IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.302
C.P.(IB)/347(AHM)2025

Under Section 9 of IB Code, 2016

IN THE MATTER OF:

Leena Powertech Engineers Pvt. Ltd .....**Applicant**
V/s
Polycab India Limited .....**Respondent**

Order delivered on: 15/12/2025

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

O R D E R
(Hybrid Mode)

This case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

-SD-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, COURT–I, AHMEDABAD

CP (IB) No. 347/AHM/2025

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

In the Matter of: Polycab India Limited

Leena Powertech Engineers Private Limited
Having its office at- 13-15,
Ground Floor, Sai Chambers,
Sector-11, C.B.D. Belapur,
Navi Mumbai- 400614.

.... Applicant/ Operational Creditor

VERSUS

Polycab India Limited
[Formerly known as Polycab Wires Pvt. Ltd.]
Having its Registered Office at- Unit 4,
Plot No. 105, Halol Vadodara Road,
Village, Nurpura, Taluka, Halol,
Panchmahal, Gujarat- 389350.

.... Respondent/Corporate Debtor

Order Pronounced On: 15.12.2025

CORAM:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

APPEARANCE:

For the Applicant/OC : Mr. Saurabh Soparkar, Sr. advocate

For the Respondent/CD : a.w. Mr. Jay Kansara, Advocate
: Mr. Mihir Thakore, Sr. Advocate a.w.
: Mr. Yashraj Champawat Advocate

ORDER
(*Per*: Bench)

1. This Company Petition is filed on 14.08.2025 by the Applicant – Leena Powertech Engineers Private Limited (hereinafter referred to as 'Operational Creditor') against the Respondent- Polycab India Limited (hereinafter referred to as 'Corporate Debtor') under Section 9 of the IBC, 2016 read with Rule 6 of the IB (AAA) Rules, 2016 for initiation of CIRP, appointment of IRP and declaration of moratorium for default in payment of operational debt of **Rs. 5,84,24,214/-** comprised of the principal amount of Rs. 1,32,75,032/- and interest amount of Rs. 50,36,511/- for Patna Project & Rs.3,39,51,222/- and interest amount of Rs. 61,61,449/- for Ranchi Project comprising the aggregate outstanding principal amount for the Patna and Ranchi Projects together with **interest calculated at 12% per annum** from the respective dates of default, remains due and payable by the Corporate Debtor.

2. On Perusal of **Part-I of Form-5** revealed that the Applicant-Leena Powertech Engineers Private Limited is having its registered address at- 13-15, Ground Floor, Sai Chambers, Sector-11, C.B.D. Belapur, Navi Mumbai- 400614. The Applicant's Identification Number of the Company is U31103MH1999PTC118098.

3. On perusal of **Part-II of Form-5**, it is revealed that the Respondent–Polycab India Limited, bearing Identification Number L31300GJ1996PLC114183, is a public limited company incorporated on 10.01.1996, having its registered office at *Unit 4, Plot No.105, Halol–Vadodara Road, Village Nurpura, Taluka Halol, Panchmahal, Gujarat – 389350*, as evidenced by the Corporate Debtor's MCA Master Data annexed as **(Annexure–6)**. The Corporate Debtor's nominal share capital is ₹189,25,00,000/-, and its paid-up share capital is ₹150,42,58,980/-, as reflected in the said Master Data.

4. On Perusal of **Part-III of Form-5**, it is revealed that the Applicant has not proposed any name of IP or IPE for the appointment of IRP under Section 13(1)(c) of the IBC, 2016.

5. On perusal of **Part-IV of the Form-5** reveals that as on 11th August 2025, the total amount of operational debt due and payable by the Corporate Debtor is **₹5,84,24,214/-** (Rupees Five Crore Eighty-Four Lakh Twenty-Four Thousand Two Hundred and Fourteen Only) comprising:

- Patna Project Outstanding:
  ₹1,32,75,032/- along with interest @12% p.a. from 15 June 2022, being the date of default for Patna Project. The interest amount is given at Rs 50,36,511. Total outstanding amount Rs 1,83,11,543.
- Ranchi Project Outstanding:
  ₹3,39,51,222/- along with interest @12% p.a. from 7 February 2024, being the date of default for Ranchi Project. The interest amount is given at Rs 61,61,449. Total outstanding amount is Rs 4,01,12,671.

6. Additionally, Form-5 records that the Applicant is also entitled to claim further sums upwards of Rs. 500,00,00,000/- towards inter alia other outstanding amounts due and payable by the Corporate Debtor under the Patna and Ranchi Projects for other dues, profit share, and business loss due to the Corporate Debtor's alleged conduct; however, to avoid technical objections only the above operational debt is not included in the present Application.

7. That the Operational Creditor, *Leena Powertech Engineers Pvt. Ltd.*, is Engineering, Procurement and Construction Company engaged in providing turnkey electrical engineering services, whereas the Corporate Debtor, *Polycab India Ltd.*, is a public limited company engaged inter alia in the manufacture of electrical goods. The commercial relationship between the parties arose from their collaboration for various government infrastructure projects across India.

8. That the promoters of the Operational Creditor and those of *M/s Jaisingh Wires Pvt. Ltd.*—later amalgamated into the Corporate Debtor with effect from **1st April 2014**—shared longstanding business relations. A Scheme of Amalgamation dated **26th February 2016** evidences such consolidation and has been annexed to the Petition.

9. That despite the parties having operated smoothly for several years and the Corporate Debtor having regularly cleared invoices in the past, the Corporate Debtor abruptly ceased making payments for the Patna Project from **15th June 2022** and for the Ranchi Project from **7th February 2024**, thereby triggering the defaults which constitute the present operational debt.

10. That the Operational Creditor has placed on record several email communications wherein the Corporate Debtor has expressly and unequivocally acknowledged its liability towards the outstanding dues aggregating to the aforesaid amounts for both projects. These acknowledgments were made from time to time and form part of the record.

11. The Applicant has placed the **facts** through this Petition in the following manner: -

11.1. It is stated that The Applicant, *Leena Powertech Engineers Private Limited*, is an Engineering, Procurement and Construction company specializing in turnkey electrical engineering services. The Respondent, *Polycab India Limited* (formerly Polycab Wires Pvt. Ltd.), is a public company engaged in the manufacture of electrical appliances. The parties have been collaborating since 2009 and have formed several joint ventures for bidding and executing government tenders across India.

11.2. As per the established understanding between the parties, the Respondent would provide financial support for the execution of secured projects, while the Applicant would supply technical knowledge, manpower, and on-ground execution. It was further agreed that in addition to profit-sharing from joint ventures, the Applicant was

entitled to raise invoices on the Respondent for actual work executed.

11.3. Using their past credentials, the Applicant and Respondent jointly bid for and secured tenders floated by:
South Bihar Power Distribution Company Ltd. (SBPDCL) in2013–*PatnaProject*,
Jharkhand Bijli Vitran Nigam Ltd. (JBVNL) in 2015 – *RanchiProject*.
The Applicant thereafter provided manpower, technical services and on-site support for both projects and raised invoices accordingly

11.4. Invoices for the Patna Project were raised from July 2014 to March 2021, and for the Ranchi Project from January 2017 to April 2021. The Respondent regularly cleared invoices or part amounts, albeit after delays, and the Applicant granted extensions considering the long-standing working relationship.

11.5. However, on or around 15 June 2022 for the Patna Project, and 7 February 2024 for the Ranchi Project, the Respondent abruptly stopped making payments. This constituted the initial defaults.

11.6. A series of email exchanges thereafter ensued, wherein the Respondent expressly and unconditionally acknowledged its liability for the outstanding dues payable to the Applicant. Despite certain part payments

being made thereafter, a principal sum of Rs. 4,72,26,254/- remained outstanding.

11.7. Given the substantial accumulation of dues, the Applicant, through its advocates, issued a Legal Notice dated 29 August 2024, calling upon the Respondent to pay the outstanding principal of Rs. 4,72,26,254/- along with interest and other claims. The Respondent did not reply, dispute, or deny any contents of the notice, thereby admitting the liability.

11.8. Thereafter, on 21 April 2025, the Applicant issued a Demand Notice under Section 8 of the IBC, demanding Rs. 5,66,23,147/- (principal plus interest).

11.9. The Respondent issued a holding reply dated 5 May 2025, not dealing with the allegations and merely stating that the debt was disputed. A further reply dated 19 June 2025 raised false and frivolous allegations, which were refuted by the Applicant through its communication dated 29 July 2025, reiterating that the Respondent was liable to pay the outstanding amount. The Respondent again issued a non-substantive holding reply on the same date.

11.10. *Part-IV of Form-5* quantifies the total operational debt as on 11 August 2025 at Rs. 5,84,24,214/-, consisting of:

1. **Patna Project outstanding:** Rs. **1,32,75,032/-** with interest @ 12% p.a. from 15.06.2022

2. **Ranchi Project outstanding:** Rs. **3,39,51,222/-** with interest @ 12% p.a. from 07.02.2024

11.11. The Applicant states, without prejudice, that while it is entitled to additional dues in excess of Rs. 500 Crores on account of other claims, losses and profit share, the said amounts are purposely not included in the present Section 9 Application to avoid technical objections. The Applicant has filed Form-C with NeSL, furnished all requisite bank statements evidencing non-receipt of payment, and annexed all supporting documents including joint venture agreements, invoices, legal notices, Section 8 Demand Notice, email acknowledgments, and company authorizations.

11.12. Despite repeated acknowledgments, part payments, statutory notice, and adequate opportunities, the Respondent has failed to clear the admitted operational dues. The continuing non-payment constitutes a "default" under Section 3(12) of the Insolvency and Bankruptcy Code, thereby warranting initiation of the Corporate Insolvency Resolution Process under Section 9.

12. Pursuant to the order dated 02.09.2025, **Reply** was filed on 01.10.2025 vide Inward Diary No. D-6627 on behalf of the CD against the present petition. At the outset, the Respondent denies all averments contained in the Petition save and except those expressly admitted herein and asserts that no

operational debt is due and payable to the Applicant. The contentions of the respondent are mentioned hereunder: -

12.1. The Respondent submits that the present Application is not maintainable as there existed clear pre-existing disputes between the parties prior to issuance of the Demand Notice. The said disputes are evidenced by email correspondence exchanged between 18.05.2023 and 31.05.2023, wherein issues relating to payments to sub-contractors were raised, and the Applicant itself suggested resolution of the dispute through arbitration. Copies of these emails are annexed as **Exhibit B (Colly)**.

12.2. It is further submitted that the Applicant has misrepresented facts by relying upon a bundle of invoices without specifying which of them are allegedly in default. The Applicant has deliberately withheld the complete ledger, and the partial ledger produced is disputed and incorrect. No computation chart has been provided to indicate the invoices that are due. The Respondent alleges that the Applicant is guilty of *suggestio falsi* and *suppressio veri.*

12.3. The Respondent submits that the Demand Notice dated 21.04.2025 is defective and non-compliant with the mandatory requirements of Rule 5(3) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. The Notice does not provide invoice-wise particulars, nor does it clarify whether the alleged default

pertains to invoices in whole or in part. The Applicant has merely attached "some of the invoices," which is impermissible under Section 8 of the Code.

12.4. The Respondent states that the invoices relied upon pertain to the period 2016–2021, yet the Applicant has not disclosed the date of default for any invoice. Instead, the Application incorrectly reflects the date of payment as the date of default. As the Application contains no specific date of default, the Respondent submits that it is liable to be dismissed.

12.5. The Respondent submits that the invoices relied upon are prior to three years and therefore barred by limitation. It is further asserted that the Applicant has impermissibly clubbed invoices pertaining to two unrelated projects—Patna and Ranchi—which arise out of different contracts, tenders, work orders, and locations. Such clubbing is alleged to be an artificial attempt to meet the threshold requirement of **₹1 crore**.

12.6. The Respondent points out that:

- The Demand Notice was issued for **₹5,66,23,147/-**
- Form C filed with NeSL also reflects **₹5,66,23,147/-**
- whereas the present Application seeks **₹5,84,24,214/-**.

It is submitted that the amount claimed in the Application cannot differ from the amount demanded under Section 8, and therefore the Application is liable to

be rejected. Further, the Application has been filed without a Form D of NeSL, which also renders it defective.

12.7. The Respondent submits that the Applicant has relied upon a concocted ledger wherein amounts have been unilaterally adjusted. The Respondent highlights that the Applicant has admitted receiving ₹3 Crores from the Respondent for urgent project requirements, yet this payment is not reflected in the ledger. It is also stated that the Applicant consistently failed to pay its subcontractors, compelling the Respondent, as the main contractor, to make payments directly to subcontractors to avoid project disruption. The Respondent alleges that the present Application is an attempt to create a false defence and pre-empt the Respondent's claims.

12.8. The Respondent submits that several invoices relied upon fall within the **Section 10A** period and therefore cannot be treated as defaults. It is stated that:

- In the Patna Project, invoices aggregating to ₹1,70,64,557/- out of a total of ₹38,97,26,400/- pertain to 31.03.2020 to 31.03.2021.
- In the Ranchi Project, invoices aggregating to ₹1,01,43,001.52/- out of ₹7,03,68,292/- fall within the same period.

Accordingly, if such invoices are excluded, the alleged outstanding amount falls below the statutory threshold.

12.9. The Respondent submits that the Applicant is not an Operational Creditor and the alleged claim does not constitute operational debt. It is asserted that all goods and services were supplied to **SBPDCL** or **JBVNL**, and not to the Respondent. Therefore, the Applicant's claim does not arise out of any goods or services rendered to the Respondent. Without prejudice to the denial of liability, the Respondent submits that the Applicant has demanded interest at **12%**, without demonstrating any contractual or statutory basis. The Respondent contends that the claim for interest is arbitrary and unjustified.

12.10. The Respondent asserts that the Applicant's claim is false, illusory, and non-existent and highlights several discrepancies in the Applicant's ledger, including:

- A payment of ₹21,00,000/- made vide UTR YESBR5201706015 dated 01.06.2017 is not reflected in the ledger, though acknowledged in the bank statement.
- An invoice for ₹47,36,520/- dated 01.12.2018 is shown in the ledger but was never received by the Respondent nor uploaded on the GST portal.
- A payment of ₹3,00,00,000/- made vide Ref. N215211587565977 dated 03.08.2021 is not reflected in the ledger.
- Bank statements for the period 16.02.2021 to 15.10.2021, containing Respondent's payments, were suppressed.

- Only "some" invoices have been annexed and do not tally with the amounts claimed.

12.11. The Reply reveals that the invoices and ledgers relied upon by the Applicant do not tally, and the Applicant has even issued a legal notice dated 29.08.2024 claiming an alleged *receivable* of ₹55.84 Crores, which is entirely contrary to the amount claimed in the present Application. The fact that the Applicant claims different amounts at different points of time establishes that the claims are fictitious, inconsistent, and untenable.

12.12. It is specifically disclosed that, without prejudice, the Respondent is entitled to recover ₹9,96,49,511/- from the Applicant under the Patna and Ranchi Projects. Thus, even assuming (while denying) that any amount was claimed as payable by the Respondent, the same stands completely set-off against the Respondent's entitlement. The Application has been filed only with the intent to pre-empt the Respondent from recovering this legitimate amount.

12.13. The Applicant suppresses crucial facts and misrepresents that there existed an alleged "acknowledged liability" on 18.04.2022 (Patna) and 24.08.2022 (Ranchi). The Application deliberately withholds subsequent payments made by the Respondent and the correspondence exchanged thereafter. An amount of ₹9,96,49,511/- is in

fact payable by the Applicant to the Respondent, and the Applicant has concealed this liability.

12.14. The Application improperly clubs claim allegedly arising from two independent and unrelated contracts—the Patna Project and the Ranchi Project—each with separate terms, obligations, cause of action, and dates of alleged default. Such misjoinder of distinct causes of action renders the Application not maintainable and liable to be rejected at the threshold.

12.15. The Application is a misuse of the IBC machinery intended to pressurise the Respondent into settling illusory and fictitious demands. The Applicant is attempting to use Section 9 as a debt recovery tool, contrary to settled law that disputed claims must be adjudicated before a civil forum and not through insolvency proceedings. The Application is filed with mala fide intent to coerce a financially sound and publicly held entity.

12.16. To demonstrate abuse of process and absence of financial distress, the Reply highlights the following:

1. Industry stature

The Respondent is India's largest integrated manufacturer of wires & cables, with diversified business verticals including turnkey EPC contracting and FMCG.

2. Nationwide operations

The Respondent operates 27 manufacturing plants across Gujarat, Maharashtra, Karnataka, Uttarakhand, Tamil Nadu, and Daman. It maintains 3 Regional Offices, 34 Warehouses, 1 Corporate Office, 11 Branch Offices, and 14 Experience Centres, with 4,300+ distributors and 2,00,000+ retail outlets.

3. Employment impact

As of 31.03.2025, the Respondent employs 4,177 direct and 12,707 indirect personnel. Salary expenditure over the last 5 years exceeds:

Particulars	31Mar25	31Mar24	31Mar23	31Mar22	31Mar21
Salary& related benefits	6,896.55	5,866.05	4,428.59	3,948.43	3,493.01

4. Contribution to national exchequer

Direct taxes paid over the last 5 years aggregate ₹20,846.87 million, reflecting consistent financial strength. A break up of the taxes paid by the Respondent in the last five years on a standalone basis is as under:

Particulars	31March25	31March24	31March23	31March22	31March21
Taxes Paid	6031.69	5554.83	3603.73	3281.19	2375.43

5. Strong revenue profile

Revenues over last 5 years aggregate ₹7,47,106.43 million, with yearly revenues. The break up of the revenue generated on a standalone basis is as under:

Particulars	31March25	31March24	31March23	31March22	31March21
Revenues	2,19,139.52	1,80,508.51	1,39,115.69	120979.09	87,363.62

6. Listed company with huge public exposure

The Respondent is a publicly listed company whose shares are traded on both the BSE and NSE and which, as on 31.03.2025, has a substantial shareholder base of 4,27,928 investors. The Respondent has consistently demonstrated robust financial growth, with its market capitalisation increasing from ₹76 billion in April 2019 to ₹918 billion in May 2025, reflecting an impressive CAGR of 51%. Further, the Respondent has maintained a strong record of shareholder returns, having declared dividends aggregating to ₹11,094.23 million over the last five financial year's breakup whereof is as under:

Particulars	31March25	31March24	31March23	31March22	31March21
Dividend	4510.84	2997.30	2094.49	1491.60	NIL

12.17. It is submitted that a snapshot of the consolidated financial status of the Respondent and the value that it creates is captured and a copy of the Annual Report of the Respondent for the year ended March 2025 is annexed hereto and marked **Exhibit "C".**

12.18. The Respondent submits that it has substantial exposure with various Banks and Financial Institutions, having availed working capital limits of approximately ₹8,000 Crores from a Consortium of ten Banks, comprising both Nationalised and Private Sector Banks. The Consortium holds a charge over the Respondent's assets, and

therefore, any initiation of corporate insolvency proceedings will have severe and far-reaching repercussions on the Respondent's lenders and the overall banking system.

12.19. The Respondent further submits that its operations extend across the entire territory of India, and any disruption would adversely affect millions of stakeholders, including employees, suppliers, distributors, investors, customers, and the national exchequer. Such wide-reaching impact must be considered before entertaining a fictitious claim of the present nature.

12.20. The Respondent submits that the Application is a misuse and abuse of the provisions of the Insolvency and Bankruptcy Code, 2016. A single Applicant, seeking recovery of a baseless amount of ₹5.84 Crores, cannot be permitted to jeopardise the legitimate interests of millions of stakeholders by triggering an unwarranted insolvency process.

12.21. Given these circumstances, it is submitted that this Hon'ble Tribunal ought not to entertain a false, fictitious, and illusory claim that has been filed only with a view to coerce the Respondent. Entertaining such a claim would be iniquitous and against the very object and spirit of the IBC, which is not meant to be used as a recovery mechanism.

12.22. Before dealing with the Application paragraph-wise, the Respondent deems it necessary to set out the true and correct facts relating to the Patna Project, which the Applicant has deliberately suppressed in the present Application.

1. <u>Patna Project</u>

- In or about 2013, SBPDCL, Patna, floated three tenders bearing Tender Nos. 197/PR/SPDCL/2013, 198/PR/SPDCL/2013 and 199/PR/SPDCL/2013, pertaining to design, supply, transportation, storage and strengthening of the distribution system on a turnkey basis ("Patna Project"). The Respondent craves leave to refer to and rely upon said tender documents as and when produced.
- With the objective of participating in the said tenders, the Applicant and the Respondent executed a Joint Venture Agreement dated 14.08.2013, designating the Respondent as the Lead Partner and the Applicant as the JV Partner. The said agreement outlined their mutual responsibilities and recorded that both parties would be jointly and severally liable to SBPDCL. The agreement dated August 14, 2013 is annexed as Exhibit 9 to the Application.
- Subsequently, the parties executed another Joint Venture Agreement on 06.09.2013, further delineating their responsibilities. Under this agreement, the Respondent continued as the Lead

Partner responsible for financing, while the Applicant was the JV Partner responsible for execution. The parties also agreed to share profits and losses in the ratio 60:40. The agreement dated September 6, 2013 is annexed as Exhibit 10 to the Application.

- The Respondent states that the Patna JV secured the tenders and SBPDCL thereafter issued Letters of Award dated 28.11.2013 (LOA Nos. 194, 195, 196, and 197). Copies of the said Letters of Award are annexed as Exhibits D-1 and D-2.
- The Patna JV executed the Patna Project but incurred a total loss of approximately ₹24.51 Crores due to delays and reasons solely attributable to the Applicant. In terms of the JV Agreement, the Applicant is liable to bear 40% of this loss, amounting to approximately ₹9.80 Crores.

2. <u>Ranchi Project</u>

- In or around May 2015, JBVNL floated Tender No. 83/PR/JBVNL/2015-16 for strengthening and augmentation of the distribution system in Ranchi under the R-APDRP Scheme ("Ranchi Project"). The Respondent craves leave to refer to said tender documents as and when required.
- For participating in the Ranchi Project, the Applicant and the Respondent executed a Joint Venture Agreement dated 15.06.2015, with the Respondent as the Lead Partner. Both parties were jointly and

severally liable to JBVNL. The said JV Agreement is annexed as Exhibit 11 of the application.

- Subsequently, the Applicant agreed to execute work as a sub-contractor, and a Memorandum of Understanding dated 18.06.2015 was executed, setting out respective responsibilities for execution of the Ranchi Project. A copy of the MoU is annexed as **Exhibit E**.
- The Ranchi JV secured the tender and JBVNL issued a Letter of Intent dated 31.03.2016 (No. 169/ARDRP-644), annexed as **Exhibit F.**
- By letter dated 01.09.2016, JBVNL appointed the Applicant as Sub-Contractor for the Ranchi Project, which the Applicant accepted on 07.09.2016. Thereafter, the Respondent sought approval for partial sub-letting vide letter dated 21.03.2017, which JBVNL approved on 03.04.2017. These letters are annexed as **Exhibits G-1 to G-4**.
- In furtherance thereof, a Sub-Contract Agreement dated 15.04.2017 was executed between the parties, outlining terms of execution by the Applicant. The same is annexed as Exhibit 12 of the application.

Reconciliation of Accounts & payments:

1. **Ranchi Project**

- During the execution of the Patna Project and the Ranchi Project, the Applicant and the Respondent

maintained a running account reflecting payments, receipts, credits, and debits exchanged between the parties.

- Upon reconciliation of accounts as on 15.03.2022, an amount of ₹7,52,60,295/- was shown as due and payable by the Respondent to the Applicant. This position was recorded in the Respondent's email dated 15.06.2022 and was also confirmed by the Applicant through its email of the same date. Copies of the said correspondence are annexed as **Exhibit H**.
- Subsequently, the Applicant raised an invoice dated 14.06.2022 for an amount of ₹2,23,65,455/-. Thus, according to the Applicant, the total amount allegedly due as on 14.06.2022 came to ₹9,76,25,750/- for the Ranchi Project.

Sr. No.	Particulars	Amount (in INR)
(A)	Payments made by the Respondent from time to time	₹ 4,74,43,383
(B)	Advance given by the Respondent to the Applicant	₹ 3,00,00,000
Total		₹ 7,74,43,383

- The details of the payments made by the Respondent, along with bank UTR references, are as under:

Sr. No.	Date	UTR Details	Amount (in INR)
(i)	April 1, 2022	UTR: HDFCR52022040258463351	68,61,321
(ii)	May 11, 2022	UTR: HDFCR52022051167677276	74,60,362
(iii)	June 15,	UTR: HDFCR52022061576532 64	2,33,15,437

	2022		
(iv)	July 04, 2022	UTR: HDFCR52022070479909949	98,06,263

- The advance amount of 3,00,00,000/- was paid by the Respondent at the specific request of the Applicant, which is evident from email correspondence dated 02.08.2021 and 03.08.2021, annexed as Exhibit I. The Applicant has never disputed receipt of this advance. In fact, the Applicant has expressly admitted this amount in its letter dated 29.07.2025 (Annexure 4 to the Application).
- It is pertinent that under both the Patna and Ranchi Projects, the Applicant failed to discharge payments to its sub-contractors. As a result, to avoid delay and ensure continuity in project execution, the Respondent was compelled to make payments directly to the Applicant's sub-contractors.
- After 15.03.2022, the Respondent made payments aggregating to 1,31,04,460/- to the Applicant's sub-contractors on behalf of the Applicant. Detailed particulars of such payments are provided in the Respondent's Reply and form part of the evidence demonstrating the Applicant's defaults in managing its own contractual obligations.

Sr. No.	Date	Payment Details	Amount (in INR)
(i)	August 24, 2022	Sicame India (UTR: HDFCR52022082491047079)	45,59,369/-
(ii)	September 1, 2022	Kaundliya Infratech And Developers (UTR:	4,88,263/-

		N244222100862683)	
(iii)	September 1, 2022	Pankaj Vishwakarma (UTR: N244222100858082)	7,00,000/-
(iv)	September 1, 2022	Hari Om Constructions (UTR: N244222100862687)	23,000/-
(v)	September 1, 2022	Chirag Infratech Pvt. Ltd. (UTR: N244222100862688)	6,69,083/-
(vi)	September 1, 2022	Narayan Construction (UTR: N244222100862706)	67,464/-
(vii)	September 1, 2022	Aarush Construction (UTR: N244222100862693)	1,19,060/-
(viii)	September 1, 2022	Senaul Hoque (UTR: N244222100862696)	2,00,000/-
(ix)	September 8, 2022	Kutir Developers (UTR: HDFCR52022090844982 63)	7,72,968/-
(x)	January 17, 2023	Paid to Sub-Contractor on behalf of LPEPL (UTR: N011232294387727)	1,26,041/-
(xi)	August 1, 2023	Paid to Sub-Contractor on behalf of LPEPL (Chq. No. 80704, Dt: January 25, 2024 – SBI Panchmahal Branch)	6,47,812/-
(xii)	January 25, 2024	Om Sai Associates (Chq. No. 414682, Dt: January 25, 2024 – HDFC Dadar Branch)	2,54,400/-

- The Respondent states that it had duly intimated the Applicant that it was making payments directly to the Applicant's sub-contractors on the Applicant's behalf. The Respondent had specifically communicated to the Applicant that such payments were being made only to avoid delay in the execution of the projects and had requested the Applicant to properly account for these amounts in its books. The said position is evident from the email correspondence annexed as Exhibit J.
- Apart from the payments already made, the Respondent states that it is further entitled to receive

and/or adjust an amount of 83,13,177/- from the Applicant. This amount pertains to (i) the price of materials procured and supplied by the Respondent to the Applicant, and (ii) the GST payable by the Applicant on invoices raised by it upon the Respondent, which the Applicant failed to discharge.

- The Respondent relies upon emails dated 04.07.2022, 21.07.2022, and 20.09.2022, annexed as **Exhibits K-1 and K-2**, which clearly demonstrate that the Applicant had been repeatedly informed of these outstanding amounts relating to material charges and unpaid GST.
- After accounting for (i) payments made by the Respondent to the Applicant, (ii) payments made on behalf of the Applicant to its sub-contractors, and (iii) amounts recoverable on account of material and GST, a sum of 12,35,270/- (Rupees Twelve Lakhs Thirty-Five Thousand Two Hundred and Seventy only) is, in fact, receivable by the Respondent from the Applicant. A detailed reconciliation is annexed as **Exhibit L**.

2. <u>Patna Project</u>

- As on 15.06.2022, an amount of 69,00,000/- was due and payable by the Respondent to the Applicant under the Patna Project. The Respondent duly discharged this liability on 15.06.2022 through UTR No. HDFCR52022061575653264, which payment also appears in the Applicant's own ledger despite

this, the Applicant has conveniently suppressed the said payment in the present proceedings.

- Based on the Respondent's records, there is no amount whatsoever outstanding or payable by the Respondent to the Applicant under the Patna Project. All dues have been discharged, and the Applicant's contrary averments are factually incorrect and misleading.
- The Respondent further submits that the Patna JV incurred a substantial loss of approximately 24.51 Crores due to operational lapses solely attributable to the Applicant. Under the JV Agreement, the Respondent and the Applicant were to share losses in the ratio of 60: 40, and accordingly, the Applicant is liable to bear a loss of approximately 9,80,35,165/-
- In view of the above, the Respondent is entitled to recover from the Applicant:
- 12,35,270/- under the Ranchi Project, and
- 9,80,35,165/- under the Patna Project.
- Thus, the Applicant, rather than being a creditor, is liable to pay significant dues to the Respondent.
- Instead of settling its dues, the Applicant issued a Demand Notice dated 21.04.2025 claiming an alleged operational debt of 5,66,23,147/- against the Respondent. A copy of the said Demand Notice is annexed as Annexure 1 to the Application.
- The Respondent's Advocates issued a holding reply dated 05.05.2025, categorically disputing the alleged

operational debt and denying the contents of the Demand Notice. A copy of this letter is annexed as Annexure 2 of the application.

- By a detailed reply dated 19.06.2025, the Respondent refuted every allegation made by the Applicant and demonstrated that, rather than owing any amount, the Respondent was entitled to recover **9,92,70,435/-** from the Applicant. This letter is annexed as Exhibit 3 of the application.
- The Applicant's Advocates, by their letter dated 29.07.2025, and merely reiterated their earlier position without furnishing any substantive response to the detailed factual and financial discrepancies pointed out by the Respondent on 19.06.2025. This evasive reply is annexed as Exhibit 4 of the application.
- In view of the Applicant's evasive reply, the Respondent issued a holding response dated 29.07.2025 and thereafter a subsequent letter dated 03.09.2025, once again demonstrating the non-existence of any operational debt and calling upon the Applicant to settle the amounts due to the Respondent. These communications are annexed as Exhibit 5 of the application.
- Meanwhile, the Applicant appears to have filed the present Application on 11.08.2025. Although the Applicant claims to have served the Respondent on the same date, the Respondent did not actually

receive a copy until 03.09.2025 via email, and the physical copy (without annexures) only on 04.09.2025. This fact demonstrates suppression and procedural impropriety on the part of the Applicant.

- By letter dated 10.09.2025, the Applicant stated that the Application had already been filed on 11.08.2025 and alleged that the Respondent's letter dated 03.09.2025 was ex-post-facto. The Respondent's Advocates, by their reply dated 11.09.2025, clarified that no such service had been affected and reiterated that no amount is due from the Respondent to the Applicant. These communications are annexed hereto as **Exhibits M, N, and O.**

12.23. With reference to Paragraphs 1 and 2 of the Application, the Respondent denies that the Applicant is an Operational Creditor of the Respondent. The alleged Demand Notice is wholly misconceived, factually incorrect, and legally untenable. The alleged claim does not constitute an "operational debt" under the IBC, nor does any debt exist which is due or payable by the Respondent to the Applicant. The Respondent denies every allegation to the contrary. The Respondent has duly replied to the Demand Notice by its detailed response dated 19.06.2025. The Respondent further denies that the Respondent has raised false or frivolous allegations in the said reply as alleged.

12.24. With reference to Paragraph 3, the Respondent denies that its reply dated 19.06.2025 lacked merit or did not

warrant a response. The Respondent denies that the Applicant's letter dated 29.07.2025 merely "set the record straight." The said letter is evasive and does not deal with the contents of the Respondent's detailed reply dated 19.06.2025. It is denied that the Respondent's holding reply dated 29.07.2025 was issued to delay proceedings. The Respondent has duly replied to the Applicant's letter dated 29.07.2025 by its letter dated 03.09.2025.

12.25. With reference to Part I, the Respondent states that the Applicant is not an Operational Creditor within the meaning of the IBC.

12.26. With reference to Serial Nos. 1 to 5 of Part II, the Respondent states that it is not an Operational Debtor under the IBC. The particulars of the Respondent stated therein are matters of record. As regards Serial No. 6, the Respondent does not admit the authority of Mr. Shailesh Pathak to file the Application. Serial Nos. 7 and 8 warrant no response.

12.27. With reference to Part III, the Respondent states that the provisions thereof are inapplicable as the Respondent is not an Operational Debtor under the IBC.

12.28. With reference to Serial No. 1 of Part IV, the Respondent reiterates its submissions and denies that any amount of ₹5,84,24,214/- or any part thereof is due or payable to the Applicant. The Respondent denies that the Applicant is entitled to any principal amount, interest, or the

alleged claim of ₹500 Crores in respect of the Patna or Ranchi Projects. The Respondent denies that it is a Corporate Debtor of the Applicant. The contents are matters of record and in any event irrelevant to the existence of any alleged operational debt.

12.29. With reference to Paragraph 4, the Respondent states that various Joint Venture Agreements were executed for securing government contracts. Both parties participated jointly in several projects based on commercial terms. The Respondent denies anything contrary to what is stated herein. The Respondent denies the factual narration provided by the Applicant. The correct facts have been set out by the Respondent earlier in this Reply.

12.30. The Respondent denies that the invoices relied upon by the Applicant establish any operational debt. The Applicant has failed to specify which invoices are allegedly unpaid. The invoices do not correspond with the amount claimed, nor do they tally with GST forms annexed as Annexure 13. The Respondent states that the Applicant has failed to pay GST of ₹34,11,160/- on its own invoices. The Respondent denies the factual matrix narrated by the Applicant. The correct facts are already set out in earlier sections of this Reply.

12.31. The Respondent denies that it delayed payment of the Applicant's invoices. It is also denied that the Applicant granted extensions or allowed staggered payments to

"accommodate" the Respondent. All such allegations are false and incorrect. The Respondent denies that it stopped making payments on 15.06.2022 or 07.02.2024 as alleged. The Respondent has paid all invoices raised by the Applicant under both projects, and there is no outstanding amount.

12.32. The Respondent denies the Applicant's version of the email correspondence dated 17.03.2022, 14.06.2022, 18.04.2022 and 24.08.2022. The Applicant has selectively relied upon correspondence while suppressing emails that acknowledge payments made by the Respondent.

12.33. The Respondent denies that any principal amount of ₹4,72,26,254/- or any part thereof remains unpaid. The Respondent states that the Applicant's claims are inconsistent, inflated, and vary at different stages. The Respondent does not admit receipt of the alleged letter dated 29.08.2024 and denies its contents.

12.34. The Respondent states that the Demand Notice was issued only to thwart and pre-empt the Respondent from recovering ₹9,96,49,511/-, which is legally recoverable from the Applicant. The Respondent denies that its reply dated 19.06.2025 contained frivolous allegations. The reply only sets out true facts and denies existence of any debt. The Applicant, on the other hand, is liable to pay

substantial amounts to the Respondent, as set out in the said reply.

12.35. The Respondent denies that the Applicant's letter dated 29.07.2025 "set the record straight." It is denied that the Respondent's holding letter dated 29.07.2025 was a delaying tactic. The Respondent has duly responded to the Applicant's letter through its detailed reply dated 03.09.2025. The Respondent denies that the Applicant has any claim against it under the Patna or Ranchi Projects. The Respondent denies any allegation of dishonest conduct causing loss to the Applicant.

12.36. The Respondent denies that any amount fell due on 15.06.2022 or 07.02.2024. No cause of action arose from any email exchange. The Respondent denies giving any acknowledgment of debt. The ledger statements annexed as Exhibit 18 contain discrepancies and cannot support any claim. The Respondent denies that any claim became due or that any default is continuous. There being no debt, there can be no default. The Respondent denies giving any acknowledgment of an alleged debt. The Applicant's reliance on selective and incomplete communication is wholly misconceived.

12.37. The Respondent disputes the document at Exhibit 19. The NeSL intimation emails were found in the junk folder, and hence the Respondent could not respond earlier. Upon becoming aware, the Respondent

immediately lodged a grievance and disputed the alleged debt. The Respondent denies the genuineness and legal significance of the document. Assuming while denying that the bank statements are correctly annexed, the Respondent denies existence of any operational debt. The bank statements do not correspond with the Applicant's ledger or the invoices annexed. They therefore do not support the Applicant's claim.

13. The Applicant filed its Rejoinder to the **Reply** of the Corporate Debtor on 15.10.2025 vide Inward Diary No. D-6953, wherein the Applicant has dealt with each of the issues raised by the Respondent and has treated all subjects as disputed, as under:

13.1. The Operational Creditor ("OC") submits that the entire Reply filed by the Respondent is denied, and the same is a mala fide attempt to divert attention from the admitted outstanding dues. The OC submits that allegations made by the Respondent are false, frivolous, and intended to avoid payment of the operational debt.

13.2. On the allegation of pre-existing disputes:

- The Respondent relies on email exchanges [Exhibit B (Colly), pp. 38–45 of Reply] to allege pre-existing disputes.
- The Applicant states that those emails pertained only to Respondent's unauthorised direct payments to

Ranchi sub-contractors (December 2020), which was resolved in meetings pursuant to Respondent's email dated 31.05.2023.

- These emails have no nexus with the outstanding operational debt and do not constitute a pre-existing dispute.

13.3. On invoices and identification of defaulted invoices:

- Transactions were on a running account basis; payments were appropriated continuously; therefore invoices cannot be read in isolation.
- Invoices filed at Annexures 13 (Colly) (pp. 109–569 of Application) and 14 (Colly) (pp. 570–1032) must be read with the Ledger at Annexure 18 (pp. 1056–1133).
- Respondent's claim that invoices are time-barred is incorrect—Respondent repeatedly acknowledged liability through confirmations and correspondence, including Annexure 16 (Colly) (pp. 1037–1042 of Application) and emails now annexed as **Annexure 1** (Colly) (emails dated 01.09.2022 & 07.09.2022).
- Clubbing of operational debts is permissible if OC and CD are the same and the combined claim crosses Rs. 1 crore.

13.4. On the alleged Rs. 3 Crore advance:

- Respondent falsely alleges that Rs. 3 Crore advance relates to Ranchi Project.

- Applicant clarifies that the said amount pertains solely to the Maharashtra MSEDCL RDSS Project, towards consultancy services. This is evidenced by: Invoice No. LPT/MH/22-23/109 dated 27.03.2023, bearing Respondent's acknowledgment **(Annexure 2)**.

  Ledger extracts **(Annexure 3)** and Bank statements **(Annexure 4).**
- Applicant sought billing details through emails dated 05.07.2022 & 07.09.2022, annexed as **Annexure 5 (Colly).**
- Applicant had expressly clarified through emails dated 11.01.2022, 04.07.2022, and Respondent's reply dated 05.07.2022 that the Rs. 3 Crore was not linked to Ranchi receivables **(Annexures 6, 7, 8).**
- Respondent never objected to the invoice and cannot now set off this unrelated advance against Patna/Ranchi dues.

13.5. On Section 10A application of bar:

- Most invoices pertain to periods prior to 25.03.2020–25.03.2021 (10A period).
- Even after excluding 10A-period invoices, the Outstanding Amount remains above Rs. 1 crore, thus Section 9 is maintainable.

13.6. On existence of operational debt:

- Applicant supplied goods/services directly to the Respondent, who cleared invoices periodically without protest.
- Respondent's contention that SBPDCL/JBVNL were actual recipients is baseless—Respondent is the beneficiary and contracting party.
- Thus, the claim squarely falls under Section 5(20) & 5(21) of the Code.

13.7. On alleged set-offs and payments:

- All payments made by Respondent have already been accounted for in Ledger Annexure 18 (pp. 1056–1133).
- Rs. 3 Crore relates to Maharashtra Project; has no nexus with Patna/Ranchi Projects.
- Respondent's additional claim regarding the Palghar DHQ Project is irrelevant to this Application.

13.8. Para-wise responses to Reply:

- Paras 3(a), 3(b), 3(c), 3(d) – Denied; Applicant asserts that Demand Notice dated 21.04.2025 is validly issued; running account settles date-of-default by last payment.
- Paras 3(e) – Limitation extended by repeated acknowledgments (Annexure 16 (Colly), Annexure 1 (Colly)).

- Para 3(f) – Difference in interest calculation due to different dates (Demand Notice vs Application). Applicant has initiated filing of Form D (NeSL).
- Para 3(g) – Denial of concocted ledgers; Rs. 3 Crore unrelated; direct payments to subcontractors do not absolve Respondent.
- Para 3(h) – 10A objection misconceived; claim still above threshold.
- Para 3(i) – Operational debt exists; Respondent benefitted.
- Para 3(j) – 12% interest supported by Nair & Nair Joint Audit Reports dated 16.08.2024 **(Annexures 9 & 10).**
- Para 3(k)(ii)(a) – Rs. 21 lakh payment was recorded in head-office ledger **(Annexures 11, 12).**
- Para 3(k)(ii)(b) – Invoice No. LPT/BH/1819/0030 (01.12.2018) was received and paid (Rs. 47,36,520 reflected at p. 1062). GST upload mistakenly carried wrong invoice number; corrected record annexed as **Annexure 13.**
- Para 3(k)(iii) – Rs. 3 Crore unrelated to Patna/Ranchi.
- Para 3(k)(iv) – Bank statements for 16.02.2021–15.10.2021 annexed as **Annexure 14 (Colly).**
- Paras 3(l), 3(m), 3(n) – Respondent's set-off claim of Rs. 9,96,49,511/- is untenable; Nair & Nair Reports establish profitability of both projects.
- Para 3(o) – Clubbing of debts legally permissible.

- Para 3(p) – Respondent's alleged solvency irrelevant under IBC.

13.9. Clarification on letters and subcontracting:

- Respondent misrepresents letter dated 01.09.2016 [Exh. G-1, p. 654 of Reply] as issued by JBVNL; in fact, it was issued by Respondent appointing Applicant as subcontractor—no direct dealings existed with JBVNL/SBPDCL.

13.10. Payments acknowledged:

- Applicant admits receipt of Rs. 4,74,43,383, which is duly accounted for (pp. 1065, 1068, 1082 of Ledgers). Outstanding Amount nevertheless persists.

13.11. Service of the Section 9 Petition:

- Application filed on 11.08.2025.
- Pre-service email sent same day with complete copy.
- NCLT issued notice on 02.09.2025.
- Respondent served through email on 03.09.2025, RPAD, and Dasti.

13.12. Status of Operational Debt & Authority:

- Rs. 5,84,24,214/- qualifies as operational debt.
- Applicant is an "Operational Creditor".
- Respondent's objection to authority of Mr. Shailesh Pathak is baseless—Board Resolution is on record.

13.13. Completion of Projects:

- Patna Project completed on 30.12.2020.
- Ranchi Project completed on 25.02.2022, including DLP.
- Respondent misused joint venture credentials causing losses exceeding Rs. 500 crore (reserved for separate proceedings).

13.14. On NeSL records:

- Respondent's claim of missing NeSL intimation due to "junk folder" is an afterthought.
- Form-C is statutory under IBBI Regulations; Respondent's belated dispute to Grievance Cell is not a valid dispute under IBC Section 8.
- Form-D filing is underway.

13.15. Bank statements:

- Bank statements annexed to the Application fully match the ledger and establish receipt of payments; Respondent has produced no contrary evidence.

13.16. Considering the foregoing submissions, it is respectfully submitted that the Reply filed by the Respondent is vague, misconceived, an afterthought, and contrary to the true factual position on record. The Applicant has clearly established the existence of an operational debt as well as the Respondent's default in payment thereof. Accordingly, the Applicant prays that the present

Application under Section 9 of the Insolvency and Bankruptcy Code, 2016 be admitted. The Applicant further reserves its right to amend, modify, or supplement the contents of the present Rejoinder, if so required, during hearing.

14. Pursuant to the order dated 15.10.2025, the Respondent has filed its **Sur-Rejoinder** on 14.11.2025 vide Inward Diary No. D7523, wherein it is, inter alia, stated as follows:

14.1. Save and except what is expressly admitted, all averments in the Application and Rejoinder stand denied, and no statement shall be deemed admitted for want of traverse. The allegation that the Reply is mala fide or intended to divert issues is specifically denied, and it is submitted that the Reply is bona fide and supported by documentary record.

14.2. The Respondent reiterates that long-standing disputes existed between the parties, as evidenced by email correspondence forming part of Exhibit B of the Reply, wherein the Applicant had failed to pay sub-contractors, compelling the Respondent to make payments directly to prevent delay in the Patna and Ranchi Projects. These communications demonstrate pre-existing disputes predating the Demand Notice, and the contention that the payments were "unauthorised" is denied.

14.3. The Respondent submits that although the transactions between the parties were carried on a running-account

basis, the Applicant has failed to demonstrate invoice-wise appropriation of amounts or to reconcile the same with specificity. The ledgers relied on by the Applicant are inaccurate, unaudited, unacknowledged and contain various mismatches and omissions. Several invoices relied upon are ex facie time-barred and no valid acknowledgment exists under Section 18 of the Limitation Act. The Respondent further contends that the Applicant has impermissibly clubbed two distinct contracts—the Patna Project and the Ranchi Project—each having separate terms and dates of default, to artificially bring the aggregate claim above the statutory threshold and to include time-barred invoices within the claim

14.4. The allegation that the advance of ₹3 Crores was for the Maharashtra Project is categorically denied. The Applicant's own advocate's letter dated 29 July 2025 did not dispute that the advance related to the Ranchi Project. No services were ever rendered under any Maharashtra Project; the invoices raised were without approval; and the ledgers and bank statements relied upon do not substantiate the Applicant's version.

14.5. The Respondent submits that the Applicant's admission that most invoices pertain to the period prior to the Section 10A embargo itself shows that such invoices are time-barred. By excluding 10A-period invoices, the Applicant has created an inconsistency between the

Demand Notice and the Application, rendering the Application defective.

14.6. It is further submitted that the Applicant does not qualify as an Operational Creditor under the IBC, as all goods and services were for SBPDCL/JBVNL and not for the Respondent. Mere issuance of invoices does not create an operational debt. The Respondent reiterates that substantial payments were made to sub-contractors on behalf of the Applicant, and after due adjustments, it is in fact the Respondent who is entitled to recover amounts from the Applicant.

14.7. The Respondent emphasizes that no date of default has been clearly set out, rendering the Application non-maintainable. No acknowledgment has been made to extend limitation, and the claim for interest is unsupported by any agreement; the Nair & Nair Reports were never jointly obtained or consented to and cannot bind the Respondent.

14.8. The Respondent states that the Applicant has selectively annexed some invoices without correlating them to the alleged claim or to the purported ledgers, which themselves are fabricated and unreliable. The Applicant has also taken contradictory stands regarding alleged operational dues and other outstanding amounts, further undermining its own case. It is submitted that the Applicant has not produced evidence of filing Form-D with NeSL, and the absence of proper IU filing renders

the Application defective. The Respondent denies having received the Application on 11 August 2025 and states that it came to know of the filing only upon email dated 3 September 2025.

14.9. The Respondent reiterates that no operational debt exists and denies being an Operational Debtor under the Code. The Applicant has suppressed bank statements and other material documents which would reflect the correct appropriations and adjustments. The Application is filed with mala fides to pressurise the Respondent rather than pursue appropriate civil remedies.

14.10. The Respondent reiterates that clear pre-existing disputes exist between the parties and, after excluding time-barred and 10A-period invoices, the claim falls below the threshold of ₹1 Crore, making the Application non-maintainable. The Respondent reserves its right to recover amounts due from the Applicant as set out in its Reply and asserts that no reliefs ought to be granted to the Applicant.

14.11. Pursuant to the order dated 15.10.2025, both the Applicant and the Respondent filed their respective **Written Submissions** on 05.12.2025, vide Inward Diary No. D-8211 and Inward Diary No. D-8212 respectively. The same have been duly taken on record.

14.12. The Respondent have relied on the following judgements:

1. *Neeraj Jain vs. Cloudwalker streaming technologies P. Ltd. 2020 SCC Online NCLAT 445*
2. *SLB Welfare Assn. v. PSA Impex (P) Ltd. 2022SCC Online NCLAT 1584*
3. *Prashanth Shekara Shetty v. Alcuris Healthcare Private Limited & Anr. 2022 SCC Online NCLAT 4786*

15. We have heard the arguments of Counsels for the Applicant as well as for the Respondent and have perused the material available on record. We frame the following issues for our determination:

A. Whether there exists Creditor- Debtor relationship between the Applicant and the Respondent?

B. Whether the operational creditor received a notice of dispute under section 8 (2) of the Insolvency and Bankruptcy Code, 2016 (the Code)?

C. Whether the dispute, if any, is one that could be examined in section 9 proceedings?

D. Whether the debt in default, if any, crosses the threshold of rupees one crore mandated by section 4 of the Code?

16. We state below brief facts of the case:

16.1. The present petition under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC") has been filed by **Leena Powertech Engineers Pvt. Ltd.**

("Applicant/Operational Creditor") alleging non-payment of amounts claimed to be due from **Polycab India Ltd.** ("Respondent/Corporate Debtor") in relation to works executed under two separate Joint Venture arrangements concerning the Patna Project and the Ranchi Project. The Applicant relies on a series of invoices raised between 2014–2021, various email communications, and ledger extracts to assert an "operational debt" of approximately ₹5.84 crore.

16.2. A joint venture of both parties bid for, and secured tenders floated by the South Bihar Power Distribution Company Limited in 2013 (Patna Project) and by the Jharkhand Bijli Vitran Nigam Limited in 2015 (Ranchi Project). Joint venture agreement was entered on 14 August 2013 (modified on 6.9.2013) for the purpose of Patna Project and another Joint Venture Agreement was entered into on 15.6.2015 for the Ranchi Project. For Ranchi Project, a separate sub-contract agreement was entered into between the Applicant and Corporate Debtor on 15.4.2017 under which a portion of work awarded to the JV was sub-contracted to the Applicant.

16.3. Invoices pertaining to Patna Project were raised from July 2014 to March 2021 and invoices for Ranchi Project were raised for the period from January 2017 to April 2021. These invoices were raised by the Applicant on the Corporate Debtor.

16.4. The Applicant claims that an aggregate principal amount of Rs 4,72,26,254 remained outstanding for both Patna and Ranchi Project.

16.5. Part IV of the Application notes that the Corporate Debtor's default is continuous in nature. Applicant had received last part payments from the Respondent on 15.6.2022 for the Patna Project and on 7.2.2024 for the Ranchi Project and these dates are stated to be date of default.

16.6. The Applicant issued a legal notice on 29.08.2024 to the Corporate Debtor to make payment of principal amount of Rs 4,72,26,254 along with interest.

16.7. Demand notice under section 8 of the Code was issued on 21.04.2025 calling upon the Corporate Debtor to pay Rs 5,66,23,147 comprising of the aggregate outstanding principal amount and interest regarding the Patna and Ranchi Projects.

16.8. The Corporate Debtor issued a holding response to the demand notice on 05.05.2025 and another response was given on 19.06.2025.

16.9. The Applicant issued a communication on 29.07.2025 in response to the Corporate Debtor letter of 19.06.2025. The Corporate Debtor issued a response to the communication on 29.07.2025.

16.10. The Applicant also filed a copy of Form C filed with the National e-Governance Services Limited.

17. Based on the facts of the case, we now consider the issues framed.

18. Whether there exists Creditor- Debtor relationship between the Applicant and the Respondent?

18.1. The Respondent vide letter of 19.06.2025 has claimed that the claim of Rs 5,66,23,147 does not qualify as "operational debt" within the provisions of IBC. The Applicant does not qualify as an "operational creditor" as the claim does not arise from the supply of goods or services to the Corporate Debtor. All goods were supplied and services were rendered to tendering authorities and not the Corporate Debtor.

18.2 Annexure 13 of the Application contains copy of invoices raised by the Applicant for the Patna Project along with GSTR-1 and GSTR- 3B Forms. Annexure 14 contains copy of invoices raised for Ranchi Project and copy of GSTR-1 and GSTR-3B filed by the Applicant.

18.3 Pages 97 to 108 of the Petition is a copy of sub-contract agreement dated 15.04.2017 under which the Applicant was a sub-contractor to the Corporate Debtor. The Corporate Debtor was awarded the Ranchi Project and substantial part of which was sub-contracted to the Applicant for execution after taking approval from the client (Jharkhand Bijlee Vitran Nigam Limited).

18.4 Pages 109 to 1032 of the Petition are copy of invoices raised by the Applicant on the Corporate Debtor and copy of GSTR-1 and SHTR-3B. We have examined some of the invoices on sample basis and these are raised by the Applicant on the Corporate Debtor for design and supply of equipment, erection testing and commissioning services, and consultancy services.

18.5 Section 5(21) of the Code defines " Operational Debt" to means a claim in respect of provision of goods or services. Section 5(20) of the Code defines "operational creditor" to mean a person to whom an operational debt is owed and includes any person to whom such debt has been legally assigned or transferred.

18.6 Based on the fact that the Applicant has supplied goods and rendered services to the Corporate Debtor and has filed GSTR-1 and GSTR-3B and had been receiving the payments for the same. The Applicant qualifies to be an operational creditor.

18.7 Section 6 of the Code allows an operational creditor to file an application for the initiation of the corporate insolvency resolution process in respect of the corporate debtor who commits a default.

18.8 Considering the above, we hold that the Petitioner was eligible to file an application under section 9 of the Code. The receipt of notice of dispute is discussed later in this order.

19. Whether the operational creditor received a notice of dispute under section 8 (2) of the Insolvency and Bankruptcy Code, 2016 (the Code)?

19.1 The Applicant issued a demand notice under section 8 of the Code on 18.04.2025 as per which total amount of debt due from Polycab as on 18.04.2025 was Rs 5,66,23,147. It also referred to an amount of Rs 500 crores, as discussed in this order earlier, but the same was not included in the demand notice.

19.2 The Corporate Debtor responded to the notice vide letter of 05.05.2025 and the letter noted that the alleged operational debt claimed in the Demand Notice is seriously disputed.

19.3 The Corporate Debtor issued another letter of 19.06.2025. The main points in the letter are:

- No amount is due or payable.
- Assuming while denying that any amount is due and payable, the alleged amount is seriously disputed and denied on the contrary an amount of Rs 9,92,70,435 is recoverable.
- The Applicant was liable to bear an amount of approximately Rs 9.80 cores towards the loss from the Patna Project.
- During the execution of both Projects a running account was maintained between both parties. The letter notes that as on 14.06.2022 an amount of Rs

9,76,25,750 was payable by the Corporate Debtor to the Applicant and the Corporate Debtor provided details of payments and adjustments in Annexure 1 of the letter and the CD is entitled to receive Rs 12,35,270 for the Ranchi Project.

- Regarding Patna Project also as on 15.06.2022 an amount of Rs 69,00,000 was due and payable by the CD to the Applicant. The CD is entitled to receive an amount of Rs 9,80,35,165 from the Applicant for the Patna Project.

- The Corporate Debtor also raised objections like: alleged ledger statements are neither audited nor accepted/acknowledged by the CD; significant discrepancies and mismatches in the ledger for both projects; payments made for Ranchi Project are absent from the ledger; invoices provided do not correspond to the amount claimed in the demand notice; legal notice issued on 24.08.2024 by the Applicant claims an amount of Rs 55.84 crores.

- The Corporate Debtor claimed that there are pre-existing disputes between the parties regarding the reconciliation of the accounts and failure on the part of Applicant to fulfil its obligations.

- The Reply of the CD claims an amount of Rs 9,92,70,435 payable by the Applicant.

19.4 Based on the Replies to notice under section 8 (1) of the Code, filed by the Respondent, We hold that a notice of

existence of dispute was given by the Corporate Debtor under Section 8 (2) of the Code.

20. Whether the dispute, if any, is one that could be examined in section 9 proceedings?

20.1 The Respondent filed its reply to the Petition on 29.09.2025 and it disputes the Petition in its entirety, contending that:-

i. Substantial pre-existing disputes exist,

ii. The Demand Notice is defective for various reasons including no mention of the specific date of default,

iii. Demand notice is issued for an amount of Rs 5,66,23,147; Form C with NeSL is filed for an amount of Rs 5,66,23,147 and the Pettion is filed for an amount of Rs 5,84,24,147,

iv. Application is barred by law of limitation as the attached invoices pertain to the period between 2016-2021.

v. Several invoices pertain to Section 10A period,

vi. The Applicant's ledger is unreliable because amounts are adjusted unilaterally in contravention of accounting practices;

vii. The two projects have been impermissibly clubbed, and

viii. Several components of the claim, including the ₹3 crore transaction given by the Respondent to the Applicant as it was in urgent need of money to complete project not accounted and wrongly diverted the said ₹3 crore to an alleged Maharashtra MSEDCL

RDSS Project, which the Respondent asserts never existed, thereby introducing an additional disputed transaction unrelated to the present operational debt.

20.2 A copy of email dated 31.05. 2023 from the corporate debtor appears at page 38 of the Reply and refers to the dues of the contractors, who are small contractors and should not suffer for their dues. The email of 29.05.2023 from the Petitioner to the CD refers to various emails of 18.05.2023, 20.05.2023, 27.05. 2023, and 29.05.2023 and notes the restraint by not going public and to the various law enforcing, investigating agencies, SEBI, CBI, CVC, SEBs etc. It refers to the issue of making direct payment to its contractors by the CD and will be making at your own "risk and cost". It refers to dues of Rs 47.45 crores. It refers to account of manipulations, frauds, serious misdemeanour. The email notes that in case, Polycab fails to make and resolve our due receivable payment within 15 days of receipt of the email, please take it as a request for Arbitration from LPTE, as a sub-contractor, as per sub-contractor agreement. The email of 29.05.2023 from the CD notes that it has not failed in discharging any liabilities.

20.3 A copy of email from the Petitioner to the CD appearing on page 40 of the reply of the Corporate Debtor, referring to serious discrepancies in data, is extracted below: -

Dear Sir,

As agreed, LPTE's team visited the PIL office on May 23rd, 2023 and is currently working on compiling the necessary data.

Kindly appreciate that for over 3 years, we have, also, been following up with you all at Polycab for the due payments to LPTE, including the amount due to the contractors of LPTE (the Sub-contractor). With the outstanding payments from you, Polycab not flowing in, LPTE has been subjected to various pressures including that from our contractors, in addition to lot of embarrassment, as well as loss of reputation – a situation never faced by us in the past.

So far, initial verification of the statement of dues to our contractors, as shared by Nilesh Mehta ji indicates serious discrepancies in data. It appears that the numbers of our contractors as per your list is only 174, whereas, the actual number of our contractors comes to around 234. The paid amounts, as well as, the balance payable are also not matching.

If you make the mistake of making any direct payment to our contractors, you will be doing so at your own "risk & cost."

It follows that all & any payments to our i.e. LPTE's contractors have to be necessarily & legally routed through us i.e. LPTE only.

The balance payments to our contractors are held up because you at Polycab have totally failed to discharge your liabilities & responsibilities as the lead partner for payment to us for several years now.

20.4 A significant portion of the Respondent's Reply highlights that **multiple disputes between the parties pre-dated the issuance of the Section 8 Demand Notice dated 21.04.2025**. These include disputes arising from non-payment of subcontractors, reconciliation disagreements, questions surrounding direct payments made by the Corporate Debtor on behalf of the Applicant, and disagreements regarding the accuracy of the Applicant's ledgers.

20.5 These disputes are evidenced by email correspondence exchanged as early as May 2023, wherein the Applicant

itself suggested arbitration as a mode of dispute resolution.

20.6 The Applicant's attempts to characterise these emails as limited to subcontractor-related concerns; however, the record demonstrates that such communications pertained to on-going operational disagreements and accounting issues directly relevant to the alleged outstanding dues.

20.7 The presence of these disputes prior to the Section 8 notice clearly satisfies the test laid down by Hon'ble Supreme Court in ***Mobilox Innovations v. Kirusa Software*** **Pvt Ltd. AIR 2018SC 4532,** which hold that a dispute must be real and existing prior to the receipt of the demand notice and must be regarding the debt claimed in the petition, thereby disentitling the Applicant from triggering Section 9.

20.8 The Hon'ble NCLAT in its judgment of 11.12.2025 in the case of **Bhuvan Kumar Gupta v. Maverick Developers and Colonisers Pvt. LTd. and Anr. [(2025) ibclaw.in 1058 NCLAT]** held that, "the dispute between parties with regard to set off in the ledger entry as communicated by the CD to the Operational Creditor is not a dispute, which can be examined and determined in section 9 proceedings. As discussed later on in this order there are issues of giving credit and set-off of amounts paid by the CD to the Operational Creditor in this case

and therefore the ratio laid by the Hon'ble NCLAT applies to the facts of this case also.

20.9 Such ***pre***-existing disputes go directly to the root of the alleged debt and its quantification. Under Section 9 of the IBC, the existence of a genuine pre-existing dispute, especially one concerning the very obligation to pay and the correctness of the claimed amount, is a complete bar to admission of the petition.

20.10 *Section* 9 (1) of the Code reads as:

> *"**9.** (1) After the expiry of the period of ten days from the date of delivery of the notice or invoice demanding payment under sub-section (1) of section 8, if the operational creditor does not receive payment from the corporate debtor or notice of the dispute under sub-section (2) of section 8, the operational creditor may file an application before the Adjudicating Authority for initiating a corporate insolvency resolution process.*

20.11 The Tribunal has also taken note of the principle laid down by the Hon'ble Supreme Court in **S.S. Engineers v. Hindustan Petroleum Corporation Ltd. (2022) ibclaw.in 92 SC**

> *" 31. The NCLT, exercising powers under Section 7 or Section 9 of IBC, is not a debt collection forum. The IBC tackles and/or deals with insolvency and bankruptcy. It is not the object of the IBC that CIRP should be initiated to penalize solvent companies for non-payment of disputed dues claimed by an operational creditor."*

20.12 The competing positions of the parties involve detailed reconciliation of accounts under two separate project frameworks (Patna and Ranchi), examination of mutual

claims, appropriations, counter-claims, advances, and subcontractor-related adjustments. These matters require comprehensive evidence and adjudication, which lie outside the limited, summary scope of proceedings under Section 9 of the IBC. Where the very existence and quantum of debt are seriously contested, insolvency cannot be used as a recovery mechanism.

20.13 In view of the above, we are of the view that Operational Creditor had received a notice of existence of a dispute as referred in section 8 (2) of the Code and there is substance in the dispute and therefore the Petition filed by the Operational Creditor under section 9 of the Code is not maintainable on this basis alone.

21. We now examine whether the debt in default, if any, crosses the threshold of rupees one crore mandated by section 4 of the Code?

21.1 There is a material discrepancy between the amount demanded in the Section 8 Notice (5,66,23,147/–) and the amount claimed in the present Application (5,84,24,214/–), without any explanation or subsequent event justifying this variance.

21.2 The Respondent has produced material to show that payments were made against alleged outstanding amounts, and that certain invoices fall within the Section 10A exclusionary period, which statutorily prohibits

treating defaults occurring between 25.03.2020 and 25.03.2021 as triggers for insolvency.

21.3 The Tribunal has also reviewed the ledger extracts and bank records placed on record. It is noted that several payments made by the Respondent—such as the transfer of ₹21 lakh on 01.06.2017 and ₹3 crore on 03.08.2021—are reflected in the Respondent's bank statements but do not appear in the Applicant's ledger.

21.4 The Corporate Debtor has also produced evidence to show that material supplied to the Applicant and GST liabilities unpaid by the Applicant require adjustment in the running account.

21.5 After considering such debits and credits, the Corporate Debtor asserts that, instead of owing any amount to the Applicant, a sum of approximately ₹9.92 crore is recoverable from the Applicant. The Applicant, on the other hand, disputes every such adjustment, thereby establishing the presence of a live dispute.

21.6 Page 681 (Annexure L) of the Reply of the Corporate Debtor is computation of outstanding payable by the Respondent to the Applicant under Ranchi Project. It starts with amount payable of Rs 9,76,25,750. This comprises of outstanding amount as confirmed on March 15, 2022, of Rs 7,52,60,295 and invoice dated 14.06.2022 raised by LPEPL post confirmation for Rs 2,23,65,455. An amount of Rs 4,74,43,383 is made by

Respondent after March 15,2022. The Corporate Debtor has paid Rs 1,31,04,460 to sub-contractors on behalf of the Applicant. The Respondent to receive adjustment under Ranchi Project of Rs 83,13,177 for which details are given. The Respondent claiming adjustment of Rs 3,00,00,000 as refund of advance provided for Ranchi Project. Based on this working, the CD is to receive Rs 12,35,270 from the Applicant.

21.7 The Applicant has contended that the sum of ₹3,00,00,000/– sought to be treated by the Respondent as an 'advance' under the Ranchi Project, in fact pertained exclusively to consultancy services allegedly rendered under the Maharashtra MSEDCL RDSS Project. The Applicant has relied on Invoice No. LPT/MH/22-23/109 dated 27.03.2023 and certain ledger extracts to assert that the said transaction is wholly unconnected with the Patna or Ranchi receivables.

21.8 The Respondent, on the other hand, has categorically denied the existence of any such Maharashtra consultancy engagement, disputed the genuineness as well as approval of the alleged invoice, and has asserted that the Applicant did not render any services under any Maharashtra project. The Respondent has further stated that even in the Applicant's earlier correspondence, there was no assertion that the ₹3 Crore advance related to the Maharashtra Project."

21.9 On being directed by this Tribunal vide order of 05.12.2025, the Corporate Debtor has filed its reply on 12.12.2025 and Petitioner on 13.12.2025 concerning adjustment of Rs 3 crores by the Corporate Debtor against dues of Ranchi Project and also invoices covered by section 10A. The Corporate Debtor referred to page 674 of its Reply which is an email of 02.08.2021 issued by the Petitioner requesting the Respondent to extend 3 crore financial support "wrt to closure of Ranchi and Patna Project". Page 673 of the Reply of the Corporate Debtor is an email of 03.08.2021 issued by the CD communicating decision to provide financial aid and intimation of transfer. Page 673 of the Reply is also an email from the Applicant confirming receipt of Rs 3 crore. Page 31 of the Rejoinder of the Applicant is an invoice dated 27.03.2023 issued by the Applicant for an amount of Rs 3 crores for providing services under the Maharashtra RDSS Scheme Project. We have also gone through pages 35 to 37 of the Rejoinder of the Applicant.

21.10 The Petitioner vide emails of 07.07.22 and 07.09.22 (pages 35 and 36 of the Rejoinder) seeks details for raising an invoice in relation to Rs 3 crores. The Petitioner in its submission filed on 13.12.2025 has reiterated its position that amount of Rs 3 crores pertain to MSEDCL RDSS Project and denied that the said advance had any nexus with Patna and Ranchi Projects. It submitted emails showing that the advance is not be linked to the Ranchi Project.

21.11 We are of the view that an amount of Rs. 3.00 crores paid by the Corporate Debtor was an advance for Patna and Ranchi Project. The Petitioner could not provide any underlying document to demonstrate that amount of Rs 3.00 crores was for any other purpose including Maharashtra Project. The Corporate Debtor has not accepted the invoice raised by the Petitioner for the Maharashtra Project. Therefore, an amount of Rs. 3.00 crores require to be considered as credit against the amount payable for Patna and Ranchi Project.

21.12 The Petitioner has provided details of amount related to invoices pertaining to Section 10A period. As per paragraph 8 of this submission filed on 13.12 2025, the amount outstanding after deducting invoices raised during section 10A period (Rs 1,28,42,496 for Patna Project and Rs 1,01,43,002 for Ranchi Project), the total due for both Projects as per Petitioner is of Rs 2,38,08,219 without giving credit of Rs 3 crores.

21.13 As discussed above, a credit of Rs. 3.00 cores need to be given and therefore instead of due from the Corporate Debtor it will be payable of Rs 61,91,781 by the Petitioner. Therefore, the due amount in default falls short of rupees one crore as required by section 4 of the Code and therefore we hold that the petition is not maintainable for this reason also. Even without the Rs.3.00 crore adjustment, the disputed nature of

remaining invoices (including Section 10A exclusions and ledger discrepancies) renders the debt non-existent or below threshold on a plenary view.

22. To summarise, we have held that there was a pre-existing dispute prior to the issue of notice under section 8 (1) of the Code and this dispute was notified to the Petitioner. Further, the debt in default falls short of rupees one crore. Therefore, the Petition is not maintainable.

23. Accordingly, **CP (IB) No.347 of 2025** is not maintainable and is hereby liable to be dismissed and **dismissed** accordingly. No order to costs. Both the parties to bear their costs.

24. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)

Aditi /LRA