

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
14.05.2026 AT 10:30 A.M.**

**Company Petition (IB) No. 140/9/HDB/2022
U/s 9 of IBC**

**IN THE MATTER OF:
SP Coal Resources Pvt Ltd**

...Petitioner

AND

S.P.Y. Agro Industries Ltd

...Respondent

C O R A M:-

**SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)**

ORDER

Orders pronounced, recorded vide separate sheets. In the result, this Petition is dismissed.

**Sd/-
MEMBER (T)**

**Sd/-
MEMBER (J)**

IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH – II

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

IN THE MATTER OF M/s S.P.Y. AGRO INDUSTRIES LIMITED.

CP (IB) No.140/09/HDB/2022

BETWEEN:

M/S. SP COAL RESOURCES PRIVATE LIMITED,

represented by its Manager, Mr. N. Jagadeesh,

Old No.77, New No.111, 3rd Floor,

Perambur, Red Hills Road, Vinayagapuram,

Chennai, Tamil Nadu - 600099, India.

...Petitioner/Operational Creditor

AND

M/s. S.P.Y. AGRO INDUSTRIES LIMITED,

D.No. 8-3-833/188, Plot No.188, 1st Floor,

Phase-II, Kamalapuri Colony, Hyderabad,

Telangana - 500073, India.

.... Respondent/Corporate Debtor

Date of Order: 14.05.2026

CORAM:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

COUNSELS PRESENT:

For the Applicant : Mr. Jesus Moris Ravi, Ld. Counsel.

For the Respondent : Mr. D. Gopala Krishna and E. Venkateswar Reddy,
Ld. Counsel.

1. The present petition is filed by **M/s. SP Coal Resources Private Limited** (hereinafter referred to as the “Operational Creditor”) against **M/s. S.P.Y. Agro Industries Limited** (hereinafter referred to as the “Corporate Debtor”), under Section 9 of the IBC¹, seeking initiation of the CIRP² against the Corporate Debtor on account of non-payment of an amount of Rs. 6,53,17,022/-.

APPLICATION AND MEMO FILED ON BEHALF OF THE APPLICANT.

2. The Applicant states that it is engaged in the business of supplying steam coal, and the Respondent is engaged, inter alia, in the manufacturing and processing of agricultural produce and beverages. In the ordinary course of business, the Applicant regularly supplied steam coal to the Respondent for use in its factory operations and raised invoices from time to time in respect of such supplies. However, the Respondent failed to make payment of the amounts due under the said invoices, resulting in an operational debt of Rs. 8,50,62,284.45. In view of the said default and the substantial outstanding dues, the Applicant was constrained to discontinue further supply of coal to the Respondent
3. It is further averred that on 28.10.2021, pursuant to repeated reminders, the Respondent approached the Applicant to address the outstanding dues and cited operational constraints, including deterioration in coal quality during storage and difficulties arising from the COVID-19 pandemic. The parties accordingly reconciled accounts³ and agreed upon a revised outstanding sum of Rs. 6,53,17,022/-. Notwithstanding the higher actual liability, the Applicant agreed to revised payment terms, whereby the Respondent undertook to pay Rs. 10,00,000/- between 01.11.2021 and 31.12.2021; Rs. 35,00,000/- per month for January to March 2022; and Rs. 50,00,000/- per month thereafter until full discharge. However, the Respondent failed to adhere to the said terms

¹ Insolvency and Bankruptcy Code, 2016.

² Corporate Insolvency Resolution Process.

³ Page no. 567 of the Application.

and made no payments.

4. Consequent to the aforesaid default, the Applicant issued a Demand Notice⁴ under Section 8 of the IBC in Form No. 3 dated 25.01.2022, which was duly received by the Respondent on 31.01.2022. In its reply dated 05.02.2022, the Respondent Company neither disputed the underlying transactions nor the amounts reflected in the invoices. Instead, it attempted to set off unrelated transactions by making post-facto adjustments in its ledger. The Applicant submits that these adjustments were introduced only after receipt of the Demand Notice, and are clearly an afterthought, devised solely to obscure the outstanding debt and avoid its admitted liability.
5. The Applicant further submits that during the pendency of the present proceedings, the Respondent approached the Petitioner for an amicable settlement. A meeting was organized in the last week of March 2025, wherein the Respondent undertook to settle partial liabilities through part payments.
6. In pursuance of the said undertaking, the Respondent issued five cheques totaling Rs. 2,25,00,000/- (bearing Cheque Nos. 254948, 254949, 254950, 254951, and 254952) issued between 05.05.2025 and 29.05.2025.
7. The Applicant submits that, upon the Respondent's instructions and assurance that the cheques would be honoured, the said cheques were presented on 20.06.2025 through the Applicant's banker, South Indian Bank, GT Branch, Chennai. However, all the cheques were returned unpaid upon presentation.
8. Furthermore, a sister concern of the Respondent, M/s. Sujala Pipes Private Limited, issued eight cheques totaling Rs. 4,00,00,000/- (Cheque Nos. 147816 to 147824) between 02.06.2025 and 20.06.2025 towards part settlement of the amounts in default by the group concerns. These

⁴ Page no 299-567 of the Application.

cheques were also returned, evidencing a continued default and the Respondent's inability to clear its debts.

9. It is further stated that the Respondent is a Corporate Debtor under Section 3(8), the Applicant is an Operational Creditor under Section 5(20), and the debt constitutes an Operational Debt under Section 5(21). As the Respondent failed to settle the debt or raise any proper dispute, the Applicant prays for the initiation of the CIRP against the Respondent Company.

RESPONDENT'S COUNTER-REPLY TO THE APPLICATION AND MEMO.

10. The Respondent, M/s. S.P.Y. Agro Industries Limited, submits that it is part of the Nandi Group, which includes M/s. Integrated Thermo Plastics Limited, M/s. Anantha PVC Pipes Limited, and M/s. Sujala Pipes Private Limited. It is further submitted that the Operational Creditor has had business dealings with multiple entities within the said group, and that payments and accounts were adjusted inter se between the Operational Creditor and the said group entities in the ordinary course of business.
11. The Respondent asserts that there is no privity of contract or written agreement between the Operational Creditor and the Corporate Debtor in respect of the alleged transactions. It is submitted that the Operational Creditor has failed to produce any initial agreement, written contract, or purchase orders to substantiate the alleged debt or the raising of invoices. The Respondent contends that, in the absence of such a written agreement between the parties, no proceedings will lie before this Tribunal under the IBC. Accordingly, the Corporate Debtor denies liability for any amount, including the claimed sum of Rs. 6,53,17,022/- The Respondent further contends that the alleged claim is barred by limitation.
12. It is further submitted that the document relied upon by the Operational Creditor at (Page 274 of Annexure-6), which is on page 567 of the application, reflecting a reconciled amount of Rs. 6,53,17,022/-, is a

created and concocted document which does not establish any promise to pay or acknowledgment of debt. The Respondent denies the genuineness, validity, and binding nature of the said document and submits that the same does not even disclose the names of the parties. It is further submitted that the validity and genuineness of the said document require detailed evidence and trial, including cross-examination, and a specific finding by a competent civil court. In such circumstances, the present petition is not maintainable.

13. The Respondent submits that, upon receipt of the Form-3 Demand Notice dated 25.01.2022, it issued a reply on 05.02.2022 denying the liability in its entirety. It is submitted that the Respondent, at the earliest point in time, disputed the invoices and ledger accounts, contending that the same were created and that no transactions were covered under the said invoices. It is further submitted that the tax invoices and e-way bills do not bear the signature of the Operational Creditor, and that the ledger statement relied upon lacks reconciliation entries. The Respondent contends that the validity of these documents requires detailed examination by way of trial before a competent civil court, and therefore, the same cannot be relied upon under the IBC.
14. It is submitted that group company M/s. Integrated Thermo Plastics Limited received a Form-3 Demand Notice from the Operational Creditor and gave a reply, and also claimed Rs. 98,18,604.61 Ps. The present Form-3 Demand Notice and petition is a counterblast to the claim/demand made by the said group company for the above amount.
15. The Respondent submits that the Operational Creditor was engaged in business dealings with its group company, M/s. Anantha PVC Pipes Private Limited is indebted to the said group company in the sum of Rs. 4,55,84,111/- arising out of separate transactions. It is further stated that an amount of Rs. 3,22,73,126/- is due from the respondent to the Operational Creditor in respect of distinct and unconnected business dealings, not relating to the transactions relied upon in the present

Company Petition.

16. It is further submitted that the transactions between the parties and their group entities are inter se and form part of the same business arrangement, and therefore, the accounts were liable to be mutually adjusted. Upon such adjustment, the Operational Creditor would be liable to pay a net amount of Rs. 1,33,10,985/- to the group entities of the Corporate Debtor. It is further submitted that this position of set-off and adjustment was brought to the notice of the Operational Creditor, the Operational Creditor, despite being aware of the same, suppressed these facts and issued the Form-3 Demand Notice and filed the present petition.
17. It is submitted that the ledger statement⁵ for the period 01.04.2019 to 31.03.2020, filed in the present proceedings, reflects an opening balance of Rs. 4,79,47,095/- and a closing balance of Rs. 8,50,62,284/-, whereas the ledger statement forwarded by the Operational Creditor through email⁶ dated 27.11.2020 shows an opening balance of Rs. 3,81,54,868/- and a closing balance of Rs. 3,46,56,004/-, thereby demonstrating material inconsistencies in the accounts relied upon by the Operational Creditor.
18. The Respondent submits that the Counsel for the Operational Creditor issued a notice dated⁷ 08.03.2022, informing the initiation of CIR proceedings before the NCLT, Chennai Bench, but the said letter is silent about the case number and date of hearing. The Corporate Debtor, vide reply⁸ dated 12.03.2022, stated that it had not received a copy of the application or hearing details. It is contended that such proceedings were not brought to the notice of this Tribunal and were suppressed with an ulterior motive. The operational creditor cannot initiate simultaneous

⁵ Page no 17-20 of the petition.

⁶ Pages 9–13 of the Corporate Debtor's reply to the memo filed by the Operational Creditor, document dated 03.09.2025.

⁷ Page no. 38 of the counter.

⁸ Page no. 38 of the counter.

proceedings on the same cause of action; hence, the petition is liable to be dismissed.

19. The Respondent denies approaching the Petitioner for an amicable settlement or attending any meeting in the last week of March 2025, asserting that these allegations were invented for the petition. It is further submitted that the five cheques totalling Rs. 2,25,00,000/- were purportedly signed by Sri S. Sridhar Reddy, who was neither authorized nor competent to sign on behalf of the Corporate Debtor, having resigned as Director⁹ with effect from 01.02.2022. Consequently, the issuance of the said cheques in 2025 and any instruction to present them before the bank does not arise.
20. Furthermore, the Respondent submits that its account with the State Bank of India, Nandyal Branch, was closed on 08.07.2019. Similarly, the allegation regarding the issuance of eight cheques totaling Rs. 4 crores by the sister concern, M/s. Sujala Pipes Private Limited is denied as the account of the said company with SBI Nandyal was closed on 22.11.2024. Since the signatory had resigned years prior and the bank accounts were closed, the issuance of these cheques in the year 2025 is impossible and is a fabricated claim.
21. The Respondent also highlights that no Board Resolution or written settlement agreement has been filed by the Applicant, despite being required under the Companies Act for transactions of such magnitude. It is further contended that the Applicant issued legal notices under Section 138 of the NI Act before filing the Memo, but suppressed the "suitable replies" issued by the Respondent and M/s. Sujala Pipes Private Limited. The Respondent asserts that this suppression is ill-motivated and demonstrates an intent to play fraud upon the Tribunal.

⁹ Page no.22-27of the Corporate Debtor's reply to the memo filed by the Operational Creditor, document dated 03.09.2025. Form No.DIR-12 of ROC.

REJOINDER

22. The Applicant submitted that the present Company Application was filed seeking admission on account of the Respondent's failure to pay Rs. 6,53,17,022/-, which was acknowledged vide acknowledgement of debt dated 28.10.2021. It was stated that Form-3 Demand Notice dated 25.01.2022 was issued and replied to by the Respondent on 05.02.2022. The Applicant further submitted that the Respondent and other entities were group companies of Nandi Group and that the Respondent admitted such a relationship and adjusted the Respondent's liability towards the Petitioner's dues.
23. The Applicant submitted that M/s. Anantha PVC Pipes Pvt. Ltd. issued a Form-3 Demand Notice dated 16.02.2022, to which the Applicant replied on 05.03.2022. In the said reply, the Applicant contended that, before the issuance of the said Demand Notice, necessary adjustments had already been effected with the confirmation of the group companies, and separate Demand Notices had already been issued to M/s. SPY Agro Industries Limited and M/s. Integrated Thermoplastics Limited for sums of Rs. 6,53,17,022/- and Rs. 4,78,97,141/- respectively.
24. It was further contended that, after the issuance of separate Demand Notices by the Operational Creditor to M/s. SPY Agro Industries Limited and M/s. Integrated Thermoplastics Limited, the said group companies effected corresponding adjustments in the books of accounts of M/s. Anantha PVC Pipes Pvt. Ltd. in relation to M/s. SPY Agro Industries Limited. It was submitted that the ledger account of SP Coal Resources Pvt. Ltd., Chennai, as maintained by M/s. Anantha PVC Pipes Pvt. Ltd. reflected certain journal entries on M/s. SPY Agro Industries Limited.
25. The Applicant further submitted that only a sum of Rs. 8.63 lakhs remained disputed with M/s. Anantha PVC Pipes Pvt. Ltd., and that such a dispute ought to be adjudicated before a competent Civil Court and not through insolvency proceedings.

26. The Applicant submits that the Respondent Company, to evade the present proceedings before this Tribunal, removed, manipulated, and suppressed the journal entries reflected in the books of M/s. Anantha PVC Pipes Pvt. Ltd. to the tune of Rs. 4,50,00,000/- standing in the name of Sujala Pipes Private Limited. It is further submitted that, in continuation of the same course of accounting manipulation, a final adjustment entry was made in the name of S.P.Y Agro Industries Limited for Rs. 3,22,73,125.71. The Applicant further states that M/s. Anantha PVC Pipes Pvt. Ltd. has filed a vexatious application before the National Company Law Tribunal-II, Chennai, in C.P. No. 246 (CHE)/IB/2022, which amounts to abuse of process of law. The Applicant further submits that, in the pleadings before the said Tribunal, M/s. Anantha PVC Pipes Pvt. Ltd. admitted that amounts were due to the Respondent Company and had been adjusted in the books of accounts.
27. The Applicant submits that after making all adjustment entries, the Applicant preferred the present Company Application and C.P. No. (IB)-142/2022 against the M/s. Integrated Thermo Plastics Limited. The Respondent and its group companies, by manipulating the accounts, preferred proceedings before NCLT, Chennai, as a matter of forum shopping to evade the present proceedings. The cause of action before this Tribunal and NCLT, Chennai, involves the entire Nandi Group and cannot be separated as a single entity.
28. The Applicant submits that, under the aforesaid circumstances, the Applicant is placing on record, along with the present rejoinder, the statements of accounts about SPY Agro Industries Limited, Integrated Thermoplastics Limited, Anantha PVC Pipes Private Limited, and Sujala Pipes Private Limited for the consideration of this Adjudicating Authority.
29. The Applicant further submits that the Respondent has suppressed the actual outstanding amounts and, in collusion with its group companies, manipulated the accounts, books, and ledger entries. It is specifically alleged that an entry on Sujala Pipes Private Limited was removed and

that intentional falsification was carried out in the books of accounts. Accordingly, the Applicant prays that the present rejoinder be taken on record and that the Petition be admitted in the interest of justice and equity.

WRITTEN SUBMISSIONS ON BEHALF OF THE APPLICANT

30. The Applicant contends that the debt is duly evidenced by the ledger account showing an opening balance of Rs. 4,79,47,095/- as on 31.03.2018, which was expressly confirmed by the Corporate Debtor via a confirmation letter¹⁰ dated 31.03.2018.
31. It is submitted that the final crystallized debt was fixed at Rs. 6,53,17,022/- as on 28.10.2021, following a discount provided by the Applicant. This sum was acknowledged by the authorized signatory of the Corporate Debtor, whose signature appears on the acknowledgement of debt (Annexure A6) as well as the Vakalatnama filed in these proceedings.
32. The Applicant asserts that the Corporate Debtor has attempted to evade insolvency proceedings by producing forged ledger statements containing four unilateral journal entries, which were specifically created to show a defense before this Tribunal. It is submitted that these entries, found at Page Nos. 578, 583, and 586 of Volume 3 were incorporated into the records only after the Corporate Debtor had already confirmed the closing balance. Crucially, the Applicant highlights that the Corporate Debtor has admitted on the record that these four journal entries were made without the Applicant's confirmation. The Applicant maintains that such manipulation of internal ledger statements, conducted without the Applicant's consent, is a mere attempt to mislead the Tribunal and conceal the Respondent's inability to pay the admitted operational dues.

¹⁰ Page no 1 of Rejoinder.

WRITTEN SUBMISSIONS OF THE RESPONDENT.

33. The facts, averments, and submissions set out in the Counters are relied upon again in the present written submissions and are not reproduced herein to avoid repetition

FINDINGS & DECISION

34. We have heard the Learned Counsel for the Operational Creditor and the Learned Counsel for the Corporate Debtor at considerable length and have carefully perused the pleadings and material available on record.
35. Upon perusal of the records, it is seen that the Respondent, M/s. S.P.Y. Agro Industries Limited (**Corporate Debtor**) is part of the Nandi Group of Companies, which includes M/s. Integrated Thermo Plastics Limited, M/s. Anantha PVC Pipes Limited, and M/s. Sujala Pipes Private Limited. It is also evident that the M/s. SP Coal Resources Private Limited (Operational Creditor) had business dealings with multiple entities of the said Nandi Group.
36. It is observed that the Operational Creditor supplied steam coal to the Corporate Debtor for its manufacturing operations. In support of its claim, the Operational Creditor has relied upon tax invoices, e-way bills, ledger accounts, and other documentary records.
37. The Operational Creditor has claimed an amount of Rs. 6,53,17,022/- and has placed reliance on a document¹¹ dated 28.10.2021 (Page No. 567 of the application). A perusal of the said document reveals that it is a single-page statement showing year-wise outstanding amounts for the financial years 2020-21 and 2021-22, along with interest calculations, culminating in the aforesaid figure. The document also contains handwritten endorsements allegedly recording the revised payment terms and bears signatures purportedly of both parties.

¹¹ Page no 567 of the Application.

38. However, the ledger accounts provided by the Operational Creditor¹² for the financial years 2020-21 and 2021-22, reflect a significantly higher outstanding balance of Rs 8,50,62,284/-. There is no supporting document or detailed working to explain the substantial reduction from Rs 8,50,62,284/- to Rs 6,53,17,022/- except for the said one-page document. The Corporate Debtor has seriously disputed the genuineness of the said document, contending that it does not clearly disclose the parties and does not bear formal execution. In the absence of proper reconciliation, the authenticity of the document remains doubtful.
39. It is pertinent to note that the ledger accounts provided by the Corporate Debtor¹³ The financial year 2019-2020 contains journal adjustments made in July, September, and November 2019 in the name of M/s. Nandi Pipes Pvt. Ltd. and M/s. Sujala Pipes Pvt. Ltd. (under the head of loan). As per the said ledger accounts, the closing balance of SP Coal (Chennai Branch)¹⁴ for the financial years 2019-2020 to 2021-2022 stands at Rs. 2,99,92,906.71, whereas the closing balance of SP Coal (Nellore District Branch)¹⁵ stands at Rs. 22,80,219. These figures are drastically at variance with the amount claimed by the Operational Creditor.
40. In view of the above inconsistencies, we find that there is a lack of clarity regarding the actual amount due. The conflicting figures, disputed documents, and absence of a coherent reconciliation exercise create serious doubt regarding the correctness of the claimed operational debt.
41. It is not in dispute that a Demand Notice in Form-3 dated 25.01.2022 under Section 8 of the IBC was issued by the Operational Creditor, which was replied¹⁶ to by the Corporate Debtor on 05.02.2022 disputing

¹² Page no 17-22 of the application.

¹³ Page no 7-16 of the counter.

¹⁴ Page no 17-18 of the counter

¹⁵ Page no 19-21 of the counter

¹⁶ Page no 568-587 of the counter

the liability. The Corporate Debtor has stated that it is part of the Nandi Group of companies and that transactions were undertaken across group entities with inter se adjustments in the ordinary course of business.

42. It is evident that the Operational Creditor had business dealings with multiple entities of the Nandi Group and that supplies, payments, and adjustments were effected inter se between the Operational Creditor and the said group companies in the ordinary course of business. However, there exists a material divergence between the ledger accounts maintained by the respective parties for the relevant financial periods, particularly concerning Rs. 3,22,73,126/- recorded in the name of the Corporate Debtor, M/s. S.P.Y. Agro Industries Limited, in the ledger account of M/s. Anantha PVC Pipes Private Limited for the financial year 2021-22.
43. In respect of the financial year 2020-21, the ledger account of M/s. Anantha PVC Pipes Private Limited, as reflected in the books of the Operational Creditor (M/s. SP Coal Resources Pvt. Ltd., Chennai), contains journal entries dated 31.03.2021 recorded in the name of M/s. Sujala Pipes Private Limited. However, the corresponding ledger of M/s. SP Coal Resources Pvt. Ltd., Chennai, as maintained in the books of M/s. Anantha PVC Pipes Private Limited does not reflect any such entries. This reveals a significant discrepancy between the books of accounts maintained by the two sides.
44. Similarly, for the financial year 2021-22, the ledger maintained by M/s. Anantha PVC Pipes Private Limited reflects a journal entry dated 29.09.2021 in the name of the Corporate Debtor, M/s. S.P.Y. Agro Industries Limited. However, the said entry is not reflected in the books of accounts or ledger of the Operational Creditor. Furthermore, the alleged adjustments between the Operational Creditor and the Corporate Debtor are themselves disputed in the present pleadings.

45. Thus, the material discrepancies and contradictions in the ledger accounts maintained by the parties, coupled with the disputed unilateral journal adjustments between the group entities, create serious doubt regarding the genuineness, accuracy, and quantum of the alleged operational debt. Such inconsistencies highlight the existence of a pre-existing dispute between the parties.
46. With respect to the alleged settlement meeting and issuance of cheques, the Corporate Debtor has denied the occurrence of any such meeting as well as the authority of the person who allegedly signed the cheques, contending that the said individual had ceased to be a director and was not competent to bind the Corporate Debtor. The issuance of cheques by M/s. Sujala Pipes Private Limited has also been denied because the relevant bank account had already been closed. These disputes relating to the existence of settlement, authority of the signatory, and feasibility of issuance of cheques raise serious questions of fact which cannot be adjudicated in summary proceedings under Section 9 of the IBC.
47. The material on record indicates that the transactions are not confined to a simple bilateral relationship between the Operational Creditor and the Corporate Debtor, but involve complex inter se dealings among multiple group entities, along with disputed journal entries and adjustments. The authenticity and correctness of such entries are seriously contested by both parties. In view of the above, disputes relating to the genuineness of accounts, unilateral journal entries, and inter se adjustments among group companies give rise to triable issues which cannot be adjudicated in summary proceedings under Section 9 of the IBC.
48. The record further reflects that multiple insolvency proceedings have been initiated between the Operational Creditor and various entities of the Nandi Group before different Benches of the National Company Law Tribunal. Apart from the present petition being CP (IB) No.

140/09/HDB/2022 filed against the Corporate Debtor and CP (IB) No. 142/09/HDB/2022 filed against M/s. Integrated Thermo Plastics Limited, before this Bench, the group companies have filed C.P. No. 246 (CHE)/IB/2022 and C.P. No. 247 (CHE)/IB/2022 against the Operational Creditor before the NCLT, Chennai Bench. This reflects that the disputes arise from interconnected financial transactions among group companies rather than isolated dealings.

49. In view of the cumulative facts and circumstances, we find that the claim of the Operational Creditor does not arise from a straightforward operational debt but stems from complex, interconnected, and mutual dealings involving multiple companies of the Nandi Group. Serious disputes exist between the parties regarding the existence, genuineness, quantum, and enforceability of the alleged debt, including the correctness of accounts, unilateral journal entries, inter-group adjustments, and the validity of the alleged 2025 settlement and cheques.
50. The issues that arise for consideration involve disputed questions relating to accounts, journal entries, and inter se adjustments among group entities, which cannot be resolved without a detailed examination and reconciliation of competing financial records. Such disputes fall outside the scope of summary jurisdiction exercised by this Tribunal under Section 9 of the IBC.
51. It is well settled that proceedings under Section 9 of the Insolvency and Bankruptcy Code, 2016, are not intended to be used as a substitute for a recovery mechanism or as a tool for debt recovery in disputed matters. In the present case, apart from the existence of multiple proceedings between the Operational Creditor and various entities of the Nandi Group, there are disputes regarding the authenticity of the reconciliation document dated 28.10.2021, the unilateral journal adjustments, and the authority to issue the alleged cheques. All these factors indicate that the present proceedings are like a recovery attempt

rather than a bona fide invocation of the Corporate Insolvency Resolution Process.

52. The Hon'ble Supreme Court in *Mobilox Innovations Private Limited v. Kirusa Software Private Limited*¹⁷. has held that where a plausible dispute exists which is not spurious, hypothetical, or illusory, the Adjudicating Authority must reject an application under Section 9 of the Insolvency and Bankruptcy Code, 2016. Applying the said principle to the facts of the present case, this Tribunal is of the considered view that the disputes raised by the Corporate Debtor are bona fide and pre-existing, and in the absence of such disputes being resolved, the present application cannot be sustained and is liable to be rejected.

Consequently, the application is **dismissed**.

Sd/-

SANJAY PURI
MEMBER (TECHNICAL)

Sd/-

RAJEEV BHARDWAJ
MEMBER (JUDICIAL)

¹⁷ (2018) 1 SCC 353