

IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.301
C.P.(IB)/106(AHM)2025

Proceedings under Section 9 IBC

IN THE MATTER OF:

Jayhind Steel Traders

V/s

Kruti Power Projects Private Limited

.....Applicant

.....Respondent

Order delivered on: 06/07/2026

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)

Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

This case is fixed for pronouncement of order

The order is pronounced in open court vide separate sheet.

Sd/-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD (COURT - II)**

CP (IB) No. 106 of 2025

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

In the matter of:

M/s Jayhind Steel Traders
C-82, Someshwara Park, Nr. Sun N. Step Club
Road, Thaltej, Ahmedabad

...Applicant/
Operational Creditor

V/s.

M/s Kruti Power Projects Private Limited
Office No. C-702, 7th Floor,
Signature -ii, Sarkhej Sanand Highway,
Sarkhej Cross Road,
Ahmedabad, Gujarat, India – 380051

... Respondent/
Corporate Debtor

Order pronounced on 06.07.2026

Coram:

**MRS. CHITRA HANKARE
HON'BLE MEMBER (JUDICIAL)**

**DR. V. G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)**

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Present:

For the Applicant : Mr. Pratik Thakkar, Adv.

For the Respondent : Ms. Natasha Dhruman Shah, Adv

JUDGEMENT

1. This Petition has been filed under Section 9 of the Insolvency and Bankruptcy code, 2016 ("IBC") read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by M/s Jayhind Steel Traders, (hereinafter referred to as 'Operational Creditor') on 24 Feb2025 seeking initiation of Corporate Insolvency Resolution Process against M/s Kruti Power Projects Private Limited (hereinafter referred to as 'Corporate Debtor').
2. The Applicant states that the Corporate Debtor had placed few Purchase Orders upon him through email and telephonic instructions for supply of various MS Angle, Channel, beam, plate, wire nails, RCC Block Cover etc for its projects. The Applicant had supplied the said material to corporate debtor vide various invoices from 27.12.2023 to 22.06.2024 totalling Rs.1,22,36,127.22/. It is further stated that Corporate Debtor accepted the goods and did not raise any dispute as to quality or quantity of the goods supplied. The Applicant had paid GST of the invoices defaulted by the Corporate

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Debtor. It is further stated that Applicant had sent the email dated 17.10.2024, 19.11.2024 and 20.11.2024 calling upon the Corporate Debtor to clear the outstanding amount and applicable interest for default was also pointed out to him. The Corporate Debtor did not make payment of any of the invoices.

3. As per Part IV of the application, the total outstanding Debt is Rs.1,44,92,921.79/- out of which Rs.1,22,36,127.22/- is towards the principal amount and Rs.22,56,794.57/- is towards interest amount calculated as per invoice till 30.11.2024 and the Date of Default is shown as from 27.12.2023 to 22.06.2024 in respect of the invoices.
4. The Applicant issued a demand notice dated 03.12.2024 to CD to pay the outstanding debt of Rs. 1,45,54,681.57 /- within 10 days and no notice of dispute is received by the Operational Creditor . It is further stated that the applicant had received the payment of Rs. 5,00,000/- on 28.12.2024 after receipt of demand notice by Corporate Debtor. The applicant has filed Form D Record of Default deemed to be authenticated and authentication completed on 12.02.2025.
5. The Operational Creditor had proposed Insolvency

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Professional Mr. Chirag Rajendrakumar Shah having IBBI Registration No. IBBI/ IPA-001/IP-P01169/2018-2019/11837 to act as a Resolution Professional. Later, the Applicant had filed the affidavit for change of resolution professional to Mr. Arvind Kumar Saxena having IBBI Registration No. IBBI/IPA-001/IP-P-02901/2024-25/14453. The Applicant had produced the Form 2 consent form of Mr. Arvind Kumar Saxena.

6. The Respondent filed its reply and stated that demand notice under Section 8 of the code has not been served upon the registered office of the Corporate Debtor. The Applicant had suppressed production of financial statements or even statement of account for the contemporaneous period during which the goods were supplied and invoices had been raised i.e. from 27.12.2023 to 01.12.2024 in order to demonstrate that no payment in relation to the subject invoices made. It is further stated that the registered office of the CD is not situated at the place as mentioned in Part- II of the Application. Instead, the registered office of the CD is situated at Cabin No.11, C-Cellar, General Bank Chamber, Opp. Municipal Market, C.G.Road, Navrangpura, Ahmedabad

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City, Gujarat, India-380009 as reflected in MCA Portal. It is further stated that applicant has unilaterally without any agreement upon the terms of levy interest in the invoices has claimed an amount of Rs. 22,56,794.57/-.

7. The Respondent states that he had made payment of Rs. 82,96,833/- through Credit Card Payments and Letter of Credit etc. Further, payment of Rs. Rs.40,20,954/- has not been made. On account of pre-existing dispute relating to substandard and inferior quality and quantity of good supplied by the applicant and thus debit notes were raised by the CD. It is further stated that in invoices, no date of payment is mentioned thus the rate of interest calculated from the date of default is fallacious. In the business arrangement between the parties, invoices have not been treated as a contract but a unilateral document raised for the purpose of taxation and the same is evident from the fact that it is a computer generated invoice lacking confirmation or acceptance from the Corporate Debtor.
8. The Respondent in respect of the email sent by the Applicant to him states that, in his personal meetings with the Operational Creditor, he inquired why such emails have been

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addressed despite the fact that the payment had already been made. The Operational Creditor responded stating that it is a procedural formality that is followed as a matter of practice by him to raise such emails to all its end customers without verifying whether the payment is credited and already settled or not. It was informed to the respondent that such emails need not be responded to as the proof of payment of the entire consideration is already reflected in the statement of accounts of both parties. Hence, in view of the aforementioned reason the respondent reposed faith in the applicant and chose not to reply to the emails. The CD has a good financial health and does not, require resolution of its management and affairs on account of financial health or even otherwise as contemplated under the Code.

9. The Applicant had filed rejoinder and states that the notice under Section 8 of the Code was duly served to the Corporate Debtor. The corporate Debtor uses address of Kachchh primarily for all communications and business functions. The Corporate Debtor has changed its registered office while keeping the registered office close to avoid payments to the Creditor. The Applicant states that no dispute with respect to

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quality of the goods is placed by the Corporate Debtor to claim any pre-existing disputes. The interest claimed by the Operational Creditor is contractual interest as per the invoices which are accepted by the Corporate Debtor. It is further stated that there were no debit notes as alleged for ground of pre-existing disputes. It is further stated that CD had closed its registered office, which is evident from the affidavit of service filed in the present petition and there is a dispute between the shareholders and the management of the Corporate Debtor and the matter is pending before this Tribunal being Company Petition No.26 of 2025, which shows that the Corporate Debtor is already struggling and its management is also suffering for day to day business activities.

10. The Applicant had filed additional affidavit pursuant to order dated 10.03.2025 passed by this Tribunal. The Tribunal issued notice under Section 9(5)(ii)(a) of the Code to the Applicant to rectify the defect. It is stated that the Applicant had served the demand notice on postal address of the Corporate Debtor at Madhapur, Bhuj, Gujarat and the aforementioned address belongs to Corporate Debtor . The

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Corporate Debtor has accepted the demand notice on the address mentioned . The address of Madhapur, Bhuj is being reflected by the Corporate Debtor as an additional office/ sale office as per GST records of the Corporate Debtor.

11. The Respondent had filed an additional affidavit pursuant to order dated 12.11.2025 passed by this Tribunal and filed the copy of the schedule in the last audited balance-sheet mentioning the name of the operational creditor with outstanding as per books. The Respondent had also filed an additional affidavit pursuant to order dated 23.03.2026 passed by this Tribunal and filed the ledger balance of the year 2023-2024 and 2024-2025 certified by the Statutory Auditor. The Respondent had filed the additional affidavit pursuant to the order dated 22.04.2026 passed by this Tribunal. The Respondent had produced the board resolution dated 18.03.2024 through which the CD authorised Receivable Exchange of India limited as its Aggregator. The Respondent had also produced the copy of Agreement dated 19.03.2024 between RXIL and the CD. Further, respondent had also produced the payment details regarding the invoices with respect to the Petitioner by RXIL and also filed the copy

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of email dated 31.03.2024 by the RXIL addressed to the CD specifying the acceptance of the bid of CD.

12. The Applicant had filed the affidavit dated 28.04.2026 and states that the CD had created false books of account and certified the same with random CA to comply with the order dated 23.03.2026 and for misleading this Tribunal. It is further stated that many entries in the books produced are fake and does not show true and correct reflection of accounts.

13. The Respondent had relied on following judgments :-

a) *C.P. (IB)/133(AHM) 2024 between NH Scrap Traders through its Proprietor Nareshkumar Harishchandra Shakya Vs Kena Alloys Private Limited passed by Hon'ble NCLT Ahmedabad.*

b) *C.P. (IB)/ 165(AHM) 2025 between Dhanvi International Vs Adison Granito Pvt. Ltd. passed by Hon'ble NCLT Ahmedabad.*

c) *Surendra Trading Co. Vs Juggilal Kamlapat Jute Mills Co. Ltd. (2017) 16 SCC 143.*

d) *Company Appeal (AT) (Insolvency) No. 39 of 2025 between Aquarius H2O Dynamics Private Limited Vs*

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Riddhi Siddhi Metals passed by Hon'ble NCLAT.

- e) Company Appeal (AT) (Insolvency) No. 2204 of 2024 between Shitanshu Bipin Vora Vs Shree Hari Yarns Pvt. Ltd. & Ors. passed by Hon'ble NCLAT.*
- f) Comet Performance Chemicals (P) Ltd. Vs Aarvee Denims & Exports Ltd., 2025 SCC OnLine Hon'ble NCLAT 53.*
- g) Rishabh Infra Vs Sadbhav Engineering Ltd., 2024 SCC OnLine NCLAT 1262.*
- h) Sabarmati Gas LTD. Vs Shah Alloys Ltd. (2023) 3 SCC 229.*
- i) S.S. Engineers Vs Hindustan Petroleum Corp. (2022) 234 COMP CAS 95.*
- j) Company Appeal (AT) (Insolvency) No. 1492 of 2024 between Agarwal Foundries Private Limited Vs POSCO E&C India Private Limited passed by Hon'ble NCLAT.*

14. We have heard the learned Counsels for both the parties and perused the documents on record along with written submissions of the parties.

15. Observations:-

- a) The Applicant operational creditor submits that there are

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project wise invoices on supply of materials as per oral orders of goods to four entities as directed by the respondent CD listed as Kutch Power Limited - Mundra, Renew Power Project Ltd - Dholera, Godrej - Bhuj, Hitachi Hi Rel Power - Sanand, Trutzher India Pvt Limited during the period between 27.12.2023 to 22.06.2024 and the default amount of principal is Rs.1,22,376,127.22 ps with interest charged amounting to Rs 22,56,794.57 total sum amounting to Rs. 1,44,92,921.79 ps. There is provision for interest in the invoices at 24% p.a. and the applicant has also enclosed e way bills and separate kutchha receipt documents. Both the invoices and the kutchha receipt documents are not signed. The payment mode is stated to be to ICICI Bank account at Ashram Road.

- b) The demand notice issued on 03.12.2024 listing the invoices mentions the date of default to be 27.07.2023, whereas the first invoice mentioned due and payable is dated 27.12.2023 and the invoices outstanding are listed up to 22.6.2024, further mentioning the last date of default to be 22.06.2024. Since the mode/terms of payment are left blank, it appears the invoice the date of payment is date of

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invoice. The applicant has filed the debt as due in the information utility and enclosed the relevant certificate which is not disputed. The applicant has enclosed the bank statement of ICICI Bank for the period only from 01.12.2024 to 31.12.2024 and 01.01.2025 to 31.01.2025.

- c) The respondent in its reply has submitted that this application is not maintainable and even the applicant has not produced the relevant bank statement of account for the contemporaneous period during which goods were supplied/invoices raised i.e. 27.12.2023 to 1.12.2024 to demonstrate payment is not made. The applicant has also given the wrong registered address of the respondent and the correct address is given by respondent as per the web portal of MCA. There are no terms of payment in invoices nor the interest is agreed upon. It is further submitted that the respondent made payment against these invoices for an amount of Rs.82,96,833 through banking channels, namely credit card payment, letter of credit etc., and the remaining Rs.40,20,954 is withheld on account of pre-existing dispute relating to substandard quality and quantity of good supplied by applicant. Further the respondent contends

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that they have made payments through LC and credit card. It appears from the documents submitted as Annex II that there are certain letters of credit issued on account of M/s Kruti Power Projects (CD) to the beneficiary M/s Jayhind Steel traders (Applicant) vide advice dated 22.1.2024 (Value Rs.30,21,340), certain receivables brought through the Receivables Exchange of India Limited financed through IOB, Ashram Road branch and seller(OC) being credited Rs.50,36,865 on invoice dated 8.1.2024, HDFC Business Corporate Credit Card Statement of the CD (payment to the OC is not revealed in the statement), LC of ICICI Bank favouring the OC dated 20.1.2024 for an amount of Rs.8,93,858, another transaction on TReDS platform dated 31.3.2024 financed by Bank of Maharashtra. Further the audited balance sheet provided by the respondent in the reply for the financial year 2023-24 does not specifically mention any liability to the applicant including the provisional balance sheet dated 1 April 2024-31 March 2025. The audited balance sheet for the year 2023-24 mentioned in notes to the report that "the company has not received information from vendors regarding their status

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under the MSMED Act 2006 and hence disclosure relating to amounts unpaid as at the year end together with interest paid/payable under this act have not been given. In absence of precise knowledge about identify of undertaking from whom goods and services have been purchased, no provision of mandatory interest in case of delayed payment of such purchases has been made. Further, on 23.1.2024, the CD has addressed a letter to the OC that under MSME rules regarding payment, requesting them to take credit of older invoices first from the payments made from our accounts or from any other mode on their behalf from any of their financial lenders in forms like Trade Finance/LC/Credit card etc., or any other mode hence forth. Apparently, there is no reply of compliance by the applicant to this letter.

- d) Since the payment is disputed, there is lack of evidence of non- payment by the respondent CD as the applicant OC has given only two months of his record of bank statement and has not answered the reply of the respondent having paid through bank funding (Receivable Discounting)/LC or credit card payment (not exhibited of transaction by

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respondent) and hence for evidence of record to accept the debt as due and payable (Crystallised) as liability the evidence does not suffice. Even though the respondent has given the evidence of invoice wise payments in Annex II copy of the respondent, we only infer that there has been certain payments made through the banking channels, while the corresponding bank statements of the applicant have not been provided. It also appears from submissions of respondent that a letter received by it from Karur Vysya Bank on 28.02.2025 seeking details as to whether the CD had defaulted payments to the applicant OC, the respondent CD replied that the outstanding amount is only Rs.38.51 lakhs as the payments have already been cleared.

e) Providing ledger entries/books of accounts of the applicant CD and the respondent does not satisfy whether the debt due is paid or still outstanding, especially when there are contentious issues are that payments are made and the amount due is far less than the threshold limit. Further evidently, the respondent has used banking channels to effect the payments through LC and TRedS platform even though payment through corporate credit card has not been



given as proper evidence in the matter. Hence we observe there is reconciliation difference and we do not wish to comment on accounting irregularity if any as we also observe that the services were rendered on an oral contract and invoices were raised even much after the first invoice became due. In the absence of an established contract, the parties expose themselves to settling the matter in project executions with payment risk and to substantiate a petition under Sec 9 of IBC the applicant has to provide actual evidence through proper financial account like bank statements which is the payment gateway. Further, the invoices itself does not specify a due date of payment and the invoices or delivery bills are not acknowledged by the respondent CD. The applicant has not been able to provide ample evidence, and statement of the account/s not properly created is beyond the purview of admission of debt under Sec 9 of IBC 2016. This is not a dispute of material supplied but the evidence of payment made against invoices, not proved to be not paid by the applicant. The applicant has not complied with Sec 9(3)(c) to conclusively prove that the debt is due but not paid. If there are un-

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reconciled payment differences between the parties, this tribunal decides the matter based on actual evidences submitted.

- f) The applicant and respondent have submitted their written statements. There is lack of evidence provided that the amount of debt has not been repaid, which is seen through entries in the bank statement of the applicant.

16. In view of the above, we pass the following

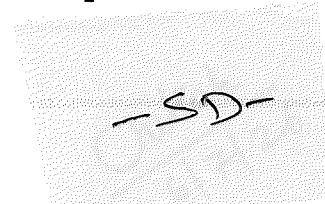
ORDER

CP (IB) No. 106 of 2025 is rejected and disposed of.



**DR.V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)**

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**CHITRA HANKARE
MEMBER (JUDICIAL)**