IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **09.10.2026** THROUGH VIDEO CONFERENCING

PRESENT: **HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)**
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER	**:**
PETITION NUMBER	**:** CP(IB)/269(CHE)/2025
NAME OF THE PETITIONER(S)	**:** Aimwiseai Proprietary Ltd
NAME OF THE RESPONDENTS	**:** Farmwiseai Pvt Ltd
UNDER SECTION	**:** Sec 9 Rule 6 of IBC, 2016

ORDER

Present: Ld. Counsel Shri. Sandeep Kumar Ambalavannan for the Petitioner.

Ld. Counsel Shri. Shravan Maathav for the Respondent.

Vide separate order pronounced in Open Court, the petition is dismissed.

File be consigned to records.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)

MG

Date: 09.10.2026

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

CP/IB/269/CHE/2025

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

In the matter of ***FarmwiseAI Private Limited***

AIMWISEAI PROPRIETARY LIMITED
13 Patera Grove, Fraser Rise,
VIC 3336, Australia.
Represented by its Authorized Signatory
Anandakumaran Sellathurai

… Operational Creditor

-Vs-

FARMWISEAI PRIVATE LIMITED
2nd Floor, No.39, 1st Cross Street, Judges Colony,
Nehru Nagar, Perungudi,
Chennai, Tamil Nadu – 600096, India

…Corporate Debtor

Order Pronounced on ***09th October, 2026***

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Operational Creditor: T.K. Bhaskar, Advocate
Sandeep Kumar Ambalavanan, Salai Varun,
Jerin Asher Sojan, Vikram Veerasamy,
Adharsh S and Haran C, Advocates

For Corporate Debtor : Om Prakash, Senior Advocate
Durga Bhatt, Karthik Jayakumar, Arjun Makuny, Shruthikka S, Shravan Maathav A.M., Advocates

O R D E R

(*Hearing through Hybrid Mode)*

1. Under Adjudication is a petition CP(IBC)/269(CHE)/2025 which has been filed by **AIMWISEAI PROPRIETARY LIMITED** (hereinafter referred to as **'Operational Creditor'**) under Section 9 of the Insolvency & Bankruptcy Code 2016 (hereinafter, 'the Code) read with Rule 6 of the Insolvency & Bankruptcy (Application to Adjudicating Authority) Rules, 2016 against **FARMWISEAI PRIVATE LIMITED** (hereinafter referred to as **'Corporate Debtor'**). The prayer made is to admit the Petition, to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor, declare moratorium and appoint Interim Resolution Professional (IRP).

2. Part-I of the Petition sets out details about the Operational Creditor. The Operational Creditor is an IT company based in Australia. Part-II of the Petition gives the particulars of the Corporate Debtor. It is stated that the Corporate Debtor is a Private Company with CIN: U73100TN2020PTC136220 and was incorporated on 07.07.2020 under the Companies Act, 2013. The Registered Office of the Corporate Debtor is situated at 2nd floor No.39, 1st Cross St, Judges Colony, Nehru Nagar, Perungudi, Chennai, Tamil Nadu 600096 within the jurisdiction of this Tribunal. In Part III of the petition, the

Operational Creditor has proposed the name of "S Kangayan" as the Interim Resolution Professional.

3. The Affidavit verifying the petition is placed at Page No 17 of the Petition. Mr. Anandakumaran Sellathurai has sworn the Affidavit as the authorized signatory of the Operational Creditor.

4. In Part-IV of the Petition, Rs. 1,01,52,129.60 (Rupees One Crore One Lakh Fifty-Two Thousand One Hundred Twenty-Nine and Sixty Paise only) (AUD 188,002.40) including interest has been claimed by the Operational Creditor as the Operational debt. The total amount claimed comprises of principal amount of Rs. Rs. 1,01,52,129.60 and interest amount of Rs. 1,66,129.86. The date of default is stated to be 11.03.2025 i.e., the date on which the Corporate Debtor admitted, accepted and promised to settle the pending operational debt due to the Operational Creditor.

5. Part – V of the Application discloses about the list of the documents which have been filed by the Operational Creditor to prove the 'Operational debt'

6. **PETITIONER'S SUBMISSIONS:**

6.1. It is stated that the Operational Creditor had entered into a Software Consulting Agreement and Software Development Agreement with the Corporate Debtor for the software development and related technology services on 20.10.2023 and 30.11.2023, respectively. As per the Software Development Agreement, the

Operational Creditor was to provide software development services to the Corporate Debtor for an annual fee of AUD 362,726, payable on a Time & Material basis. The Operational Creditor would issue invoices in terms of the Agreement for which payments would fall due within 30 days of receipt. Additionally, any approved direct expenses will be reimbursed separately. The agreement is governed by Indian law, with compliance to all relevant legal and regulatory requirements, including export laws and anti-bribery regulations.

6.2. It is stated that pursuant to the aforementioned agreements, Operational Creditor issued a series of invoices beginning from November 2023 for software development services rendered, with payments due on the 30th day from the date of invoice. Invoices were raised in accordance with the mutually understood workflow, and the final consolidated invoice for the outstanding dues was issued upon completion of services and confirmation of pending balances.

6.3. It is stated that the last payment was made on 10.03.2025 for an amount of Rs.995,976.00 (AUD 18,444 @ exchange rate of Rs. 54 per AUD). The total unpaid invoice amount, as detailed in the invoices, stands at Rs. 1,00,90,156 (Rs. 1,10,86,132 minus the amount Rs. 9,95,976 paid on 10.03.2025) which is supported by the corresponding invoice records.

6.4. It is stated that the basis of the total Operational Debt is the pending invoices which ought to have been discharged by the Corporate Debtor which has been admitted and acknowledged by the

Corporate Debtor vide letter dated 11.03.2025. It is stated that despite repeated reminders and final warning emails sent to the Corporate Debtor, the payment for the outstanding balance has not been received as on date.

6.5. It is stated that in addition to the above, an amount of Rs.61,973.60 remains payable for Amazon Web Services (AWS) usage, which was used for Corporate Debtor's product environment. These services were billed directly to Operational Creditor's account and were communicated to the Corporate Debtor via email on multiple occasions. However, this amount has not yet been settled.

7. RESPONDENT SUBMISSIONS

7.1. It is stated that the Company Petition is actuated by an ulterior and *mala fide* motive. The Company Petition is a colourable attempt by Mr. Anandakumaran to coerce the Corporate Debtor into payment. Section 9 of the Code is being employed as a recovery mechanism, which is contrary to the spirit and settled objectives of the Code. Operational Creditor has selectively placed on record cherry-picked "facts" and isolated correspondences, while deliberately suppressing material facts and documents that do not suit its constructed narrative.

7.2. It is stated that the Corporate Debtor is an Indian incorporated entity bearing CIN: U73100TN2020PTC136220, engaged in cutting-edge AI-driven agriculture, Agri-Stack infrastructure, and urban planning solutions. The Corporate Debtor is an established credible technology partner, equipping governments and institutions with

sophisticated geospatial intelligence through advanced GeoAI products, delivering tangible, real-time insights that enable sustainable development, risk assessment, and evidence-based policy execution, while optimizing resources on a large scale

7.3. It is stated Mr. Anand Vetrivel, holds 50% shareholding in Operational Creditor and is a shareholder and Director of the Corporate Debtor. This overlapping ownership and directorial control is not incidental but goes to the root of the relationship between the parties. The association subsisted from the inception of Operational Creditor and establishes a pre-existing relationship in the nature of a joint entrepreneurial and collaborative business arrangement, much prior to the issuance of the alleged Demand Notice dated 01.05.2025. It is submitted that Mr. Anandakumaran was, at all material times, fully aware of the affairs of the Corporate Debtor.

7.4. It is stated that the Corporate Debtor, in its pursuit of expanding operations into the Australian market, based on long-standing professional association with Anandakumaran mutually agreed to incorporate 'AimwiseAI Proprietary Ltd' i.e., the Operational Creditor, in Australia. At that point in time, Anandakumaran was appointed and operating as the Managing Director and Chief Technology Officer of the Corporate Debtor.

7.5. The decision to incorporate the Operational Creditor in Australia was not driven by the operational necessity of Corporate Debtor alone, but was significantly influenced by the personal representations of

Anandakumar, concerning his personal advantages and claimed capabilities, such as: **a.** Status as an Australian Permanent Resident, which he claimed would unlock preferential regulatory treatment; **b.** Alleged tax benefits and access to government grants/subsidies that would accrue from his directorship; and **c.** Purported ability to leverage local networks and AWS channel partnerships to generate substantial business.

7.6. It is stated that the appointment of Anandakumaran as the Director of Operational Creditor and his 50% shareholding in Operational Creditor was premised entirely on his representations and commitments, namely: **a.** That holding the director position would confer personal tax benefits and facilitate access to government grants and subsidies; **b.** That he would leverage his AWS channel partnerships to bring in business worth USD 1 million to the Corporate Debtor within one year of incorporation; and **c.** That while the Corporate Debtor would bear operational investments, there would be future capital restructuring to reflect actual contributions.

7.7. It is stated that the Operational Creditor was incorporated, with the incorporation charges completely borne by the Corporate Debtor with Anand Vetrivel and Anandakumaran Sellathurai holding 50% of the share capital. Subsequently, Anandakumaran collected the personal details of Anand Vetrivel for the purpose of appointing him as a Director of Operational Creditor. It was an understanding of the Corporate Debtor that the appointment of Anand Vetrivel as Director has been duly completed. However, it subsequently transpired,

through an email issued by Anandakumaran that the said appointment process was never concluded.

7.8. **The facts pertaining to execution of software consulting agreement are enumerated hereunder,**

7.8.1. The Software Consulting Agreement dated 20.10.2023 and Software Development Agreement (hereinafter referred to as "**Agreement**") were executed between the Corporate Debtor and Operational Creditor. Based on the estimated operational costs, including wages and execution expenses, an amount of AUD 362,726 per annum was arrived at, on a "Time and Materials" contingency. These payments were to be made subject to monthly invoicing supported by proper documentation and verification.

7.8.2. Despite this arrangement and contrary to the mutual understanding and contractual obligations, the commercial relationship between both the parties was marred by consistent breaches, by Anandakumaran. While there existed latent concerns in the background with regard to the operations and management of Operational Creditor, the same neither crystallised nor assumed any material significance until the exchange of emails between 20.03.2025 and 01.04.2025, between Anandakumaran and Anand Vetrivel. Anandakumaran began relying upon an "under-process" reconciliation Excel sheet, the entries of which were unilaterally populated solely by the Authorised Signatory of Operational Creditor. The e-mail of the Corporate Debtor is extracted hereunder:

"I think we have gone over this many times in the past few weeks, including on the call yesterday where we discussed FAI continuing to support AAI expenses (audit, cloud etc) for the next few months. I think it makes most sense to formalize the FAI-AAI engagement and I believe the correct approach is for FAI to takeover AAI and subsidiarize it. This will ensure you have clean break from FAI and also help quell any queries from potential investors.

I am sharing a draft MOU for your perusal. If you are fine, please confirm and we can initiate the execution process. Happy to get into a call and discuss, if needed.

Further, as you part ways with FAI, I believe a proper handover is very much in line with industry standards. It would be great if you can share."

7.8.3. By email dated 25.03.2025, Anandakumaran asserted that no relationship exists between Operational Creditor and the Corporate Debtor, except for a service-delivery arrangement, which purportedly comprised consultation services rendered by him and his role as CTO at the Corporate Debtor. This is demonstrably false and stood contradicted by the mail dated 31.03.2025 issued by the Corporate Debtor. In the said mail, it was clarified: a) That Operational Creditor was jointly formed with the Corporate Debtor as an extension of the Corporate Debtor's business for expansion into the Australian market; b) That the appointment of Anandakumaran as a Director and 50% shareholder was founded upon specific representations, assurances and commitments made by him; and c) That the Corporate Debtor undertook full responsibility for Operational Creditor's operational investments with a clear and shared understanding of future capital

restructuring. The said mail further recorded that Operational Creditor was never intended to function as an independent or competing entity, and that all business development, investments, invoices, intellectual property, platforms, and revenues generated were intrinsically linked to and funded by the Corporate Debtor. The unilateral actions of Anandakumaran, such as revocation of access to accounting systems and the raising of unsupported invoices were expressly disputed and rejected. This mail establishes the existence of an interlinked business arrangement, and exposes the subsequent attempt by Operational Creditor to project itself as an unrelated third-party "Operational Creditor".

7.8.4. It is stated that an e-mail dated 01.04.2025 was issued by Anandakumaran wherein it was stated that: a) Operational Creditor is not owned or invested by the Corporate Debtor and that the 50% shareholding held by Anand Vetrivel was in his personal capacity; b) The dealings between Operational Creditor and the Corporate Debtor were described as a "trade relationship", not evidencing any ownership or intellectual property rights in favour of The Corporate Debtor; and c) Operational Creditor was incorporated and registered in Australia with Anandakumaran Sellathurai as its Sole Director and with governance stated to be subject to the Corporations Act, 2001 and the jurisdiction of the State of Victoria. In the said e-mail Anandakumaran set out a proposal, which is extracted herein below:

"1. Settle for a lesser amount as my final payment:

Excel showing the outstanding amounts to be paid for Operational Creditor from Purushothaman's email (attached) dated 11.03.2025 states the outstanding amount to be A$205,299 (INR 11,086,132).

- An amount of $18,444 was paid to Operational Creditor by FAI on 10/March/2025.

- Service Fees for March 2025 which is Rs.250000 equivalent to A$4686.

Hence the final outstanding amount to be paid to Operational Creditor by The Corporate Debtor is: A$186,855 + A$4686 = ***A$191,541.***

2. Sign a legal binding agreement (Settlement Agreement and Release) to execute below activities.

a. The Corporate Debtor agrees to pay the outstanding amount A$191,541 within next 3 months (Before end of July 2025).

b. Transfer Anand Vetrivel's personal shares within Operational Creditor to Anandakumaran Sellathurai (me).

c. Confidentiality clause to avoid disclosing information to your investors.

d. Change the name of Operational Creditor to another to avoid any future conflicts."

7.8.5. The Corporate Debtor vide email dated 01.04.2025, reiterated that Operational Creditor has been funded by the Corporate Debtor since its inception and that all operational expenses, reimbursements, and compliance-related costs have been borne by the Corporate Debtor. The Corporate Debtor has placed on record instructions not to effect any changes to Operational Creditor's statutory or corporate records, shareholding, or key

managerial personnel, not to enter into new commercial, financial, or partnership arrangements without prior written consent of the Corporate Debtor, while also recording its willingness to continue meeting statutory and compliance obligations and reiterating its request for immediate restoration of full access to all credentials and systems.

7.8.6. It is stated that only during the exchange of the aforesaid correspondences, did the Directors of the Corporate Debtor clearly realise that Anandakumaran was utilising the Corporate Debtor's clientele and client database to independently solicit and undertake business transactions for Operational Creditor, in direct contravention of Clause 8.4 of the Agreements.

7.8.7. The Corporate Debtor consistently displayed its intent to resolve the issues amicably, inter alia, by proposing verification of invoices, restoration of access to critical platforms, and execution of a Memorandum of Understanding. These initiatives were undertaken solely to enable the Corporate Debtor to ascertain the true state of Operational Creditor's management, financial position, and operational affairs, and to obtain full transparency before documenting any final commercial proposal. Instead of engaging in the said process, Operational Creditor chose to escalate the matter by issuing a Demand Notice dated 01.05.2025 under Section 8 of the Code, which is misconceived, improperly invoked, and legally untenable.

7.9. **Anandakumaran is engaged in the unilateral actions that serve a conflict of interest:**

7.9.1. Presently, Anandakumaran Chelladurai, is also the Co-Founder and CTO of an entity named 'ModernInnovation'. The CEO of ModernInnovation, Dr. Dan, was originally introduced to the Corporate Debtor for product development purposes. However, instead of promoting the interests of the Corporate Debtor or Operational Creditor, Anandakumaran personally associated himself with ModernInnovation and became its Co-Founder, which clearly demonstrates a conflict of interest and misuse of trust.

7.9.2. Anandakumaran also independently approached competitors of the Corporate Debtor and executed dealings with them.

7.10. It is stated that as per the understanding between the parties, all expenses of Operational Creditor were to be borne entirely by the Corporate Debtor and any revenue generated by Operational Creditor was to accrue solely to the Corporate Debtor, however, Anandakumar raised unsubstantiated demands for reimbursement of expenses allegedly incurred by the Operational Creditor, without furnishing any supporting proof and while simultaneously denying access to its financial books and records when questioned the basis of invoices and sought documentary support for the claimed amounts, as recorded in emails dated 24.03.2025, 25.05.2025, 31.03.2025 and 01.04.2025

7.11. It is stated that upon receipt of the Demand Notice dated 01.05.2025, the Directors of the Corporate Debtor were taken by complete surprise, particularly the relationship founded on mutual trust, collaboration, and a long-term business understanding between Anandakumaran and the Corporate Debtor, has now been rendered uncertain and precarious.

7.12. It is stated that the conduct of Anandakumaran clearly transcends a mere commercial dispute and reflects an attempt to pursue personal animus against the Directors of the Corporate Debtor, by deliberately constructing a false, fabricated, self-serving and concocted narrative with the sole objective of unlawfully extracting monetary gain

7.13. It is stated that the other shareholder of Operational Creditor, Anand Vetrivel, has been entirely excluded from the management and affairs of Operational Creditor and, to date, has been denied access to its books of accounts, financial records, and other statutory and legal documents. Further, no approval or consent in the form of Board Resolution or in any form of writing was provided to Anand Vetrivel for any of Operational Creditor's business activities, till date.

7.14. **There is a bona fide and pre-existing dispute between the parties well prior to the issuance of the Demand Notice dated 01.05.2025, as enumerated below:**

7.14.1. The initiation of proceedings under Section 9 requires the existence of a clear, undisputed, and crystallised operational debt.

Where a genuine dispute exists prior to the issuance of the statutory Demand Notice, the Code expressly bars the commencement of Corporate Insolvency Resolution Process (hereinafter referred to as "**CIRP**"). In the present case, the record clearly establishes the existence of such a pre-existing dispute, as detailed hereinafter.

7.14.2. The present proceedings pertain to a disputed operational debt. The chain of mails annexed with the Counter Statement/Reply clearly reflects a consistent and substantive disagreement between the parties in relation to the alleged operational debt, the performance of contractual obligations, and the quantum of the amount claimed.

7.14.3. A genuine and substantive dispute existed between the parties much prior to the issuance of the Demand Notice dated 01.05.2025, as evidenced by a continuous chain of email communications exchanged between 11.03.2025 and 01.04.2025. The alleged operational debt was neither admitted nor crystallised, but was actively contested on multiple grounds

7.14.4. The existence of a dispute was observed on 01.04.2025 when Operational Creditor sought to compel the Corporate Debtor into a purported 'settlement' by reducing the claimed amount to Australian Dollars 191,541, subject to extraneous and unlawful conditions including transfer of 50% shareholding, change of the company's name, and confidentiality obligations.

Such communication itself demonstrates that money claimed was provisional, under review, and subject to further negotiation, thereby negating any suggestion of an undisputed or admitted debt.

7.14.5. Under Section 9(5)(ii) of IBC, if a genuine pre-existing dispute is found to exist prior to the issuance of the demand notice, the Petition seeking initiation of CIRP, must be rejected. The foregoing facts and circumstances clearly establish a pre-existing dispute within the meaning of IBC. In consideration of the above, it is submitted that the petition filed under Section 9 of IBC is not maintainable.

7.15. **Mere transmission of excel sheet via email does not amount to admission of liability as enumerated below:**

7.15.1. Mere exchange of documents or correspondence for the purpose of reconciliation or verification cannot, in law, be treated as an acknowledgment/admission of liability or debt. Any reliance placed on such communications without appreciating their limited context and non-disclosure of subsequent correspondence evidencing dispute is misleading and untenable. Operational Creditor has sought to portray routine correspondence exchanged for the limited purpose of reconciliation, as an acknowledgment of liability, while deliberately omitting subsequent communications that clearly record disputes and objections.

7.15.2. On 11.03.2025, Operational Creditor merely sought access to an Excel sheet titled 'Aus Exp - Updated.xlsx' for the limited purpose of reconciling certain expenses. The Excel sheet was subsequently shared by the Corporate Debtor solely as a working document for verification and reconciliation, and the same cannot, be construed as acknowledgment of liability. At no stage did the Corporate Debtor accept either the correctness or the finality of the figures contained in the excel sheet. Further, the excel sheet referred to herein is specifically termed with the heading "Estimation".

7.15.3. The said communication cannot, in any manner, be construed as an acknowledgment of liability or acceptance of the correctness or finality of the figures contained therein. This position stands further clarified in the subsequent email correspondence dated 24, 25, and 31.03.2025 and 01.04.2025, wherein the amounts claimed were expressly disputed. The Demand Notice issued by Operational Creditor is conspicuously silent on these communications, thereby amounting to *suppressio veri*.

7.16. **The applicability of interest component is disputed basis the below mentioned contentions:**

7.16.1. There exists no agreement, either oral or written, wherein the Corporate Debtor has agreed to pay interest on invoices raised by Operational Creditor. Neither does the Agreement nor the

invoices contain any clause stipulating the Corporate Debtor's liability to pay interest on delayed payments. Furthermore, the amounts claimed in the Company Petition are themselves disputed, and therefore any claim for interest thereon is wholly premature, speculative, and legally untenable.

7.16.2. It is a well-recognized principle that interest cannot be imposed arbitrarily or retrospectively, particularly where the principal claim itself is disputed and has not been adjudicated upon. The attempt of Operational Creditor to inflate the alleged dues by adding interest is nothing more than a coercive tactic, and such a claim is liable to be rejected in its entirety.

7.17. **The Petition is not maintainable on the below mentioned grounds:**

7.17.1. The alleged operational debt is disputed on multiple grounds, including but not limited to the quantum of the claim, validity of invoices, lack of supporting documentation, breach of contractual obligations, withholding of access to financial and operational systems, conflict of interest, and coercive attempts to force equity transfer.

7.17.2. The disputes between the parties arose much prior to the issuance of the Demand Notice dated 01.05.2025, as evidenced by continuous email correspondence exchanged between March and April 2025, wherein the Corporate Debtor consistently and

unequivocally disputed the claims raised by the Operational Creditor.

7.17.3. The Operational Creditor itself admitted the unsettled and provisional nature of its claim by arbitrarily revising the alleged outstanding amount to AUD 191,541 and linking payment to extraneous and unlawful conditions, thereby demonstrating that the alleged debt was neither admitted nor crystallised

7.17.4. The claim raised is not a pure operational debt, but is inextricably intertwined with complex issues relating to breach of the Agreement and trust, shareholding rights, governance disputes, and alleged mismanagement, all of which require adjudication before a competent civil or arbitral forum;

7.17.5. IBC is not a substitute for debt recovery or enforcement of disputed claims, and invocation of Section 9 in the present case amounts to a gross abuse of the insolvency framework;

7.17.6. The personal disputes between the parties have reached such extreme that Anandakumaran is using the insolvency proceedings to settle personal score and take revenge. In the present case, Anandakumaran is settling his personal dispute by creating a tall tale against the Directors of the Corporate Debtor wherein insolvency is being manufactured against the Corporate Debtor.

7.17.7. The subject Company Petition has been initiated with mala fide intent and for extraneous purposes, solely to exert undue pressure, arm-twist the Corporate Debtor, and compel acceptance of unlawful demands including forced transfer of Mr. Anand Vetrivel's equity. Such conduct squarely attracts the mischief sought to be prevented under IBC and renders the subject Company Petition as non-maintainable.

7.17.8. It is stated that the Company Petition filed by Operational Creditor is not maintainable either in law or on facts and deserves to be dismissed at the threshold with costs.

8. REJOINDER/ WRITTEN SUBMISSIONS FILED BY THE PETITIONER

8.1. The responses filed by the Petitioner in the Rejoinder and in the Written Submissions have been briefly summarised below for brevity.

8.2. It is stated that the Respondent's own Director, Mr. Anand Vetrivel, admitted the Respondent's financial distress via WhatsApp dated 27.02.2025, stating that salaries have become difficult to pay seeking 2-3 months (up to 6 months) to discharge the debt

8.3. It is stated that a statutory Demand Notice dated 01.05.2025 (Form 3) was issued for Rs. 10,317,995.18 (AUD 191,073.98). The Respondent's Reply Notice dated 10.06.2025 nowhere denies liability, it instead asserts, for the first time, that the Petitioner is a 'subsidiary/extension' of the Respondent. Moreover, there is no qualm pertaining to the Agreements entered between the Operational

Creditor and the Corporate Debtor, in fact the payment terms were also agreed in their Reply notice dated 10.06.2026.

8.4. It is stated that Clause 12(a) of the executed Agreement records in terms that the Petitioner rendered services strictly as an "independent contractor" and that the Agreement "does not create an employer-employee relationship", nor any partnership, agency, or joint venture. The Respondent's belated 'ownership/subsidiary/extension' narrative, raised for the first time in its Reply for the ask of remaining payments, is squarely contradicted by this written contractual term and cannot be permitted to override it. Moreover, Clause 6.2 of the Agreement dated 20.10.2023 specifies that the "Assignments of Developments" that are made by the Petitioner Company, shall solely lie with the Respondent Company and also mentions that this agreement is a 'work made for hire'. The relevant clause is as under:

> *"i. Independent Contractor. Software Developer will render all Development Services as an independent contractor and this Agreement does not create an employer-employee relationship between FAI and Software Developer. Software Developer shall not in any way represent itself to be a partner, any type of agent of or joint ventures of or with FAI."*

8.5. It is stated that the Respondent Company has no shareholding in the Petitioner Company. The 50% shareholding held by Mr. Anand Vetrivel is admittedly in his personal capacity, as clarified contemporaneously by email dated 01.04.2025, well before the Demand Notice. Even assuming such governance issues exist, they lie before the

competent Australian forum and cannot suspend the Respondent's independent payment obligation. Till date no action for the same has been taken by the Corporate Debtor and the same is raised just to thwart the present Sec 9 proceedings. Significantly, paragraph 7 of the Respondent's Reply Notice records that the Petitioner's shares are held equally by Mr. Anand Vetrivel and Mr. Anandakumaran Sellathurai in their individual names; it does not identify the Respondent Company as a shareholder.

8.6. It is stated that the Corporate Debtor has pleaded no legally sustainable case of misrepresentation and produced no contemporaneous material evidencing the alleged 'categorical representations and commitments' by the Authorised Representative of AimwiseAI, including exact words, date, medium, recipients and reliance. The assertions in sub-clauses (a) to (c) that AimwiseAI was 'jointly formed' as an 'extension', that shareholding/directorship arrangements rested on such representations, and that FarmwiseAI assumed 'full responsibility' for investments with future 'capital restructuring', are false and irrelevant. The attempt to characterise the relationship as a 'joint entrepreneurial arrangement' is intended to divert the Tribunal from the issue of default, and even if assumed, none of these operates as a set-off, waiver, novation, or justification for non-payment.

8.7. It is stated that the allegations on residency status, 'tax benefits', grants/subsidies and networking/channel representations are wholly irrelevant to the narrow issue under Section 9. The insinuations of 'tax

benefits' and 'preferential treatment' are pleaded without particulars of fraud or any supporting material and are intended to lower the reputation of the Authorized Signatory. Even if discussions about business advantages in Australia occurred, they would not extinguish the Corporate Debtor's independent obligation to pay for services delivered. The Corporate Debtor is attempting to convert these proceedings into a collateral forum for shareholding/governance grievances and personal insinuations.

8.8. It is stated that the e-mail dated 24.03.2025 from the Operational Creditor was a reconciliation/clarification email proceeding on the basis that amounts were payable and seeking confirmation on deductions/credits. The Corporate Debtor's reply email, instead of disputing any invoice on merits such as non-performance/deficiency, unilaterally reframed the relationship and introduced a draft MOU proposing takeover/subsidiarisation, a collateral corporate-structure proposal intended to shift leverage after dues were raised, and not a bona fide dispute on operational debt.

8.9. It is stated that Corporate Debtor's reliance on the email dated 01.04.2025 as a 'dispute' is misconceived. The settlement proposal proceeds on the basis that a quantified outstanding amount was payable and sets out a structured payment timeline and settlement documentation. The figures were derived from the Corporate Debtor's own reconciliation email dated 11.03.2025, the payment made on 10.03.2025, and the then outstanding service fees. A settlement concession is not an admission that earlier dues were 'inflated', and a

reconciliation/discounted number shows that the debt was computed and the Corporate Debtor was already paying against it. Such proposals evidence acknowledgment of liability and a good faith attempt to resolve the default, and do not convert a crystallised debt into a 'pre-existing dispute'.

8.10. It is stated that neither party terminated the said contract, whether in writing or orally, nor was any such plea taken in their reply/counter. If that is the case, the said agreement is still valid and operative, and both parties are bound by the said agreement. It obligates the Corporate Debtor to pay invoices within 30 days of receipt (unless otherwise stated in the Business Terms Exhibit), and the Corporate Debtor acted upon it by receiving services and making part-payments over the time. The Corporate Debtor cannot rely on the words 'documentation and verification' to withhold payment indefinitely after accepting services and receiving invoices. It has pleaded no specific breach with particulars (dates, clauses, deliverables, or contemporaneous notices of breach) that could lawfully extinguish or suspend its payment obligation, and broad characterisations such as 'obstructive' or 'hostile'.

8.11. It is stated that the allegation that the Operational Creditor refused to share credentials, 'revoked access' or obstructed continuity is factually incorrect and is contradicted by the Corporate Debtor's own contemporaneous emails. By email dated 11 March 2025 at 11:14 pm to Purushothaman/FAI, and again by email dated Thursday, 27 March 2025 at 8:32 pm (subject: "Re: AWS Account Payment Request"),

the Operational Creditor recorded that the operational transition/handover, at least of the AWS workloads, had been completed well before the Corporate Debtor's 01.04.2025 assertions. No contemporaneous objection was raised, and the Corporate Debtor pleads no particulars: no specific statutory filing, deadline missed, regulator notice, penalty, or causal link.

8.12. The plea of 'verification of invoices' is a manufactured pretext for a blanket demand for AimwiseAI's internal credentials and systems. In its email of 31 March 2025, the Corporate Debtor states that access was revoked to "key platforms such as Xero... used to manage AAI's invoicing..." and that, owing to restricted access and lack of documentation, it "cannot validate the charges and formally rejects the invoice." Invoice validation does not require access to the Operational Creditor's internal accounting platform; it is done by reference to the executed agreement, invoices, and supporting ledger correspondence. The demand for blanket access across Xero/AWS/Azure would expose confidential internal financial and operational data far beyond any legitimate invoice review and, coupled with the takeover/MOU and 'consent' demands, reveals an attempt to obtain control over AimwiseAI despite having no ownership.

8.13. The Corporate Debtor has no legal right to audit, control, or access AimwiseAI's books, management, or operational affairs as a condition precedent to paying contractual invoices, nor can it impose a unilateral 'mutual verification' regime. Its approach of 'no access, therefore cannot validate, therefore reject' is untenable. Its obligation to

pay arises from the executed agreements, invoices and course of dealing, not from any right to inspect AimwiseAI's internal affairs

8.14. It is stated that the chronology relied upon by the Respondent from 24.03.2025 to 01.04.2025 defeats its own case. The 24.03.2025 email sought confirmation of a 'total payable' figure language acknowledging, not disputing, the liability. It was only thereafter, on 25.03.2025, that the Respondent for the first time proposed a takeover/subsidiarization of the Petitioner Company and demanded system access a collateral leverage tactic introduced after payment was sought, not an invoice wise dispute nor have they raised the same prior.

8.15. It is stated that interest at 12% p.a. for 50 days from 11.03.2025 to 30.04.2025 on the admitted principal is reasonable and transparently computed. In any event, even after excluding interest, the admitted principal debt and default independently meet the statutory threshold under Section 4 of the IBC

8.16. It is stated that Following points are crucial for admission of the petition.

a. The Respondent's own conduct of part-payments made on 10.03.2025 for the initial few invoices raised (Paid Invoices dated 02.11.2023 to 28.02.2024),

b. The Corporate Debtor's admission on 11.03.2025 by sharing the balance remaining payment for the Petitioner Company, and

c. No contemporaneous document prior to the Demand Notice identifies any specific disputes pertaining to the services rendered or to the Quality of Services.

8.17. It is stated that the Director's message over WhatsApp assurance on 27.02.2025, which also reflects the financial distress of the Respondent Company and also the affairs of the Company, is consistent with the requirements mentioned under Section 8 read with Section 9 of the IBC.

8.18. It is stated that, the allegation of denial of Xero/AWS/Azure access is factually incorrect, the Petitioner's email dated 27.03.2025 confirms handover of AWS workloads which was already complete and is, in any event, collateral to invoice validation, Agreement, invoices, and ledger already on record.

8.19. It is stated that the Corporate Debtor's COO Purushothaman emailed the Operational Creditor on Thursday, 2 November 2023 (11:49 pm AEST) with the subject "Australia Unit Expenses - Aimwise Pvt. Ltd" and expressly stated, inter alia: "attached an Excel file containing the information required for raising an invoice... for the monthly resource fee"; and "If you could kindly review the document for accuracy and confirm the amount, it would be greatly appreciated." requesting the Operational Creditor to "review... and confirm the

amount". This contemporaneous email demonstrates that the Excel sheets were used for raising invoices and quantifying monthly fees, i.e., as part of the parties' invoicing process and course of dealing, and not merely for some 'limited reconciliation' with no liability consequences. The Corporate Debtor cannot now disown its own invoicing workflow and argue that quantified sheets showing payables are legally meaningless.

8.20. The emails dated 24, 25, 31 March and 1 April 2025, and the exchange between 11 March and 1 April 2025 generally, do not evidence any 'consistent and substantive disagreement' on service performance or any invoice-wise defect. They show acknowledgement of dues, part-payments, requests for time due to financial constraints, and then an attempt, after dues were raised, to reframe the relationship as subsidiary/extension and to demand restoration of access/control and governance restraints as leverage. Such collateral assertions are not a genuine dispute of operational debt under Section 8/9.

FINDINGS OF THIS TRIBUNAL

9. Heard the submissions made by both the parties and perused the pleadings and documents placed on record.

10. It is seen that the Corporate Debtor was incorporated on 07.07.2020 having its registered office in Chennai. The Operational Creditor was incorporated on 06.10.2023 under the Corporations Act, 2001 and is registered in Victoria, Australia. Anandhakumar Sellathurai, who was the CTO of the Corporate Debtor at the time, was

appointed as the Director, Secretary and Public Officer of the Operational Creditor. He was also holding 100 shares of AUD 1 each.

11. The Operational Creditor entered into a Software Consulting Agreement dated 20.10.2023 with the Corporate Debtor for provision of consulting services. In terms of Clause 5 of the said Agreement, the Operational Creditor would raise invoices that were required to contain such details as the Corporate Debtor may reasonably require. Payments due were to be made within thirty days from receipt of the invoice and were payable in Australian Dollars.

12. Clause 12(c) of the Agreement required the Operational Creditor to maintain books, records, documents and other evidence pertaining to costs and expenses under the Agreement, to the extent of the claims made by the Creditor/ Service Provider, and to make such records available to the Corporate Debtor. Clause 12(c) is extracted hereunder,

c. Records. Consultant agrees to maintain books, records, documents and other evidence pertaining to the costs and expenses of this Agreement (hereinafter, collectively called the "Records") to the extent and in such detail as will properly reflect all costs and expenses for which the Consultant claims payment or reimbursement under the provisions of this Agreement and shall make the Records available to an authorized representative of FAI upon request by FAI.

13. The Operational Creditor and the Corporate Debtor also entered into the Software Development Agreement dated 30.11.2023, wherein the Operational Creditor agreed to provide software development services to the Corporate Debtor. Clause 5 of the Agreement provides that the Corporate Debtor would pay the Software Developer a fee of AUD 362,726 per annum for the entire duration of the contract, on a "Time & Materials" basis for the completed assignment at the end of

each month, and that the fee shall not exceed the total fees per annum under any circumstance. The payment terms and the obligation relating to maintenance and production of records were substantially identical to those contained in the Software Consulting Agreement.

14. The aforesaid contracts laid the basis of a service provider–service recipient relationship between the Operational Creditor and the Corporate Debtor. Collectively, the terms of the contract establish that the Operational Creditor was to render consulting and software development services, raise invoices on a "Time & Materials" basis for the 'completed assignment' and receive payment within the 30 days period. The Agreements required the Operational Creditor to maintain records relating to the costs and expenses forming the basis of its claims and to make such records available to the Corporate Debtor. What constitutes '*completed assignment*', '*time and material basis*' or '*records*' is not expressly defined in the Agreements. Hence, the manner in which the parties understood and acted upon the contractual terms, has to be examined in light of the facts and circumstances of the case, conduct of the parties and the common business parlance. Hence, we will examine the conduct of the parties prior to the issuance of the demand notice by the Operational Creditor.

15. It is pertinent to note that after the Agreements were entered into, the Operational Creditor by resolution dated 05.12.2023, approved the transfer 50% of the shares of the Operational Creditor from Anandakumaran, the sole director to Anand Vetrivel, the director

of the Corporate Debtor. The share certificate and share transfer form in this regard have been placed on record.

16. On 02.11.2023, the Corporate Debtor's COO Purushothaman emailed the Operational Creditor with the subject "Australia Unit Expenses - Aimwise Pvt. Ltd" and stated that an Excel file containing the information required for raising an invoice on monthly basis for the resource fee has been attached. The Corporate Debtor had requested the Operational Creditor to review the document and confirm the amount. The excel workings estimated that the monthly invoices raised would amount to AUD 27,208 beginning from November 2023 up to November 2024. Further, the e-mail refers to the Operational Creditor as the *Australia unit* and the Corporate Debtor itself as the *Indian unit* for the monthly resource fee." The e-mail is extracted hereunder:

> As discussed, I have attached an Excel file containing the information required for raising an invoice from our Australia unit to our India unit for the monthly resource fee.
>
> Please find the attached file. I have highlighted in yellow the field for inputting the one-time/set-up cost to raise it in the first invoice.
>
> If you could kindly review the document for accuracy and confirm the amount, it would be greatly appreciated.
>
> Thanks

AIMWISEAI PVT LTD				
Date	Cost (A$)	Cost (Rs.)	Category	Remarks
2-Nov-23	1.00		One Time	Incorporation Exp
2-Nov-23	1.00		One Time	Setup Cost
2-Nov-23	1.00		One Time	Setup Cost
2-Nov-23	9,069	486,111	Monthly	Australia Unit Exp- Oct'23 10 days
30-Nov-23	27,208	1,458,333	Monthly	Australia Unit Exp - Nov'23
31-Dec-23	27,208	1,458,333	Monthly	Australia Unit Exp - Dec'23
31-Jan-24	27,208	1,458,333	Monthly	Australia Unit Exp - Jan'24
28-Feb-24	27,208	1,458,333	Monthly	Australia Unit Exp - Feb'24
31-Mar-04	27,208	1,458,333	Monthly	Australia Unit Exp - Mar'24
30-Apr-04	27,208	1,458,333	Monthly	Australia Unit Exp - Apr'24
31-May-04	27,208	1,458,333	Monthly	Australia Unit Exp - May'24
30-Jun-04	27,208	1,458,333	Monthly	Australia Unit Exp - Jun'24
31-Jul-04	27,208	1,458,333	Monthly	Australia Unit Exp - Jul'24
31-Aug-04	27,208	1,458,333	Monthly	Australia Unit Exp - Aug'24
30-Sep-04	27,208	1,458,333	Monthly	Australia Unit Exp - Sep'24
31-Oct-04	27,208	1,458,333	Monthly	Australia Unit Exp - Oct'24
30-Nov-04	27,208	1,458,333	Monthly	Australia Unit Exp - Nov'24
Total		19,444,440		

17. By e-mail dated 08.11.2023, the Operational Creditor included the incorporation/ 'set-up' cost in the excel workings and sought further clarifications on the amount to be specified in the first invoice. There is no contractual basis submitted by the Operational Creditor on which such incorporation expenses were treated as amounts recoverable from the Corporate Debtor. The inclusion of incorporation expenses and Australian-unit expenses also indicates that the invoices were not merely raised for services provided by the Operational Creditor under the Agreements dated 20.10.2023 and 30.11.2023. Moreover, the Operational Creditor has raised no objection to being referred to as 'Australian Unit' of the Corporate Debtor.

18. This backdrop of common shareholding and directorship between the Operational Creditor and the Corporate Debtor cast doubt on the Petitioner's averment that it is a completely independent entity connected with the Corporate Debtor only through the Service Agreements dated 20.10.2023 and 30.11.2023. The documents examined indicate that the invoices were to be raised based on mutual understanding between these shareholder/ directors of the parties and not strictly within the outline provided in the Agreements.

19. The Operational Creditor has pursuant to the excel workings and communications indicated hereinabove, raised the invoices, the details of which are summarised hereunder:

S. No.	Invoice Date	Service Description	Service Period	Amount (AUD)	Due Date	Payment Date
1	03.11.2023	Software Development Services	20.10.2023 – 31.10.2023	11,069	01.12.2023	13.12.2023
2	28.11.2023	Software Consultancy Services	01.11.2023 – 30.11.2023	27,208	12.12.2023	13.12.2023
3	01.02.2024	Software Development Services	For December 2023	27,208	01.03.2024	23.02.2024
4	26.03.2024	Software Development Services	For January 2024	27,208	02.04.2024	02.04.2024
5	22.07.2024	Software Development Services	Not Specified	36,210	02.08.2024	30.07.2024

6	15.02.2025	Software Development Services (Remaining Balance)	01.03.2024 – 31.03.2024	18,444	15.03.2025	10.03.2025
7	26.03.2025	Software Development Services	01.04.2024 – 31.12.2024	242,634	30.04.2025	—

20. At the first instance, we observe that invoices were not raised in a manner that is consistent with the estimates provided in the "Australia Unit Expenses - Aimwise Pvt. Ltd" excel sheet. Hence, it can be inferred that the excel sheets were being used as part of the parties' invoicing process but not as a conclusive and binding schedule for raising invoices.

21. Secondly, it is seen that only final invoice dated 26.03.2025 for an amount of **AUD 242,634** towards software development services for the period from 01.04.2024 to 31.12.2024 remains unpaid by the Corporate Debtor. However, Form 3 Demand Notice dated 01.05.2025 issued by the Operational Creditor, claims payment of Rs.1,03,17,995.18, equivalent to approximately **AUD 191,073.98,** comprising Rs.1,00,90,156/- towards principal, Rs.1,65,865.58 towards interest and Rs.61,973.60 towards Amazon Web Services usage. The claim amount in the demand notice is arrived at based on the calculations shown in the e-mail dated 11.03.2025. The date of default is taken as 11.03.2025, being the date on which the Corporate Debtor is stated to have admitted and promised to settle the dues by e-mail, and

interest was computed at 12% from that date to 30.04.2025. The workings in the Demand Notice are extracted hereunder:

SCHEDULE

Due Date	Cost (A$)	Actual Paid Date	Paid (A$)	Invoice #	Remarks
2-Nov-23	9,069	12/12/2023	11,069	AIMAU-202310-001	
30-Nov-23	27,208	12/12/2023	27,208	AIMAU-202311-001	
31-Dec-23	27,208	22/2/2024	27,208	AIMAU-202402-002	
31-Jan-24	27,208	26/3/2024	27,208	AIMAU-202403-001	
28-Feb-24	27,208	29/7/2024	36,210	AIMAU-202407-002	
31-Mar-24	27,208	10/3/2025	18,444	AIM202502-001	Paid on 10-Mar-2025 Added to this sheet shared by Purush on 11-Mar-2025 to reflect the actual outstanding amount
30-Apr-24	27,208				
31-May-24	27,208				
30-Jun-24	27,208				
31-Jul-24	27,208				
31-Aug-24	27,208				
30-Sep-24	27,208				
31-Oct-24	27,208				
30-Nov-24	27,208				
31-Dec-24	27,208	Paid in Aus	46,520		Discounted
Total (A)	**389,981**	**Total (B)**	**A$ 193,867**		

A – B (in AUD)	Balance	A$ 196,114
AUD to INR	Rate INR 54	INR 10,590,156
IND transfer	09th Oct 2024	(INR 500,000)
Payable (in INR)		INR 10,090,156

AWS Usage Payable: Rs. 61,973.60

22. The invoice dated 26.03.2025 raised for the alleged services provided by the Operational Creditor from 01.04.2024 – 31.12.2024 is for AUD 242,634/- whereas as per the workings in Form 3, the amount due with respect of services rendered from 01.04.2024 to 31.12.2024 is AUD 196,114. Thereafter, a conversion rate of Rs. 54 per Australian Dollar is applied to arrive at a liability of Rs. 1,05,90,156.00. The

Operational Creditor has made a further deduction of Rs. 5,00,000/- and the final amount due is **Rs.1,00,90,156.** There is no documentary record placed, to substantiate the conversion rate or interest rate applied.

23. Since there is discrepancy between the invoice raised and the amounts claimed in the demand notice, it is imperative to examine the context of the said e-mail. On 11.03.2025, the Operational Creditor requested access to "Aus Exp – Updated.xlsx". The representative of the Corporate Debtor, Purushothamman, shared the Excel sheet showing AUD 214,558 as dues payable by the Corporate Debtor. The workings are extracted hereunder:

Date	Cost (A$)	Date	Paid (A$)
2-Nov-23	9,069	12/12/2023	11,069
30-Nov-23	27,208	12/12/2023	27,208
31-Dec-23	27,208	22/2/2024	27,208
31-Jan-24	27,208	28/3/2024	27,208
28-Feb-24	27,208	29/7/2024	36,210
31-Mar-24	27,208		
30-Apr-24	27,208		
31-May-24	27,208		
30-Jun-24	27,208		
31-Jul-24	27,208		
31-Aug-24	27,208		
30-Sep-24	27,208		
31-Oct-24	27,208		
30-Nov-24	27,208		
31-Dec-24	27,208	Paid in Aus	46,520
Total (A)	389,981	Total (B)	175,423

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A - B	Balance	214,558
AUD to INR	Rate INR 54	11,586,132
Ind transfer	09th Oct 2024	(500,000)
	Payable	11,086,132

24. The reason for the difference in the final dues payable as per the demand notice dated 01.05.2025 and the working provided in the excel sheet is because the Operational Creditor has accounted for an amount of AUD 18,444 transferred by the Corporate Debtor on 10.03.2025.

25. It is already established that the parties were utilising the excel sheet for computation of dues payable and ascertaining the invoices to be raised. Therefore, whether the amount reflected in the said Excel sheet constituted an admission of a crystallised debt or merely formed part of the ongoing process of reconciliation is itself a matter requiring examination of the correspondence between the parties. Thereafter, the correspondence, considered in chronological order, is tabulated below for convenience:

Date of the e-mail	**Substance of the e-mail**
11.03.2025	Operational Creditor requested access to "Aus Exp – Updated.xlsx", which on his own admission, the Operational Creditor and the Corporate Debtor had been working on the payments due to the Corporate Debtor.
11.03.2025	In response, the Corporate Debtor submitted the Excel sheet reflecting pending balance payable of Rs. 1,10,86,132 relating to incorporation and Australian Unit expenses.
11.03.2025	Operational Creditor informed Corporate Debtor regarding transfer of workload in the Amazon Web Services from the Account of the Operational Creditor to the Corporate Debtor.
20.03.2025	The Operational Creditor shared the updated excel sheet with adjusted expenses. He also suggested that a few more adjustments be made to the excel workings. Furthermore, on the request made by the representative of the Corporate Debtor, Anandakumaran shared all relevant receipts for accounting fees for reference and each charge was linking to the respective

	invoice. It is pertinent to note that the Operational Creditor has submitted clarificatory/ declamatory statements that he is not adding any additional expenses, rather making corrections to the existing list. The subject to the e-mail makes it clear that the excel sheet in question is the 'Aus Exp – Updated.xlsx.'. The e-mail is extracted hereunder: **From:** Anandakumaran Sellathurai <ananda.kumaran@farmwiseai.com> **Date:** Thursday, 20 March 2025 at 2:33 am **To:** Purushothaman <purushoth@farmwiseai.com>, Mohit Raisinghani <mohit@farmwiseai.com> **Cc:** Anand Vetrivel <anand.vetrivel@farmwiseai.com> **Subject:** Re: Access to "Aus Exp – Updated.xlsx" Hi Mohit, Purush, As discussed, sharing the updated sheet. Summary of updates: • **Accountant fees** (audit, BAS, annual return filing, etc.) were incorrectly categorized under PF. I have created a new column 'N' - **'Legal/Accounting'** and updated it with the corresponding amounts. **Receipts:** As requested by Purush, all relevant receipts for accounting fees are attached for reference, and each charge has a comment linking to the respective invoice. @Purushothaman – As discussed on the call, please update the 'Aus_Sal_Working' sheet with the above changes. Additionally, I noticed that my **current device purchase** has been classified under 'assets' in expenses. Since I will be retaining the device, please move it under my personal charges and deduct the amount from the final payment accordingly. I have also added a **new sheet** listing transactions before 14th June 2024 (prior to the PSC insurance payment of 22K being credited) for reference, ensuring completeness. To be clear—I stand by the word I gave. I am **not** making any additional expense claims; I have only corrected the existing ones that were worked out by Purush. I am not claiming any expenses from the company's inception to 13th June 2024, as this was never discussed previously, and I have no intention of doing so. This was my commitment.
24.03.2025	Operational Creditor made further modifications to the Excel sheet and inquired on the treatment of AUD 62,000 towards AWS expenses.
25.03.2025	Corporate Debtor outlined its position that the Operational Creditor was an extension of itself, proposing formal takeover of the Operational Creditor by the Corporate Debtor.
26.03.2025	Operational Creditor refutes the claims of the Corporate Debtor and stated that it never received setup investments/assistance from the Corporate Debtor. On this date, the Operational Creditor, raised an invoice for AUD 242,634.

31.03.2025	Corporate Debtor denied the service relationship. In this e-mail, the Corporate Debtor raised its objection to the revocation of platform access (Xero). Further, the Corporate Debtor formally rejected the claim AUD 242,634 in the invoice dated invoice due to lack of transparency/documentation.
01.04.2025	Operational Creditor stood firm on the total amounts claimed and submitted a settlement proposal.
02.04.2025, 15.04.2025, 16.04.2025, 18.04.2025, and 24.04.2025	The parties engaged in a series of correspondences disputing each other's claims
01.05.2025	Operational Creditor formally issued the Form 3 Demand Notice.
21.05.2025	Corporate Debtor issued an Interim Reply to the Demand Notice.
10.06.2025	Corporate Debtor formally disputed the operational debt, citing pre-existing disputes, suppression of facts, premature IBC invocation, denial of the Excel sheet as debt admission, and arbitrary claim revision to AUD 191,541.

26. We have examined the correspondence between the parties after the e-mail dated 11.03.2025 and prior to the issuance of the Demand Notice dated 01.05.2025. It is seen that although the Petitioner relies on the e-mail of 11.03.2025, for determination of the final crystalised liability and the date of default, the Operational Creditor itself had shared a revised copy of the Excel sheet with invoices and explanations on 20.03.2025, and on 24.03.2025 sought clarification on the treatment

of AUD 62,000. These exchanges confirm that the Excel sheet on which the Petitioner relies as an "admission of claim" was part of workings carried out mutually between the Corporate Debtor and the Operational Creditor. The date of default fixed by the Petitioner is, therefore, is unclear.

27. Having received the explanations of 20.03.2025 and being dissatisfied with it, the Corporate Debtor on 25.03.2025 asserted that the Operational Creditor had been formed as an extension of the Corporate Debtor and proposed a takeover and subsidiarisation under a draft MoU. This followed the denial of access to the internal workings and databases of the Operational Creditor, including platforms such as Xero. The Operational Creditor, on 26.03.2025, denied the said position and maintained that it had rendered services to the Corporate Debtor in its capacity as an independent service provider.

28. It is significant that the invoice dated 26.03.2025 for AUD 242,634 was raised at this stage. Thus, the substantial invoice forming the basis of the present claim was raised after the parties had already commenced correspondence concerning the reconciliation of expenses, access to records and the nature of the relationship between them.

29. On 31.03.2025, the Corporate Debtor denied the service relationship as projected by the Operational Creditor, objected to the revocation of access to Xero, AWS and Azure and sought a proper handover and formalisation of the separation between the parties.

Further, the claim of AUD 242,634 in the invoice dated 26.03.2025 was denied since it lacks transparency and supporting documentation.

30. Thereafter, the parties exchanged further correspondence on 01.04.2025, 02.04.2025, 15.04.2025, 16.04.2025, 18.04.2025 and 24.04.2025. The said correspondence discloses continuing disagreement between the parties regarding the amounts claimed, the supporting records, access to systems and the basis on which the accounts were to be reconciled. These disputes evidently precede the issuance of the invoice dated 26.03.2025 and the demand notice dated 01.05.2025.

31. The issue which arises for consideration is whether there was a "pre-existing dispute" between the parties prior to the issuance of the demand notice under Section 8 of the IBC, 2016.

32. In this regard, it is pertinent to refer to Section 8(2)(a) of the IBC, 2016, which provides that the Corporate Debtor, within a period of ten days of receipt of the demand notice or copy of invoice, shall bring to the notice of the Operational Creditor the existence of a dispute, if any, or the record of the pendency of the suit or arbitration proceedings filed before the receipt of demand notice by the Operational Creditor. Further, Section 5(6) of the Code defines "dispute" in an inclusive manner and provides that a dispute includes a suit or arbitration proceedings relating to the existence or amount of debt, quality of goods or services, or breach of a representation or warranty.

33. The scope and ambit of the expression "dispute" occurring in Sections 5(6) and 8 of the Code came for consideration before the

Hon'ble Supreme Court in ***Mobilox Innovations Private Limited v. Kirusa Software Private Limited, (2018) 1 SCC 353***. The Hon'ble Supreme Court, while considering the legislative intent underlying the expression "dispute", observed as follows:

> *"29. We have also seen the notes on clauses annexed to the Insolvency and Bankruptcy Bill of 2015, in which "the existence of a dispute" alone is mentioned. Even otherwise, the word "and" occurring in Section 8(2)(a) must be read as "or" keeping in mind the legislative intent and the fact that an anomalous situation would arise if it is not read as "or". If read as "and", disputes would only stave off the bankruptcy process if they are already pending in a suit or arbitration proceedings and not otherwise. This would lead to great hardship; in that a dispute may arise a few days before triggering of the insolvency process, in which case, though a dispute may exist, there is no time to approach either an arbitral tribunal or a court. Further, given the fact that long limitation periods are allowed, where disputes may arise and do not reach an arbitral tribunal or a court for upto three years, such persons would be outside the purview of Section 8(2) leading to bankruptcy proceedings commencing against them. Such an anomaly cannot possibly have been intended by the legislature nor has it so been intended. We have also seen that one of the objects of the Code qua operational debts is to ensure that the amount of such debts, which is usually smaller than that of financial debts, does not enable operational creditors to put the corporate debtor into the insolvency resolution process prematurely or initiate the process for extraneous considerations. It is for this reason that it is enough that a dispute exists between the parties."*
>
> *33. … First and foremost, the definition is an inclusive one, and we have seen that the word "includes" substituted the word "means" which occurred in the first Insolvency and Bankruptcy Bill. Secondly, the present is not a case of a suit or arbitration proceeding filed before receipt of notice – Section 5(6) only deals with suits or arbitration*

proceedings which must "relate to" one of the three sub- clauses, either directly or indirectly. We have seen that a "dispute" is said to exist, so long as there is a real dispute as to payment between the parties that would fall within the inclusive definition contained in Section 5(6). "

34. The Hon'ble Supreme Court, while laying down the test to be applied by the Adjudicating Authority, further observed in paragraph 40 of the judgment as follows:

"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. The Court does not at this stage 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. The above paragraphs make it clear that the jurisdiction of the Adjudicating Authority under Section 9 is not to determine the merits or ultimate outcome of the dispute. What is required to be seen is whether there existed a real dispute relating to the debt or default prior to the receipt of the demand notice and whether the defence raised is a plausible contention requiring further investigation, as opposed to a sham, spurious or illusory defence. The expression "dispute" is not confined to a dispute which is formally pending before a Court or an Arbitral Tribunal on the date of the demand notice.

36. In the present case, the dispute between the parties has its genesis much prior to the issuance of the demand notice.

37. Applying the aforesaid test to the facts of the present case, this Tribunal finds that the dispute between the parties did not originate with the Reply Notice dated 10.06.2025. The aforesaid circumstances do not depict merely to a dispute regarding arithmetic computation, but a dispute regarding the interpretation and application of the contractual arrangement itself. The parties have placed different interpretations upon the nature of their relationship, the scope of the services and expenses contemplated under the Agreements, the treatment of incorporation and Australian-unit expenses, the treatment of AWS-related amounts, and the effect of the A$62,000 adjustment. The records required for verification and the basis on which the final amount payable was to be arrived at. The Corporate Debtor had, by its email dated 31.03.2025, expressly rejected the invoice of AUD 242,634 on the ground of lack of transparency and supporting documentation. The subsequent correspondence continued to record the Corporate Debtor's objections. The Demand Notice dated 01.05.2025 was therefore issued against the backdrop of an existing disagreement between the parties and not in circumstances where the Corporate Debtor had remained silent until receipt of the statutory notice.

38. The dispute as to the quantum of the debt is intertwined with the interpretation and application of the Agreements, the parties' course of dealing and evidence is required to establish the components of the claim. Determining the precise amount payable would

necessarily require an examination of the contractual terms, the intention and understanding of the parties, the manner in which the "Time & Materials" arrangement was operated, the basis of the expenses claimed, the records maintained by the Operational Creditor, the payments already made, and the subsequent reconciliation between the parties. Such an inquiry lies beyond the summary jurisdiction of this Tribunal under Section 9 of the Code, and the debt cannot be treated as undisputed or crystallised at this stage.

39. We are therefore satisfied that a plausible contention requiring further investigation exists, and that the dispute is not a patently feeble legal argument or an assertion of fact unsupported by evidence. As a pre-existing dispute is established, this Tribunal is precluded, in view of the ratio laid down by the Hon'ble Supreme Court in ***Mobilox Innovations (supra),*** from proceeding with the petition under Section 9 of the Code. The Petition is liable to be dismissed on the ground of pre-existing dispute.

40. Accordingly, the Petition **CP(IBC)/269(CHE)/2025** is dismissed.

-Sd-	-Sd-
VENKATARAMAN SUBRAMANIAM	**SANJIV JAIN**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)