

**NATIONAL COMPANY LAW APPELLATE TRIBUNAL  
PRINCIPAL BENCH, NEW DELHI**

**Company Appeal (AT) (Insolvency) No. 1220 of 2025**

**[Arising out of the Impugned Order dated 27.05.2025 passed by the Adjudicating Authority, National Company Law Tribunal, Mumbai Bench in C.P. (IB) No. 939/MB/2024]**

**In the matter of:**

**Air Wave Technocrafts Private Limited**

(CIN: U74900DL2008PTC176589)

Registered office at:

Shop No.-8, 21 Veer Savarkar Block,

Surya Complex, Shakarpur,

Delhi-110092

Ph. No.: 8920982384,

EMAIL ID: sharma.awt@gmail.com

.... Appellant

**Versus**

**Voltas Limited,**

Voltas House 'A' DR Babasaheb Ambedkar Rd,

Chinchpokli, Mumbai, Maharashtra – 400033

E-mail: akmohanta@voltas.com ;

amitbanerjee@voltas.com ;

sudeepmendhe@voltas.com ;

[cvinod@voltas.com](mailto:cvinod@voltas.com)

Ph. No.: 9820913499

**And also at:**

A-43, Mohan Co-operative Industrial Estate,

Mathura Road, New Delhi-110044

Ph. No.: 9999191031 (Mr. Joginder Singh)

: 9958229916 (Mr. Amit Banerjee)

.... Respondent

**Present:**

For Appellant : Mr. Vishal Agarwal, Advocate.

For Respondent : Mr. Ankur Sood and Mr. Prajwal Suman, Advocates.

**J U D G M E N T**  
**(Hybrid Mode)**

**Per: Barun Mitra, Member (Technical)**

The present appeal filed under Section 61 of Insolvency and Bankruptcy Code 2016 ('IBC' in short) by the Appellant arises out of the Order dated 27.05.2025 (hereinafter referred to as '**Impugned Order**') passed by the Adjudicating Authority (National Company Law Tribunal, Mumbai Bench-I) in C.P. (IB) No. 939/MB/2024. By the impugned order, the Adjudicating Authority has dismissed Section 9 application filed by the Appellant-M/s Air Wave Technocrafts Private Limited. Aggrieved by the impugned order, the present appeal has been preferred by the Appellant.

**2.** Making submissions on behalf of the Appellant-Operational Creditor, the Ld. Counsel for the Appellant submitted that the Operational Creditor had been engaged by the Corporate Debtor for providing services to their clients for operation and maintenance of HVAC systems located at various work sites and that a running account was maintained with the Corporate Debtor for this purpose. Elucidating on the payment mechanism, it was submitted that the Operational Creditor raised invoices for the payment for services rendered, supported by necessary documents like ESI/PF challans and Wages Register etc. to the Corporate Debtor. The Corporate Debtor after necessary verification would forward these invoices/documents to their clients for whom the Operational Creditor had performed their services. Once the clients released payments to the Corporate Debtor, after making TDS deduction, the Corporate

Debtor would in turn release payments to the Appellant after holding back some amount as retention money. It was submitted that the Corporate Debtor later on failed to discharge their payment obligations. Subsequent correspondences with the Corporate Debtor regarding the outstanding invoices only yielded a response from the Corporate Debtor that the outstanding dues have been put up for commercial verification. Since the outstanding debt continued to remain unmet and unpaid, the Operational Creditor registered the debt of the Corporate Debtor with the Information Utility (“IU” in short) on 13.02.2023 and 19.06.2023. As an amount of an operational debt of Rs 1,20,46,835/- had purportedly fallen due, a Demand Notice under Section 8 in Form-3 was sent on 17.02.2024 through the IU. The Corporate Debtor sent their reply to the Section 8 Demand Notice on 04.03.2024. The Corporate Debtor did not make further payments and instead disputed the outstanding liability including raising the issue of limitation. The Appellant therefore filed a Section 9 application for initiation of CIRP against the Corporate Debtor on 29.08.2024 which was dismissed by the Adjudicating Authority on 27.05.2025.

**3.** Assailing the impugned order, it was contended that the Adjudicating Authority had wrongly rejected the Section 9 application primarily on the grounds of pre-existing dispute and bar of limitation. It was contended that the Corporate Debtor had never disputed the operational debt registered with the IU. Thus, when no disputes were raised prior to the issue of Demand Notice, the Adjudicating Authority had no reasons to infer the existence of a pre-existing dispute. It was also contended that the Adjudicating Authority had wrongly

viewed the invoices submitted by the Appellant from 2010 to 2019 as separate and isolated invoices and in holding that they were barred by limitation. When the Corporate Debtor had made part payments on 18.02.2021 and thereafter had confirmed an amount of Rs 15.03 lakhs towards full and final settlement on 11.08.2022 and 22.12.2022 which when coupled with information reflected on IU clearly amounted to be an acknowledgment of the jural relationship of debtor and creditor and acknowledgement of liability on the part of the Corporate Debtor which extended and revived the limitation period in terms of the ratio laid down by the Hon'ble Supreme Court in the case of ***Dena Bank vs C. Shivakumar Reddy (2021) 10 SCC 330***. In the given circumstances, it was pointed out that the impugned order had wrongfully held the invoices to be time-barred and hence aggrieved by the impugned order, the present appeal has been preferred by the Appellant.

**4.** Refuting the submissions made by the Appellant, the Ld. Counsel for the Corporate Debtor submitted that the invoices raised relate to work orders issued from 2010 to 2019. The operational debt raised in the Demand Notice dated 17.02.2024 was in respect of claims arising out of invoices which had fallen due more than 3 years back. Quite clearly, therefore, the claim was time-barred. Moreover, the invoices had been disputed much before the claims were time-barred under the Limitation Act. In terms of their business arrangement, the invoices submitted by the Operational Creditor required certification from the Corporate Debtor, however, the Operational Creditor did not furnish any supporting document like purchase order or work order or certified invoices in

respect of the claim raised by them. The Operational Creditor had also failed to provide attendance sheet, wage register, PF and ESIC challans of the employees deployed at the site which fact had been brought to the notice of the Operational Creditor. It was also pointed out that there are several e-mails correspondences which show ongoing disputes between the two parties regarding work certification, amounts and supporting documentation besides GST mismatches. It was asserted that the Adjudicating Authority had passed a well-reasoned order rejecting the Section 9 application filed by the Appellant for a disputed and time-barred claim.

**5.** We have duly considered the arguments advanced by the Learned Counsel for the parties and perused the records carefully.

**6.** The first question for our consideration is whether the Section 9 petition was barred by limitation or not.

**7.** For a proper appreciation of the matter at hand, we may note some of the salient dates and related happenings which have been adverted attention to by both the parties which we find to be of relevance in deciding the matter at hand. The work orders undisputedly pertain to the period spread over 2010-2019. The last invoice had been raised by the Operational Creditor on 02.01.2019 as is placed at page 175 of the Appeal Paper Book ("**APB**" in short). When the Operational Creditor took up the matter with the Corporate Debtor for release of outstanding payments, the Corporate Debtor had allegedly informed the Appellant that the invoices received from them has been taken up for verification. Subsequently, the Corporate Debtor made a payment of Rs 7,81,313/- on

18.02.2021 towards outstanding operational debt as is noticed from bank statement placed on record at page 329 of APB. On 11.08.2022, the Corporate Debtor had sent an e-mail to the Operational Creditor by which they denied further payments in respect of all past invoices except Rs. 15.03 lakhs after raising issues of non-submission of compliance documents by the Operational Creditor as is placed at page 331 of APB. Basis this denial of payment contained in the above e-mail, the Operational Creditor has considered 11.08.2022 as the date of default in Part-IV as placed at page 404 of APB. We also find that a subsequent e-mail dated 22.12.2022 was sent to the Appellant by the Corporate Debtor as placed at page 332 of the APB informing that a full and final settlement proposal of Rs 15.03 lakhs has been sent to their higher authorities. The Operational Creditor has held this e-mail to be in the nature of a full and final settlement proposal which amounted to be an acknowledgment of debt giving a fresh limitation period to all the pending invoices. We also notice that the Operational Creditor had registered financial information pertaining to the debt of the Corporate Debtor on the IU on 13.02.2023 and 19.06.2023 as placed at page 336-339 of the APB. The NeSL had thereafter sought the confirmation of the Corporate Debtor on the financial debt registered with the IU but did not receive any confirmation from the Corporate Debtor following which it issued the Record of Default to the Operational Creditor holding the debt of the Corporate Debtor as "Deemed to be Authenticated" on 04.03.2024 as placed at page 346 of APB. The Operational Creditor issued a Demand Notice in Form-3 dated 17.02.2024 as placed at page 343 of the APB. In Form-3, we find that the amount

claimed to be in default is Rs 1,20,46,835/- only. It is further stated therein that the date from which the debt fell due was 15.11.2010 and that the date on which the default occurred was 11.08.2022. The Corporate Debtor replied to the Demand Notice on 01.03.2024 as placed at page 353 of the APB denying its liability besides raising disputes with regard to invoices, lack of supporting documents and time-barred claim. The Operational Creditor filed the Section 9 application for initiation of CIRP of the Corporate Debtor on 29.08.2024.

**8.** Having noticed the above facts, we now proceed to look into the rival submissions made by both parties on the issue of limitation. But before doing that we must add here that we have no quarrel with the contention of the Appellant that the application of Section 18 of the Limitation Act, 1963 in IBC has been well settled in the judgment of the Hon'ble Apex Court in ***Dena Bank judgement supra***. It is well settled that Section 18 of the Limitation Act, 1963 gets attracted the moment acknowledgment of their liability to pay the debt in writing is signed by the Corporate Debtor which acknowledgment must be for the liability in respect of which the creditor has initiated action under Section 7 or 9 of IBC and must be made before the expiration of the prescribed period of limitation including the fresh period of limitation given from time to time.

**9.** It is the case of the Operational Creditor that the Adjudicating Authority had incorrectly treated each invoice as a separate cause of action while ignoring the fact that the business engagement between the two parties was premised on a running account basis. Though the invoices were issued against work orders from 2010-19, these invoices were not hit by limitation as the two parties had a

running account. Since the last part payment was made by the Corporate Debtor on 18.02.2021, this extended the period of limitation in terms of Section 18 and 19 of the Limitation Act, 1963 as it amounted to be an acknowledgment for all the residual unpaid invoices. Furthermore, inspite of the acknowledgment of debt by the Corporate Debtor within the 3 year limitation period by way of making part payment, the Adjudicating Authority had erroneously held the claim of the Operational Creditor to be time-barred. It was also claimed that the e-mail dated 11.08.2022 in which the Corporate Debtor acknowledged part liability, this date constituted a valid and crystalized date of default under the IBC. When there was a clear chain of acknowledgment and part payments, it showed continued cause of action and therefore validated the date of default. Furthermore, the full and final settlement offer made by the Corporate Debtor on 22.12.2022 also amounted to be an acknowledgment of debt which was sufficient to revive the limitation under IBC. In addition, the registration of debt and its authentication on the IU in 2023-24 was sufficient to prove that the limitation period stood extended for the outstanding payment in respect of all the invoices. It was contended that the Adjudicating Authority had contravened the statutory mandate of Section 9(5) of the IBC in having failed to appreciate the binding nature of IU Records. It was also contended that Form-26AS entries showing TDS deduction alongwith uncontroverted IU Records reinforce that the limitation period had been extended of the operational debt.

**10.** Per contra, it is the contention of the Corporate Debtor that the work order issued by the Corporate Debtor was not one common, single work order. The

invoices raised related to several disconnected and disparate contracts as is evident from the particulars mentioned in the invoices which depict the name of different work-sites. Thus, it is misplaced for the Appellant to contend the invoices to be running invoices. As payments released by the Corporate Debtor could be mapped to specific invoices, the default was necessary to be factored in invoice wise. In other words, default in the payment of each invoice constituted independent default with each invoice having its own period of limitation. Hence, part payment which was made by the Corporate Debtor on 18.02.2021 was in respect of certain specific invoices and this part payment could not have extended the limitation period for all the invoices. Therefore, unless and until the Operational Creditor was able to establish invoice-wise acknowledgement of liability or part payment made in respect of such specific invoices, the Operational Creditor was not entitled to claim that the invoices were not time-barred. Since the Operational Creditor has failed to place on record any valid acknowledgement or part payment in respect of the invoices basis which outstanding debt was claimed, the Operational Creditor had failed to substantiate a case for extension of limitation. Hence the Adjudicating Authority committed no error in holding that the Section 9 petition was time-barred and not maintainable under Section 9 of the IBC.

**11.** Coming to our analysis and findings, as already noticed above, it is well settled that the trigger of initiation of CIRP by an Operational Creditor under IBC is default on the part of the Corporate Debtor wherein the default relates to actual non-payment by the Corporate Debtor when a debt has become due and

payable. However, if the default had occurred over three years prior to the date of filing of the Section 9 application, the application would become time-barred. In the present facts of the case, we find that the work orders relate to the period 2010 to 2019 and admittedly the last invoice raised was 02.01.2019 as placed at page 175 of APB, thus, the time of more than three years has clearly lapsed from the due date of these invoices in all these cases. Since the Section 9 petition had been filed in 2024, prima facie, the invoices are clearly hit by limitation.

**12.** This brings us to the tenability of the argument canvassed by the Operational Creditor that though they had claimed outstanding dues against invoices from the period 2010 to 2019, these invoices were not time-barred since the Corporate Debtor had made the part payment on 18.02.2021. It is vehemently contended by the Appellant that this part payment clearly renewed the limitation period since the two parties were having a running account. To return our findings on this contention, even if we accept at face value the contention of the Operational Creditor that since part-payment was made on 18.02.2021 by the Corporate Debtor, it gave a fresh period of limitation to the unpaid invoices, even then the three-year limitation period would have come to an end on 17.02.2024. However, it is an undisputable fact that the Section 9 application was filed on 29.08.2024 which was clearly beyond the three years period of limitation. Thus, we have no doubts in our mind that even if we calculate the period of limitation from 18.02.2021, the invoices stood time-barred.

**13.** We are also not persuaded by the claim of the Operational Creditor that their business arrangement with the Corporate Debtor was on a running account basis and hence part payment clearly renewed the limitation period for all the invoices which remained unpaid. When we look at the material placed on record by the Operational Creditor particularly the invoices from page 67 onwards of the APB, the invoices relate to multiple work sites, unrelated to each other like the Rashtrapati Bhawan, MGF Mega City, IIT Delhi, IRCA Building Northern Railway, TATA Power, Jubilant Ltd., Talkatora Stadium which all goes to show that there was no overarching or inter-connected relationship of the innumerable invoices. There is no one common contract either on record to prove to the contrary that the invoices had a clear and over-riding nexus with each other. When the invoices have been raised on the basis of different work sites with no clear reference to a common contract, we are not in a position to accept that the accounts were maintained on a running account basis or that the claims as per the invoices constituted a continuing cause of action. Hence, we find no substance in the contention that part-payment released in respect of some specific identified and verified invoices on 18.02.2021 be construed to have extended the limitation period for other invoices. The Adjudicating Authority has therefore not committed any error in observing at para 40 of the impugned order that all the invoices from 2010 to 2019 are individually barred by limitation and part-payments in respect of specific invoices do not revive or extend limitation for the other unpaid invoices.

**14.** Another contention of the Appellant is that the Corporate Debtor in their e-mails dated 11.08.2022 and 22.12.2022 had had accepted part liability which clearly established the jural relationship between the two parties as debtor and creditor and this in turn had revived the limitation. It was also pointed out that when the Corporate Debtor in their e-mail dated 22.12.2022 had clearly accepted liability for payment of Rs 15.03 lakhs, this amounted to be an acknowledgement of the outstanding debt. Hence this clearly extended the limitation period for all the unpaid invoices.

**15.** It may be useful and constructive to notice the two emails dated 11.08.2022 and 22.12.2022 to find out whether there was any acknowledgement of liability and if so then the acknowledgement pertained to which liabilities. The two emails are as extracted hereunder:

***“Aug 11, 2022 at 3:16 PM***

*akmohanta@voltas.com*

*To: Mahender kumar <sharma.awt@gmail.com>*

*Cc: Joginder Singh/EM&RBG/DEL <jogindersingh@voltas.com>,*

*JitenderKumar/EM&RBG/DEL<jitenderkumarmandal@voltas.com>,*

*“Mohd. Umair Hashim/ EM&RBG/DEL”*

*mohdumairhashim@voltas.com>, AM Chowdary/*

*EM&RBG/THN<amchowdary@voltas.com> Amit Banerjee/F&C/ NEW*

*DELHI<amitbanerjee@voltas.com>*

*Dear Sir,*

*Please refer to our last discussions we had with you on the subject.*

*Based on your statement submitted to our F&C a reconciliation and checks have been made from our end. The detail observations & findings are as under;*

*1. Rs.28.36 lacs payments made & adjusted but showing pending*

*2. Rs.15.03 Lacs PO deleted due to compliances not submitted by Vendor on time, after several mail reminders*

*3.Remaining No PO/OLD/Untraceable/NO Provision available/No records*

*We once again request you to kindly revalidate the above details from your end (point Sl. 1) and establish the claims for Point Sl.2 & 3 to review from our end.*

*The reconciled statement is attached FYI pls.*

*Thanks & Regards*

*A.K.Mohanta”*

*“Thu, **Dec 22, 2022** at 11:00 AM*

*<amitbanerjee@voltas.com>*

*To: Mahender kumar <sharma.awt@gmail.com>, ass.awt@gmail.com*

*Cc:JoginderSingh/EM&RBG/DEL<jogindersingh@voltas.com>,Jitender Kumar/EM&RBG/DEL<jitenderkumarmandal@voltas.com>AKMohanta /EM&RBG/DEL<akmohanta@voltas.com>*

*Dear Mr Sharma & Mohammed,*

*Final Reminder!!!*

*Since last so many months we are asking to submit the Complete set of Documents as per your claims, for which you failed to submit.*

*Rs. 15.03 Lacs you have submitted & entire set in Photocopy.*

*Any how need to close the matter by 31-Dec'22 therefore we are in force to assuming that other than Rs.15.03 Lacs NO FURTHER CLAIMS pending.*

*Accordingly sending proposal for Higher Management approval towards Full & Final Settlement.”*

*(Emphasis supplied)*

**16.** When we look at the above two emails it is clear that the Corporate Debtor has claimed that it has cleared the payment of Rs 28.36 lakhs and that no other dues have been admitted by them except for Rs. 15.03 lakhs for which liability amount, the documents were not made available on time by the Operational Creditor. It is clear that the Corporate Debtor while accepting liability of Rs.15.03 lakhs was focussed on specific invoices for which it was seeking relevant supporting documents. The Operational Creditor is required to furnish specific information relating to the acknowledgement of debt, in writing by the Corporate Debtor, within the initial period of three years from the date of default, only then,

a fresh period of limitation commences and the application can be entertained if filed within this extended period. The e-mail dated 11.08.2022 is insufficient for establishing that there was any acknowledgment of liability on the part of the Corporate Debtor for all other invoices. We are of the considered view that mere establishment of jural relationship as debtor and creditor does not automatically lead to extension of limitation period unless and until the debtor clearly acknowledges and admits liability owed to the creditor. In this backdrop, the Adjudicating Authority has not committed any infirmity in holding that the the period of limitation stood extended only in relation to the default arising from those specific and mapped invoices and that the Operational Creditor has failed to bring on record any acknowledgement or part payment in relation to the remaining pending invoices which therefore stood individually barred by limitation.

**17.** This brings us to the other submission made by the Operational Creditor that the financial information of debt registered with the IU would give rise to fresh period of limitation. Emphatic assertion was made that the financial information was communicated to the Corporate Debtor by NeSL. Yet the Corporate Debtor had never disputed the financial information which amounted to be an acknowledgement on their part. Per contra it was contended by the Corporate Debtor that the extension of the limitation period depends on the debtor's action of acknowledging the liability and not the creditor's action of filing the information with the IU. The acknowledgment must demonstrate a conscious acceptance of the subsisting liability by the debtor which is clearly distinct from

the mere administrative filing of information by the Operational Creditor with an IU.

**18.** At this juncture we may have a look at Regulations 20 and 21 of the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017 which governs the situation. Regulation 20 of the Information Utilities Regulations, 2017 is as follows:-

***“20. Acceptance and receipt of information.-***

*(1) An information utility shall accept information submitted by a user in Form C of the Schedule.*

*[(1A) Before filing an application to initiate corporate insolvency resolution process under section 7 or 9, as the case may be, the creditor shall file the information of default, with the information utility and the information utility shall process the information for the purpose of issuing record of default in accordance with regulation 21.]*

*(2) On receipt of the information submitted under sub-regulation (1) [or sub regulation (1A), as the case may be], the information utility shall-*

*(a) assign a unique identifier to the information, including records of debt;*

*(b) acknowledge its receipt, and notify the user of-*

*(i) the unique identifier of the information;*

*(ii) the terms and conditions of authentication and verification of information; and*

*(iii) the manner in which the information may be accessed by other parties.”*

Regulation 21 of the Information Utilities Regulations, 2017 which deals with ‘authentication of default’ reads as follows:-

***“21. [Authentication of default].-*** *(1) An information utility shall expeditiously undertake the process of authentication and verification of information of default as soon as it is received.*

*(2) For the purpose of sub-regulation (1), the information utility shall-*

*(a) deliver the information of default to the debtor seeking confirmation of the same within the time specified in the Technical Standards;*

*(b) remind the debtor at least three times for confirmation of information of default, in case the debtor does not respond, allow three days each time for the debtor to respond;*

*(c) deliver the information of default or the reminder, as the case may be, to the debtor either by hand, post or electronic means at the postal or e-mail address of the debtor-*

*(i) registered with the information utility by him, failing which,*

(ii) [recorded with MCA 21 and the Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) registry as repositories or any other statutory repository as approved by the Board, failing which,]

(iii) submitted in Form C of the Schedule.

[(3) On completion of the process under sub-regulation (2), the information utility shall record the status of authentication of information of default as indicated in the following Tables:

**TABLE-1**

<b>Sl. No.</b>	<b>Response of the Debtor</b>	<b>Status of Authentication</b>	<b>Colour of the Status</b>
(1)	(2)	(3)	(4)
1	Debtor confirms the information of default	Authenticated	Green
2	Debtor disputes the information of default	Disputed	Red
3	Debtor does not respond even after three reminders	Deemed to be Authenticated	Yellow

Provided that in case of financial creditors which are banks included in the second schedule of the Reserve Bank of India Act, 1934, the information utilities will record the status of authentication of information of default as indicated in the Table 2 below:

**TABLE-2**

<b>Sl. No.</b>	<b>Response of the Debtor</b>	<b>Status of Authentication</b>	<b>Colour of the Status</b>
(1)	(2)	(3)	(4)
1	Debtor confirms the information of default, Or (b) Debtor does not respond even after three reminders	Authenticated	Green
2	Debtor disputes the information of default	Disputed	Red

(4) After recording the status of information of default under sub-regulation (3), the information utility shall communicate the status of authentication in physical or

*electronic form of the relevant colour, as indicated in column (4) of the Tables 1 or 2, as the case may be, by issuing a record of default in Form D of the Schedule, to the registered users who are-*

*(a) creditors of the debtor who has defaulted in payment of a debt;*

*(b) parties and sureties, if any, to the debt in respect of which the information of default has been received.]”*

**19.** At the outset we must add that the information stored in an IU is no doubt a repository of verified and authenticated information/record of debt and default towards facilitating efficient insolvency proceedings. It does serve as a strong piece of evidence of the debt and default but the question before us is whether in the facts of the present case, the financial record on the IU, by itself, can be said to does act as the jural act of "acknowledgment" that legally restarts the limitation clock in the same way a formal acknowledgment letter of liability does.

**20.** When we look at the material placed on record before us, it becomes clear that the Corporate Debtor had not acknowledged or admitted the financial record contained in the IU to the NeSL and that is why the debt has been treated as “deemed to have been authenticated”. IUs like the NeSL ensure neutrality and integrity of data, making information readily available for stakeholders in the insolvency process, but the act of storing or retrieving such information does not automatically extend the limitation period under the Limitation Act, 1963. The mere recording or submission of financial information on the IU does not automatically extend the limitation period under the Limitation Act, 1963. When the Corporate Debtor did not formally admit or acknowledge the debt shown on the IU, it cannot be said that the date of registering debt on the IU can trigger the counting the fresh period of limitation. It is therefore misplaced

on the part of the Operational Creditor to contend that as they had registered the financial record of the Corporate Debtor on the IU, that would give rise to fresh period of limitation.

**21.** Another limb of argument canvassed by the Appellant while making oral submissions was that the issue of Demand Notice on 17.02.2024 by them gave a fresh period of limitation. This contention of the Operational Creditor is thoroughly misplaced. Limitation period gets extended only when the debtor has acknowledged his liability in writing or by way of conduct by making any payment on a particular date and not when the creditor unilaterally issues a demand for payment on the debtor. We outrightly reject the contention of the Appellant that issue of Section 8 Demand Notice in Form-3 is sufficient to extend the period of limitation.

**22.** When the Corporate Debtor has clearly denied any outstanding liability owed by them to the Operational Creditor in their emails and also not unequivocally admitted the financial record in the IU, it would be grossly erroneous to hold that the Corporate Debtor had expressed their intention to admit a jural relationship of debtor and creditor in respect of any subsisting liability.

**23.** Thus, to answer the question whether the claim was barred by limitation, our answer is in the affirmative.

**24.** Having found the Section 9 petition to be time-barred and therefore not maintainable, it may not be of much relevance to examine whether the operational debt was mired in a pre-existing dispute. However, since this aspect

has been challenged by the Appellant, we may proceed to satisfy ourselves whether the impugned order can sustain itself on this ground also.

**25.** Submission was made by the Operational Creditor that the financial information of debt registered with the IU was apprised to the Corporate Debtor by IU which was never disputed by the Corporate Debtor. It was also submitted that though the services of the Operational Creditor had been used by the Corporate Debtor, it withheld the payment of legitimate dues for frivolous reasons like non-availability of documents though the same had been provided several times. Submission was pressed that though the Corporate Debtor has denied the receipt of compliance documents, the clients of the Corporate Debtor have confirmed the receipt of such documents as received over RTI from Rashtrapati Bhawan. However, the Corporate Debtor instead of releasing payments to the Operational Creditor has raised a moonshine dispute which has not been appreciated by the Adjudicating Authority in the right perspective.

**26.** It has been contended by the Corporate Debtor that they had rejected the claims of outstanding disputes made by the Operational Creditor in their e-mails dated 11.08.2022 and 22.12.2022. Further, the Corporate Debtor had clearly adverted attention to pre-existing disputes in their reply to the Demand Notice. It was emphatically asserted that it had been clearly mentioned by the Corporate Debtor in their Notice of Dispute that the Operational Creditor had submitted false invoices; which did not bear work certification by the Corporate Debtor not submitted compliance documents like attendance register, wage register, PF and ESI challans etc.

**27.** We have already noticed in the emails at para 15 above where we find that the Corporate Debtor has clearly denied any liability other than Rs. 15.03 lakhs and has categorically pointed out that they have reminded the Appellant for documentations multiple times. We also find that both these emails are clearly anterior to the date of issue of Demand Notice by the Operational Creditor and hence qualify to be pre-existing disputes. Having said that, we add that the Adjudicating Authority has committed no mistake in noting at para 39 of the impugned order that the “*email chain reflects ongoing disputes regarding work certification, amounts, and supporting documentation.*”

**28.** At this juncture we may refer to three paragraphs in the reply to the Demand Notice sent by the Corporate Debtor which are as extracted below:

*4. We have gone through various invoices that you have annexed with your Demand Notice. While denying the veracity of the said invoices, we state that most of the invoices do not bear any certification from Voltas warranting its payment. Furthermore, as per the Purchase Order issued by us from time to time, it mandates that while processing your invoices, it was required on your part to provide invoices together with attendance sheet, wage register, PF, ESIC challan/returns paid of the employees deployed by at the site. Though we have been demanding the same on various occasions you failed to provide the details of the same, which itself demonstrates that you have breached the terms and conditions of the Purchase Order and not-complied with the labour certification of bills while submitting the same. This fact was informed by us to you on various instances. Moreover, amongst the other details, most of the invoices lack material particulars with respect to the Purchase Order and/or Work Orders. We hereby deny and dispute the invoices annexed to your notice in totality.*

*7. We state that we have been demanding the compliance documentation supporting your bills/claims for past two and half years, but you have neglected to produce them. Till date you have only submitted the compliance documents in support of your billing for Rs. 15,03,000/-.*

*Furthermore, we have explicitly informed you vide our email dated 22<sup>nd</sup> December, 2022 that if you have any further claim in addition to Rs. 15,03,000/-, you must submit it on or before December 31, 22, but you failed to provide the same till date. Hence, based on email dated 22<sup>nd</sup> December, 2022, we assumed that there were no additional claims pending besides Rs. 15,03,000/-. We have also informed you to provide us with the NDC so that we may process the full and final payment Rs. 15,03,000/-, towards the resolution of the dispute. Instead of complying with the requisition made in our email dated 22<sup>nd</sup> December, 2022, you have proceeded with sending the Demand Notice claiming a sum of Rs. 1,20,46,835/-, which is hereby denied and disputed by us for the reasons mentioned herein. The Demand Notice issued by you is an afterthought as for last several years you never took any effort to send reminders/emails/letter demanding the payment for the work you have done or completed.*

*9. In view of what is stated hereinabove, we say that your alleged claim of Rs. 1,20,46,835/- is false and frivolous. We deny and dispute your alleged claim. Besides, from your own showing, you claim is barred by law of limitation.....*

*(Emphasis supplied)*

**29.** The Corporate Debtor in the above paragraphs contained in the Notice of Dispute has categorically denied and disputed the claim of Rs 1,20,46,835/- and held the same to be false, frivolous and barred by law of limitation. It has also been contended that the invoices did not bear any certification from the Corporate Debtor and the invoices were also not accompanied by attendance sheet, wage register, PF/ESIC challan and labour certification of bills. It was also pointed out that the Operational Creditor had only submitted compliance document in respect of invoice billings for Rs 15.03 lakhs only and have asserted that there were no additional claims with supporting documents. Similar complaints of lack of material particulars were raised not only in the two emails

dated 11.08.2022 and 22.12.2022 which was clearly issued before issue of Demand Notice but also raised multiple times earlier which fact has not been controverted by the Appellant. It is therefore clear that there is discernible pre-existing dispute writ large in the facts of this case. We see no reason to take a different view in the matter from that of the Adjudicating Authority in rejecting the Section 9 application on valid grounds of pre-existing disputes.

**30.** In result, we find no merit in the Appeal. We find no reasons to interfere with the impugned order. The Appeal is dismissed. No costs.

**[Justice Ashok Bhushan]  
Chairperson**

**[Barun Mitra]  
Member (Technical)**

**Place: New Delhi  
Date: 27.11.2025**

Abdul