IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-II

CP (IB) No. 64/MB/2026

[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

HARESH PETROCHEM PRIVATE LIMITED

[CIN: U24110GJ2008PTC053080]

Kohinoor Square, B/3701,

N. C. Kelkar Marg, Dadar West

Mumbai-400028, Maharashtra.

...Applicant/ Operational Creditor

VS

SI GROUP- INDIA PRIVATE LIMITED

[CIN: U99999MH1963PTC012674]

Survey No. 147, Pali Khopoli

Road, Village Rasal, Taluka Sudhagad Rasal,

District Raigad, Near Akashwani Jilla Peth,

Jalgaon, Pali - 410205**,** Maharashtra

... Respondent/ Corporate Debtor

Ordered on: 26.11.2026

CORAM:

HON'BLE SHRI ASHISH KALIA, MEMBER (JUDICIAL)

HON'BLE SHRI BANWARI LAL MEENA, MEMBER (TECHNICAL)

Appearances: Hybrid

For the Applicant(s): Adv. Shyam Kapadia a/w Adv. Shamant Satiya, Adv. Nanki Grewal, Mr. Luke K. Jose, Krisha Thakkar and Ms. Sushmita Das i/b Wadia Ghandy & Co. (VC).

For the Respondent(s): Adv. Yogendra Aldak, Adv. Tamanna Sharma (VC)

ORDER

[PER: ASHISH KALIA, MEMBER (JUDICIAL)]

1. BACKGROUND

1.1 This Company Petition bearing C.P. (IB) No.64/MB/2026 (hereinafter referred to as "the Application") was filed on 19.01.2026 under Section 9 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "the Code") read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as "the AAA Rules") by **Haresh Petrochem Private Limited**, the Operational Creditor (hereinafter referred to as "the Applicant/OC"), through **Mr. Davesh Ramniklal Vora** , authorized *vide* Board Resolution dated 17.01..2026, for initiating Corporate Insolvency Resolution Process (hereinafter referred to as "CIRP") in respect of **SI Group - India Private Limited** (hereinafter referred to as "the Corporate Debtor/CD").

1.2 The Operational Creditor is engaged in the business of trading and supply of chemicals, including Phenol, and the Corporate Debtor is engaged in industrial manufacturing activities.

1.3 The total amount claimed to be in default Rs.2,92,26,920.23/- (Rupees Two Crore Ninety-Two Lakhs Twenty-Six Thousand Nine Hundred and Twenty) including outstanding principal amount of Rs. 2,85,11,328/- and accrued interest of Rs. 7,15,592.23/- along with further interest at the rate of 21% p.a. till the date of final payment.

1.4 The date of default is stated as 03.11.2025.

2. AVERMENTS OF OPERATIONAL CREDITOR

2.1 The aforesaid operational debt arises from a series of transactions for supply of Phenol (goods) by the OC to the CD.

2.2 It is submitted that the transactions were governed by the terms of Purchase Order Nos. 4500778518 and 4500778519, dated 04.08.2025 and corresponding Tax Invoices raised by the OC.

2.3 The OC supplied goods between 05.08.2025 and 07.08.2025, to the CD as per requirements and the CD accepted the delivery of the goods without any contemporaneous demur or protest as lo quality or quantity.

2.4 Consequently, the OC raised a series of tax invoices for the supplied Goods, which became due and payable upon the expiry of the agreed credit period. The invoices provided for a credit period of 90 days.

2.5 As per the terms of the invoices, the payments became due commencing from 03.11.2025, however, the CD failed to make payment of the outstanding amounts despite repeated follow-ups and reminders.

2.6 The OC issued a Demand Notice on 12.12.2025 u/s 8 of the Code, calling upon the CD to clear the outstanding operational debt.

2.7 The CD sent a reply on 18.12.2025 alleging that payments were held up due to U.S. sanctions. The said reply does not deny the supply of goods, invoices raised, or the amount due, and does not constitute a pre-existing dispute within the meaning of the Code.

2.8 Since the CD failed to pay the aforesaid outstanding amount till date, the OC prays that the present Application be allowed and

CIRP may be initiated in respect of the CD.

3. CONTENTIONS OF CORPORATE DEBTOR/CD

3.1 The Corporate Debtor has denied all the allegations, averments and contentions made in the captioned Petition as being false and misleading. It has been submitted that, the present Petition is liable to be dismissed. The Respondent has further stated that all averments and allegations not specifically dealt with or admitted in the Reply shall be deemed to have been denied.

3.2 It is submitted that there is a pre-existing dispute between the OC and the CD prior to issuance of demand notice. The same is evident from the emails dated 09.10.2025, 10.10.2025, 17.10.2025, 03.11.2025 and 13.11.2025.

3.3 The Force Majeure Clause 11 in the Purchase Orders entitles the CD to suspend its payment obligations due to “action of any government).

3.4 The CD submits that it was unable to make payment due to the prohibition under U.S. sanctions law, which were external factor beyond the control of the CD and not due to any financial crunch at the end of the CD. More particularly, the CD wrote to the OC to get itself delisted. However, the OC took no steps for the same.

3.5 It is submitted that the OC is well aware that any US entity or US-based bank will not process any payment to it and hence, vide the emails dated 10.10.2025 and 17.10.2025 requested the CD to refrain from making any payments through any of the foreign banks and requested that all future payments be made only through any

of the Indian Banks to the bank account of the OC with Union Bank of India.

3.6 The conduct of the OC in initiating the IBC proceedings despite being aware of pre-exisiting dispute and applicability of U.S. sanctions law clearly reflects an attempt to arm-twist, threaten, and coerce the CD into making a payment which is prohibited under U.S. sanctions law. It is a well-settled law that Code is not a debt recovery tool nor can it be invoked as a tactic to harass a corporate debtor or force payment of a disputed or legally unenforceable claim.

4. REJOINDER

4.1 The CD's grievance is not that it does not owe the money, but that it claims it cannot or will not pay due to alleged U.S. sanctions. This is not refusal to discharge an admitted debt on extraneous grounds.

4.2 The CD does not challenge the supply, quality, quantity, or price of the goods. Its sole position is that a foreign regulatory event the OFAC designation prevents payment. A dispute about the ability or means to pay is fundamentally different from a dispute about the operational debt.

4.3 The Force Majeure clause does not apply in the present case. Clause 11 refers to 'action of any government'. In a contract between two Indian entities governed by Indian law, 'government' must mean the Government of India.

4.4 If the CD genuinely believes that making payment to the OC would expose it to penalties under U.S. law, it has several remedies

available:

a. Apply to OFAC for a specific license to make the payment
b. Restructure its corporate ownership to remove itself from U.S. control;
c. Deposit the amount with the court pending resolution of the sanctions issue
d. Seek indemnification from its U.S. parent.

4.5 In the present case, the CD admits: -

a. That it placed Purchase Orders (POs) for the supply of Phenol;
b. That the OC supplied the goods in accordance with the POs;
c. That the goods were received without objection;
d. That there is no dispute regarding quality, quantity, specifications or price;
e. That the amount of Rs. 2.92 crore is outstanding.

5. ANALYSIS AND FINDINGS

5.1 We have heard the Learned Counsels for the OC and the CD and perused the materials available on record and upon careful consideration of the pleadings, documents placed on record and submissions advanced by the Learned Counsels.

5.2 The present Application arises out of the supply of Phenol by the OC to the CD pursuant to Purchase Order Nos. 4500778518 and 4500778519, both dated 04.08.2025. The goods were supplied between 05.08.2025 and 07.08.2025 and were accepted by the CD without any objection regarding quality or quantity. The OC raised corresponding tax invoices carrying a credit period of 90 days.

5.3 The CD has primarily raised the objection of a pre-existing dispute on

the basis of emails dated 09.10.2025, 10.10.2025, 17.10.2025, 03.11.2025 and 13.11.2025. It is contended that U.S. sanctions prevented the CD from making payment and that Clause 11 of the Purchase Orders, containing the Force Majeure provision, entitled it to suspend its payment obligations.

5.4 This Tribunal relies on the judgment of *Mobilox Innovations Private Limited v. Kirusa Software Private Limited*, (2018) 1 SCC 353, wherein the Hon'ble Supreme Court held that the Adjudicating Authority is required to examine whether a plausible contention exists regarding a pre-existing dispute which requires further investigation and is not spurious, hypothetical or illusory. The existence of a genuine dispute prior to the issuance of the Demand Notice is the relevant consideration and the merits of such dispute are not required to be adjudicated at the admission stage.

5.5 In the present case, the CD has not disputed the placement of Purchase Orders, supply and acceptance of goods or the outstanding principal liability. No objection has been raised regarding the quality, quantity, specifications or price of the goods supplied. Its defence is substantially confined to the alleged restrictions arising out of U.S. sanctions and the consequential inability to remit payment.

5.6 The Corporate Debtor has relied upon Clause 11 of the Purchase Orders, which refers to “action of any government”. However, the Operational Creditor has disputed the applicability of the said clause to the alleged U.S. sanctions. In our view, the mere assertion of a Force Majeure event cannot, by itself, absolve a party of its contractual obligations.

5.7 We also find that the OC's contention regarding the availability of alternative remedies to the CD cannot, by itself, determine the issue. The relevant consideration is whether the CD has substantiated its defence through contemporaneous material. In the facts of the present case, the correspondence relied upon does not establish any substantive dispute concerning the underlying supply transactions or the liability arising therefrom.

5.8 Accordingly, we are satisfied that the OC has established the existence of an operational debt and default. The principal outstanding amount itself exceeds the threshold prescribed under Section 4 of the Code. The Demand Notice dated 12.12.2025 was duly issued under Section 8 of the Code, and the CD has failed to discharge the outstanding liability. The objections raised by the CD regarding U.S. sanctions and Force Majeure do not, in the facts and circumstances of the present case, constitute a genuine pre-existing dispute warranting rejection of the Application.

5.9 In view of above discussions, we find that all pre-requisites of Section 9 of the Code are fulfilled and, accordingly, we are satisfied that the instant Application is fit for admission under Section 9 of the Code.

5.10 As the OC has not provided the name of IRP and requested this Tribunal to appoint the IRP. This Tribunal appoints Mr. Amit Kamalkishor Bhattad from the panel of the RP's, to act as an IRP in the present case. The AFA of the proposed IRP is valid till 30.06.2027.

ORDER

In the result, this Application bearing **C.P. (IB) No.64/MB/2026** under Section 9 of the Code read with Rule 6 of the AAA Rules, filed by **Haresh Petrochem Pvt. Ltd.**, the Operational Creditor, for initiating CIRP in respect of **SI Group - India Private Limited**, the Corporate Debtor is **admitted.**

We further declare moratorium under Section 14 of the Code, with consequential directions as follows:

I. We prohibit-

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 (54 of 2002);

d) the recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.

II. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Bench approves the resolution plan under section 31(1) of the Code or passes an

order for the liquidation of the Corporate Debtor under section 33 thereof, as the case may be.

III. Notwithstanding the above, during the period of moratorium: -

(a) The supply of essential goods or services to the corporate debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period;

(b) That the provisions of sub-section (1) of Section 14 of the Code shall not apply to-

(i) Such transactions as may be notified by the Central Government in consultation with any financial sector regulator or any other authority;

(ii) A surety in a contract of guarantee to a corporate debtor.

IV. That the public announcement of the CIRP shall be made in immediately as specified under Section 13 of the Code read with Regulation 6 of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 and other Rules and Regulations made thereunder.

V. That this Bench hereby appoints **Mr. Amit Kamalkishor Bhattad,** a registered Insolvency Professional having **Registration No. IBBI/IPA-001/IP-P-03004/2025-2026/14608** and **e-mail address ip.amitbhattad@gmail.com** and valid Authorisation for Assignment up to **30.06.2027** as the IRP to carry out the functions under the Code.

VI. The fee payable to IRP/Resolution Professional (hereinafter referred to as “RP”) shall be in accordance with the Regulations/Circulars issued by the Insolvency and Bankruptcy

Board of India (hereinafter referred to as "IBBI").

VII. That during the CIRP Period, the management of the Corporate Debtor shall vest in the IRP or, as the case may be, the RP in terms of Section 17 or Section 25, as the case may be, of Code. The officers and managers of the Corporate Debtor are directed to provide effective assistance to the IRP as and when he takes charge of the assets and management of the Corporate Debtor. The officers and managers of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP within a period of one week from the date of receipt of this Order and shall not commit any offence punishable under Chapter VII of Part II of the Code. Coercive steps will follow against them under the provisions of the Code read with Rule 11 of the National Company Law Tribunal Rules, 2016 (hereinafter referred to as "NCLT Rules") for any violation of law.

VIII. That the IRP/IP shall submit to this Tribunal periodical reports with regard to the progress of the CIRP in respect of the Corporate Debtor.

IX. In exercise of the powers under Rule 11 of the NCLT Rules, 2016, the Financial Creditor is directed to deposit a sum of Rs.3,00,000/- (Three Lakh Rupees) with the IRP to meet the initial CIRP cost arising out of issuing public notice and inviting claims, etc. The amount so deposited shall be interim finance and paid back to the Financial Creditor on priority upon the funds becoming available with IRP/RP from the Committee of Creditors (hereinafter referred to as "CoC"). The expenses incurred by IRP out of this fund are

subject to approval by the CoC.

X. A copy of this Order be sent to the Registrar of Companies, Mumbai Maharashtra, for updating the Master Data of the Corporate Debtor.

XI. A copy of the Order shall also be forwarded to the IBBI for record and dissemination on their website.

XII. Registry is directed to immediately communicate this Order to the Financial Creditor, the Corporate Debtor and the IRP by way of e-mail and WhatsApp.

XIII. **Compliance report of the order by Designated Registrar is to be submitted today.**

Sd/-
BANWARI LAL MEENA
MEMBER (TECHNICAL)

Sd/-
ASHISH KALIA
MEMBER (JUDICIAL)

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