acknowledgement of debt. On perusal of letter dated 23.07.2021, this Bench observed that the contents written in the letter dated 23.07.2021, clearly shows that the Corporate Debtor acknowledged the invoices as per their books of account as on 23.07.2021 and also promised/confirmed that they will clear the said invoices. Hence, the contention with regard to pre-existing dispute is not sustainable on perusal of letter dated 23.07.2021 and hence rejected."

12. We are inclined to agree with the findings of the Adjudicating Authority that at the time of acknowledging the outstanding operational debt, the question of any pre-existing dispute having subsisted lacks foundation. This is validated by the fact that the Corporate Debtor has sent a communication dated 29.04.2021 which is seen at page 234 of the Appeal Paper Book ("APB" in short) wherein the Corporate Debtor has clearly admitted their inability to clear the outstanding debt as they were facing difficulties in maintaining their cash flow without any trace or reference to disputes.

47. In the present case in hand, the Corporate Debtor, by demand notice dated 13.10.2025, raised a pre-existing dispute regarding the quality of batteries and in fact demanded compensation from the Operational Creditor. This notice of dispute raised by the Corporate Debtor is much after the alleged acknowledgement of debts vide email dated 05.02.2024, 27.05.2024, 05.07.2024, 12.12.2024 and 27.05.2025. Thus, the judgment of Hon'ble NCLAT in ***Naresh Choudhary v. Sterling Enamelled Wires Pvt. Ltd., (2023) ibclaw.in 532 NCLAT*** is not applicable to the facts of the present case.

48. In the case of ***Surendra Sancheti v. Gospell Digital Technologies Co. Ltd. and Anr. (2024) ibclaw.in 740 NCLAT, the*** following observations of the Hon'ble NCLAT need to be considered:

> *25. Coming to our analysis and findings, we notice that no material has been placed on record by the Corporate Debtor to show that they had categorically rejected the outstanding dues claimed by the Operational Creditor prior to issue of demand notice. There is no evidence of any outright denial of the liability to pay which has been placed on record by the Corporate Debtor.*

49. In the present case in hand, it has been placed on record that a demand notice dated 13.10.2025 was sent by the Corporate Debtor and was responded to on 29.10.2025 by the Operational Creditor. The demand notice by the CD is for indemnification, warranty compliance, and reimbursement of losses caused by defective Forsee Batteries. The Operational Creditor issued a demand notice dated 30.12.2025. Thus, the dispute raised by the Corporate Debtor vide demand notice dated 13.10.2025 was prior to the Section 8 IBC notice given by the Operational Creditor. Therefore, the judgment of Hon'ble NCLAT in ***Surendra Sancheti v. Gospell Digital Technologies Co. Ltd. and Anr. (2024) ibclaw.in 740 NCLAT*** is not applicable as the facts are quite different.

50. We may also refer to the Hon'ble Supreme Court judgment in ***Sabarmati Gas Ltd. v. Shah Alloys Ltd.*, (2023) 3 SCC 229, which**

considered the aspect of 'pre-existing dispute' under Section 9 IBC Petition and has observed as under:

> ***"56.*** *In the contextual situation it is only apposite to be reminded of the observation in Mobilox Innovations (P) Ltd. v. Kirusa Software (P) Ltd., (2018) 1 SCC 353 that in doing the act of separating the grain from chaff the Court need not be satisfied that the defence is likely to succeed. It is enough that a dispute exists between the parties and, in other words, what is to be seen is whether there was a plausible contention requiring investigation for the purpose of adjudication……*
>
> ***57.*** *We may hasten to add here that we shall not be understood to have held that the dispute set by the respondent regarding the dues is ultimately to be upheld. Certainly, when the expression "pre-existing dispute" is used, it will only indicate the existence of a dispute prior to the receipt of a demand notice under Section 8 IBC, and the correctness or its truthfulness is a matter of evidence."*

51. In the light of aforesaid discussion and on analysis of attendant facts and circumstances, keeping in view the provisions of Sec 9 of the IBC read with judgment of the Hon'ble Supreme Court in the matter of ***Mobilox Innovations Private Limited v. Kirusa Software Private Limited, (2018) 1 SCC 353,*** and other cases, we are of the view that there exists pre-existing dispute regarding quality of goods i.e. batteries. Notice of dispute has been given by the Corporate debtor vide demand notice dated 13.10.2025, which was prior to the Section 8 IBC notice dated 30.12.2025 by the Operational Creditor. These disputes require detailed examination of evidence, which cannot appropriately be undertaken in the summary jurisdiction by this Adjudicating Authority.

52. In terms of the settled law by the Supreme Court in the judgments referred to in this Order (viz., **Mobilox** and **Sabarmati Gas (Supra))** and other judgments, in the Section 9 Petition, the Adjudicating Authority has to see the existence of a pre-existing dispute and not the correctness or truthfulness in the dispute.

53. In view of the foregoing, the present application, ***C.P. (IB) 94/ND/2026, is not admitted*** and is accordingly ***dismissed*** on account of the existence of a pre-existing dispute between the parties. This dismissal is without prejudice to the Applicant's right to pursue its claim before a forum of competent jurisdiction.

Sd/-

(ATUL CHATURVEDI)
MEMBER (TECHNICAL)

Sd/-

(MAHENDRA KHANDELWAL)
MEMBER (JUDICIAL)