



NATIONAL COMPANY LAW TRIBUNAL
INDORE SPECIAL BENCH
COURT NO. 1

(MP) CP(IB) 29 of 2020

Order under Section 9 IBC

IN THE MATTER OF:

Haji Shahadat & Sons
V/s
Steelexpert Industries (Indore) Ltd

.....Applicant

.....Respondent

Order delivered on 16/06/2025

Coram:

Shammi Khan, Hon'ble Member(J)
Sanjeev Kumar Sharma, Hon'ble Member(T)

CORRIGENDUM ORDER

(Hybrid Mode)

Order under Rule 154 of NCLT Rules, 2016

1. This Tribunal is empowered under Rule 154(1) of NCLT Rules, 2016 to correct any error in its order. Following corrections are made by us *Suo Moto*:-
2. On perusal of the pronouncement order dated 12.06.2025 passed in CP(IB) 29 of 2020, it is seen that, inadvertently, in Para 27 (v) it is mentioned that "written consent in Form AA as per Regulation 3(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016" instead of "written consent and declaration in terms of Regulation 3(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016". Hence, the pronouncement of the order should be read as "**written consent and declaration in terms of Regulation 3(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016**".
3. Save and except the above corrections, this corrigendum be read as part and parcel of the main order dated 12.06.2025 passed in CP(IB) 29 of 2020.

-SD-

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

-SD-

SHAMMI KHAN
MEMBER (JUDICIAL)



NATIONAL COMPANY LAW TRIBUNAL
INDORE SPECIAL BENCH
COURT NO. 1

ITEM No.203
(MP) CP(IB) 29 of 2020

Order under Section 9 IBC

IN THE MATTER OF:

Haji Shahadat & Sons
V/s
Steelexpert Industries (Indore) Ltd

.....Applicant

.....Respondent

Order delivered on 12/06/2025

Coram:

Shammi Khan, Hon'ble Member(J)
Sanjeev Kumar Sharma, Hon'ble Member(T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

Sd/-

SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

Neeraj

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)



**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
SPECIAL INDORE BENCH AT INDORE**

CP (IB) No.29/9/MP/2020

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

In the matter of **M/s. Steelexpert Industries (Indore) Limited.**

Haji Shahadat & Sons

Through Proprietor Abdul Maaz
121, Chhota- Sonapur
M.S. Ali Road
Mumbai- 400008

**Applicant/
Operational Creditor**

VERSUS

**Steelexpert Industries (Indore)
Limited**

7, Hathi Pala Road
Juni Indore
Madhya Pradesh-452001

**Respondent
/Corporate Debtor**

Order pronounced on 12.06.2025

C O R A M:

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

A P P E A R A N C E:

For the Applicant/FC : Mr. Rashesh Sanjanwala Sr. Advocate.
a.w. Mr. Rushabh Shah, Advocate.

For the Respondent/CD: Mr. Vijayesh Atre, Advocate.



ORDER

(Per: BENCH)

1. This is an application filed on 26.12.2019 by **Haji Shahadat & Sons** through its Proprietor Abdul Maaz (hereinafter referred to as “the Applicant/Operational Creditor”) against **Steelexpert Industries (Indore) Limited** (hereinafter referred to as “the Respondent/Corporate Debtor”) under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “**IBC, 2016**”) read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiation of Corporate Insolvency Resolution Process (**CIRP**) against the Respondent/Corporate Debtor, to appoint Interim Resolution Professional (hereinafter referred to as “**IRP**”) and declare the moratorium for having defaulted payment of its outstanding dues **Rs.2,32,98,535/-** (Principal- Rs.1,56,44,009/- and interest- Rs.76,54,526/-).
2. Perusal of Part-I of the Form-5 reveals that the Applicant/Operational Creditor - **Haji Shahadat & Sons** has its registered office situated at 121, Chhota- Sonapur, M.S. Ali Road, Mumbai-400008. Further, the application is filed by its Sole Proprietor Abdul Maaz, who has been authorized vide letter dated 22.11.2019. The Authorisation is annexed at page-19 of the application.



3. Perusal of Part-II of the Form-5 reveals that the Respondent/Corporate Debtor is Steelexpert Industries (Indore) Limited (CIN: U02710MP2005PLC017806) is the Corporate Debtor. The date of incorporation is 21.07.2005. The registered office of the Respondent/Corporate Debtor is situated at 7, Hathi Pala Road, Juni Indore, MP 452001.
4. Perusal of Part-III of the Form-5 reveals that the Applicant/Operational Creditor has not nominated the name of the Interim Resolution Professional (“**IRP**”) and the same is to be appointed by this Adjudicating Authority.
5. Perusal of Part-IV of the Form-5 reveals the details the claimed debt of Rs.2,32,98,535/-, comprising a principal amount of Rs. 1,56,44,009/- and interest of Rs. 76,54,526/- at 24% per annum, calculated up to 16.10.2019. The default occurred between 27.12.2016 and 24.02.2019, corresponding to the due dates of invoices issued for goods supplied. The Operational Creditor supplied G.P. coils, P.P.G.I. coils, pre-painted G.I. coils, and mild steel coils/sheets to the Corporate Debtor based on purchase orders. The invoice terms mandated payment within 7 days, failing which interest at 24% per annum was applicable. The Corporate Debtor made partial payments but failed to clear the outstanding amount.
6. The application seeks to initiate the Corporate Insolvency Resolution Process (CIRP) against the Corporate Debtor for



an alleged default in payment of an operational debt amounting to Rs. 2,32,98,535/-, comprising a principal amount of Rs. 1,56,44,009/- and interest of Rs. 76,54,526/- calculated at 24% per annum. The default pertains to invoices raised between 27.12.2016 and 24.02.2019 for the supply of goods, including G.P. coils, P.P.G.I. coils, pre-painted G.I. coils, and mild steel coils/sheets.

7. The Operational Creditor claims that the Corporate Debtor consumed the supplied goods without raising any objections regarding quality or quantity, made partial payments acknowledging the debt, and failed to clear the outstanding amount despite repeated requests. A demand notice under Section 8 of IBC was issued on 17.10.2019 and served on 21.10.2019, to which the Corporate Debtor responded on 26.10.2019 with objections that the Operational Creditor deems baseless. The application is supported by invoices, delivery challans, e-way bills, bank certificates, and a CA certificate.
8. The Corporate Debtor, in its reply dated 12.07.2021, contests the application, alleging that no debt is due, the invoices are fabricated, and advance payments of Rs. 1,87,82,060/- were made in cash. It further claims that Haji Shahadat & Sons and Maaz Exports, another sole proprietorship of Mr. Abdul Maaz, are a single entity, and the filing of two separate Section 9 petitions (CP(IB) 29/2020 and CP(IB) 37/2020)



constitutes fraudulent initiation under Section 65 of IBC. The Corporate Debtor also argues that a sole proprietorship lacks legal standing to file under IBC and asserts a pre-existing dispute based on a police complaint dated 08.08.2019 and a suit filed in the District Court, Indore (RCS B/10434/2019).

- 9.** The Operational Creditor filed a rejoinder on 21.01.2021, refuting the Corporate Debtor's claims, asserting the distinctness of Haji Shahadat & Sons and Maaz Exports, denying receipt of alleged cash payments, and challenging the validity of the pre-existing dispute.
- 10.** This Tribunal has heard the learned counsel for both parties, perused the pleadings, written submissions, and documents on record, and proceeds to adjudicate the matter.
- 11.** The Operational Creditor issued a Demand Notice on 17.10.2019, under Section 8 of IBC, which was received by the Corporate Debtor on 21.10.2019. The notice demanded payment of the outstanding debt. The Corporate Debtor's reply dated 26.10.2019 raised objections, which the Operational Creditor contends are baseless and do not constitute a valid dispute under IBC. The application is supported by following documents: -
 - Demand notice dated 17.10.2019 with proof of service (Annexure-I).
 - Invoices, delivery challans, and e-way bills evidencing supply (pages 47-84).



- Bank certificate and CA certificate verifying the debt.

12. In its reply dated 12.07.2021, the Corporate Debtor raises the following defences:-

12.1. The Corporate Debtor alleges that Haji Shahadat & Sons and Maaz Exports are a single entity under Mr. Abdul Maaz, sharing the same GST number (27BCUPC2480F1Z) and PAN. The filing of two separate Section 9 petitions (CP(IB) 29/2020 and CP(IB) 37/2020) is fraudulent, warranting action under Section 65 of IBC for malicious initiation.

12.2. The Corporate Debtor denies the existence of any debt, asserting that the invoices (pages 47–84) are unsigned, unacknowledged, and fabricated. It claims no goods were supplied, and no written contract or purchase order exists.

12.3. The Corporate Debtor claims to have paid Rs.1,87,82,060/- in cash as advance for material supply, supported by cash receipts (Exhibit R-5) and bank withdrawals of Rs. 2,91,75,000/- from State Bank of India and Punjab National Bank between 17.03.2016 and 24.04.2018. Specific cash payments include:

- Rs. 32,39,460/- on 25.04.2017 to Haji Shahadat & Sons.
- Rs. 1,19,20,000/- on 30.04.2019 to Haji Shahadat & Sons.



- Rs. 30,25,000/- on 30.04.2019 to Haji Shahadat & Sons. These payments are reflected in the Corporate Debtor's ledger (Exhibit R-2).

12.4. The Corporate Debtor argues that a sole proprietorship is not a "person" under Section 3(23) of IBC and cannot file a Section 9 application. The legal entity is Mr. Abdul Maaz, not Haji Shahadat & Sons.

12.5. The Corporate Debtor asserts a pre-existing dispute based on: -

- A police complaint filed on 08.08.2019 with Thana Ravji Bazar, Indore, and a letter to the Deputy Commissioner of Police, Zone-3, Mumbai, alleging threats and extortion by Mr. Abdul Maaz.
- A suit filed in the District Court, Indore (RCS B/10434/2019), disputing the debt. The invoices are disputed, and the supply of goods is a matter requiring evidence, unsuitable for summary proceedings under IBC.

13. In its rejoinder dated 21.01.2021, the Operational Creditor submits: -

13.1. Haji Shahadat & Sons and Maaz Exports are distinct entities with separate invoices and accounting, despite sharing the same GST number (27BCUPC2480F1Z) and PAN, as both are sole proprietorships of Mr. Abdul Maaz. The Corporate Debtor's ledger in the District Court suit acknowledges separate transactions.



- 13.2. Delivery challans and e-way bills confirm the supply and receipt of goods, contradicting the Corporate Debtor's claim of non-delivery.
- 13.3. The alleged cash payments of Rs. 1,87,82,060/- were never received. The Operational Creditor's business model relies on RTGS/NEFT payments, with cash accepted only for small amounts from walk-in customers, reflected in bank accounts.
- 13.4. The cash receipts (Exhibit R-5) are unsigned and not issued by the Operational Creditor.
- 13.5. The police complaint dated 08.08.2019 cites inconsistent amounts (Rs. 19,46,624/- and Rs. 23,524/-), unrelated to the claimed debt, and does not constitute a pre-existing dispute. The District Court suit (RCS B/10434/2019), filed after the Section 9 application, is irrelevant as per IBC precedents.
- 13.6. The application is filed by Mr. Abdul Maaz, sole proprietor, and is legally valid.
- 14.** This Tribunal evaluates the application under Section 9 of IBC, which requires the Operational Creditor to establish:
- An operational debt of Principal amount exceeding Rs. 1,00,000/-.



- Default in payment of the debt.
- Compliance with Section 8 (demand notice).
- Absence of a pre-existing dispute.

15. The Operational Creditor claims Rs. 2,32,98,535/-, supported by invoices, delivery challans, and e-way bills (pages 47–84). These documents detail the supply of goods from 27.12.2016 to 24.02.2019, with payment due within 7 days and interest at 24% per annum for delays. Partial payments by the Corporate Debtor, as admitted, constitute an acknowledgment of debt under Section 18 of the Limitation Act, 1963. The Corporate Debtor's claim of non-delivery is unsupported, as it has not produced contemporaneous evidence of rejecting the goods or disputing the invoices at the time of supply. The e-way bills, generated under GST regulations, further corroborate delivery.

16. The Corporate Debtor's contention that the invoices are unsigned and fabricated lacks merit. Invoices issued in the ordinary course of business, accompanied by delivery challans and e-way bills, are prima facie evidence of supply unless disproved with cogent evidence. The Corporate Debtor's ledger in the District Court suit acknowledges transactions with the Operational Creditor, undermining its claim of non-supply.

17. The invoices required payment within 7 days, and the default dates range from 27.12.2016 to 24.02.2019. The Operational



Creditor's bank and CA certificates confirm non-payment of the outstanding amount. The Corporate Debtor's partial payments do not discharge the full liability, establishing default under Section 3(12) of IBC.

- 18.** The demand notice dated 17.10.2019, served on 21.10.2019, complies with Section 8 and Rule 5 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. It specifies the debt, default, and supporting documents. The Corporate Debtor's reply dated 26.10.2019 raises general objections without specific evidence, failing to meet the threshold of a genuine dispute as per ***Mobilox Innovations v. Kirusa Software (2018 SCC OnLine SC 1362)***.
- 19.** The Supreme Court in ***Mobilox Innovations*** held that a pre-existing dispute must be genuine, substantiated, and exist prior to the demand notice. The Corporate Debtor relies on:

 - A police complaint dated 08.08.2019 alleging threats by Mr. Abdul Maaz, citing inconsistent amounts (Rs. 19,46,624/- and Rs. 23,524/-) unrelated to the claimed debt of Rs. 2,32,98,535/-. The complaint does not specifically dispute the invoices or supply.
 - A suit in the District Court, Indore (RCS B/10434/2019), filed after the Section 9 application, which does not qualify as a pre-existing dispute. The reply to the



demand notice lacks documentary evidence challenging the debt or delivery. The Corporate Debtor's contradictory stance—no goods received yet advance payments made—further weakens its case. This Tribunal finds no genuine pre-existing dispute.

- 20.** The Corporate Debtor claims to have paid Rs. 1,87,82,060/- in cash, supported by unsigned receipts (Exhibit R-5) and bank withdrawals of Rs. 2,91,75,000/-. The Operational Creditor denies receiving such payments, stating that its business model relies on RTGS/NEFT, with cash limited to small transactions reflected in bank accounts. Large cash payments in business-to-business transactions are unusual and require robust evidence, such as signed receipts or corresponding bank deposits. The unsigned receipts and lack of corroboration (e.g., Operational Creditor's bank statements showing deposits) render the Corporate Debtor's claim unreliable. The ledger entries (Exhibit R-2) are self-serving without independent verification.
- 21.** The Corporate Debtor argues that a sole proprietorship is not a "person" under Section 3(23) of IBC. However, the application is filed by Mr. Abdul Maaz, the sole proprietor, which is permissible under IBC. The application clearly identifies Mr. Abdul Maaz as the proprietor, satisfying legal requirements.



- 22.** The Corporate Debtor alleges that Haji Shahadat & Sons and Maaz Exports are a single entity, and the filing of two petitions is fraudulent under Section 65. The Operational Creditor submits that the entities maintain separate invoices and accounting, as evidenced by the Corporate Debtor's ledger in the District Court suit. A sole proprietor may operate multiple trade names, and separate transactions justify distinct claims. This Tribunal has examined the invoices and finds no overlap in the claimed amounts.
- 23.** The shared GST number (27BCUPC2480F1Z) and PAN for Haji Shahadat & Sons and Maaz Exports, both proprietorships of Mr. Abdul Maaz, do not per se indicate fraudulent intent, as distinct transactions are evidenced by separate invoices and acknowledged in the Corporate Debtor's ledger. Absent clear evidence of abuse, as required under Section 65 and no mala fide intent is established at this stage.
- 24.** The Operational Creditor has established an operational debt of Rs.2,32,98,535/- (which consist Principal-Rs.1,56,44,009/- and interest- Rs.76,54,526/-), supported by invoices, delivery challans, and e-way bills. A default in payment, with partial payments acknowledging the debt. Compliance with Section 8 through the demand notice dated 17.10.2019. Absence of a genuine pre-existing dispute, as the Corporate Debtor's objections lack substantiation.



25. The Corporate Debtor's defences—non-delivery, cash payments, legal status, and pre-existing dispute—are contradictory, unsupported, or misconceived.. The requirements under Section 9 of IBC are satisfied.

26. Therefore, the Petition filed under section 9 of the Insolvency and Bankruptcy Code for initiation of corporate insolvency resolution process against the Corporate Debtor deserves to be admitted.

27. Accordingly, in light of the above facts and circumstances, it is hereby ordered as under: -

(i) The Respondent/Corporate Debtor **Steelexpert Industries (Indore) Limited** is **admitted** in the Corporate Insolvency Resolution Process under section 9(5) of the Code.

(ii) As a consequence, thereof, a moratorium under Section 14 of the Insolvency and Bankruptcy Code, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the Code.

a. *The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;*



- b. *Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;*
 - c. *Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*
 - d. *The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.*
 - e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor.*
- (iii) The order of moratorium under section 14 of the Code shall come to effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of section 31 or passes an order for liquidation of the Corporate Debtor under Section 33 of the IBC 2016, as the case may be.
- (iv) However, in terms of Section 14(2) to 14(3) of the Code, the supply of essential goods or services to the Corporate Debtor as may be specified, if continuing, shall not be terminated or suspended, or interrupted during the moratorium period.
- (v) Since the Operational Creditor has not proposed the name of IRP, we appoint **Mr. Anuj Maheshwari** having



Registration No. IBBI/IPA-001/IP-P-02907/2024-2025/14460, Mobile No.8889555594,E-mail: ipanujmaheshwari@gmail.com under section 13 (1)(c) of the Code to act as Interim Resolution Professional (IRP) subject to submission of written consent in Form AA as per Regulation 3(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.

- (vi) The IRP so appointed shall make a public announcement of the initiation of Corporate Insolvency Resolution Process and call for submissions of claims under section 15, as required by Section 13(1)(b) of the Code.
- (vii) The IRP shall perform all his functions as contemplated, *inter-alia*, by sections 17, 18, 20 and 21 of the Code. It is further made clear that all personnel connected with the Corporate Debtor, its promoters, or any other person associated with the management of the Corporate Debtor are under legal obligation as per section 19 of the Code to extend every assistance and cooperation to the IRP. Where any personnel of the Corporate Debtor, its promoters, or any other person required to assist or co-operate with IRP, do not assist or cooperate, the IRP is at liberty to make appropriate application to this



Adjudicating Authority with a prayer for passing an appropriate order.

- (viii) The IRP is expected to take full charge of the Corporate Debtor's assets, and documents without any delay whatsoever. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.
- (ix) The IRP shall be under a duty to protect and preserve the value of the property of the 'Corporate Debtor company' and manage the operations of the Corporate Debtor company as a going concern as a part of obligation imposed by section 20 of the Code.
- (x) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.
- (xi) We direct the Operational Creditor to pay IRP a sum of **Rs.3,00,000/- (Rupees Three Lakh Only)** in advance within a period of 7 days from the date of this order to meet the cost of CIRP arising out of issuing public notice and inviting claims etc. till the CoC decides about his fees/expenses.
- (xii) The Registry is directed to communicate this order to the Operational Creditor, Corporate Debtor, and to the



Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India after completion of necessary formalities, within seven working days and upload the same on the website immediately after pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specific mention regarding admission of this Petition and shall forward the compliance report to the Registrar, NCLT.

(xiii) The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

28. Accordingly, this Petition being **CP(IB)/29/9/MP/2020** is admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities

Sd/-
SANJEEV KUMAR SHARMA
MEMBER (TECHNICAL)

Sd/-
SHAMMI KHAN
MEMBER (JUDICIAL)