IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT-I

CP (IB) No. 802 (MB) 2025

An application under section 9 of the Insolvency and Bankruptcy Code, 2016, and Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016

In the matter of;

ROSSI GEARMOTORS (INDIA) PVT. LTD.

…Operational Creditor/Applicant

Versus

SPARTAN ENGINEERING INDUSTRIES PVT LTD

…Corporate Debtor/Respondent

Order Pronounced on 19.11.2026

Coram:

Sh. Prabhat Kumar	**Sh. Sushil Mahadeorao Kochey**
Hon'ble Member (Technical)	Hon'ble Member (Judicial)

Appearances:

For the Operational Creditor	:	Adv. Aniruth Purushothaman a/w Adv. Ritesh Itegde, Adv. Anand Shaw
For the Corporate Debtor	:	Adv. Avinash R. Khanolkar a/w Adv. Mahesh T. Nulolu and Adv. Dhanashree Patki i/b Adv. Chirag Gupta

ORDER

BRIEF FACTS OF THE CASE:

1. The present Company Petition (IB) No. 802 (MB) of 2025 was filed on 16.04.2025 under Section 9 of the Insolvency and Bankruptcy Code, 2016

('IBC'), by ROSSI GEARMOTORS (INDIA) PRIVATE LIMITED (hereinafter referred to as the 'Operational Creditor/Applicant'), seeking to initiate the Corporate Insolvency Resolution Process ('CIRP') against SPARTAN ENGINEERING INDUSTRIES PRIVATE LIMITED (hereinafter referred to as the Corporate Debtor/Respondent).

2. The Applicant is a company incorporated on 06.07.2007 under the provisions of the Companies Act, 1956, bearing CIN: U29130TZ2007PTC013844, and having its registered office at No. 256, Trichy Road, Kannampalayam Post, Coimbatore, Tamil Nadu, India, 641402. The Applicant is engaged in the business of manufacturing bearings, gears, gearing, and driving elements, and in supplying gearmotors to several entities and customers.

3. The Corporate Debtor is a company incorporated on 30.09.1988, bearing CIN: U74210MH1988PTC049025, with its registered office at 111 New Tejpal Indust Estate Andheri Kurla Rd Sakinaka, Mumbai, Maharashtra, India - 400072. The authorised share capital of the Corporate Debtor is Rs.3,00,00,000/- (Rupees Three Crore Only), and its paid-up share capital is also Rs.3,00,00,000/- (Rupees Three Crore Only). It is engaged in manufacturing construction equipment.

SUBMISSIONS OF THE APPLICANT:

4. The Corporate Debtor issued several Purchase Orders ("PO") to the Operational Creditor during the Financial Year 2023–24, placing orders for the supply of various products, including geared motors, planetary motor brakes and gearing elements. The particulars of the said Purchase Orders are tabulated hereinbelow:

Sr. No.	Date of Issuance of PO	PO Reference No.	Amount (Rs.)	Particulars of Goods

1.	20.06.2023	BH/PO/23-24/95	74,87,100/-	Inline Planetary Brakes
2.	11.07.2023	AT/P0O/23-24/205	14,98,600/-	Helical Bevel Gear Brake Motor
3.	07.09.2023	AT/PO/23-24/363	27,14,000/-	Inline Planetary Gear Brake
4.	10.10.2023	KI/PO/23-24/163	18,76,200/-	Helical Bevel Gear Brake Motor
5.	24.11.2023	KS/PO/23-24/530	28,37,900/-	Inline Planetary Gear Brake Motor
6.	10.01.2024	AT/PO/23-24/642	47,82,540/-	Helical Bevel Gear Brake and Planetary Gear Brake
7.	11.02.2024	KL/PO/23-24/257	09,01,000/-	Helical Bevel Gear Brake Motor and Inline Planetary Gear Brake Motor.
		AT/PO/23- 24/728	13,57,000/-	
		BH/POQ/23-24/350	1,78,85,850/-	
		TOTAL:	**4,13,40,190/-**	

5. The Operational Creditor has submitted that, pursuant to the Purchase Orders placed by the Corporate Debtor, it supplied various products, including Planetary Gearmotors and Bevel Helical Gearmotors, and raised several invoices in respect of the said supplies. The particulars of the invoices raised, along with the respective invoice dates, invoice numbers and amounts, are set out below:

Sr. No.	Date of Invoice	Invoice No.	Amount (Rs.)
1.	21.02.2024	UA24000133	24,95,700
2.	22.02.2024	UA24000140	13,57,000
3.	22.02.2024	UA24000141	6,25,400
4.	06.03.2024	UA24000227	8,99,160
5.	08.03.2024	UA24000236	11,64,660
6.	08.03.2024	UA24000237	20,79,750
7.	11.04.2024	UA24000380	20,79,750
8.	26.04.2024	UA24000463	4,15,950
9.	08.03.2024	UA24000485	4,07,100
10.	08.03.2024	UA24000487	6,25,400
11.	16.05.2024	UA24000557	4,15,950
12.	16.05.2024	UA24000558	12,47,850
13.	06.06.2024	UA24000676	6,23,040
14.	06.06.2024	UA24000675	20,79,750
15.	11.06.2024	UA24000693	20,79,750
16.	14.06.2024	UA24000716	13,57,000

6. The Operational Creditor has further submitted that the goods covered under the aforesaid invoices were dispatched and delivered to the Corporate Debtor on various dates between 28.02.2024 and 22.06.2024. In support thereof, the

Operational Creditor has placed on record the corresponding delivery challans and E-way Bills, which evidence the dispatch and delivery of the goods.

7. The Operational Creditor has submitted that, upon non-receipt of payment from the Corporate Debtor for the aforesaid supplies and invoices, it addressed several emails to the Corporate Debtor demanding payment of the outstanding dues. In this regard, the Operational Creditor, vide emails dated 07.08.2024 and 12.08.2024, demanded payment of Rs.1,21,49,870/- (exclusive of interest), followed by an email dated 16.08.2024 furnishing a tabulated statement of the outstanding dues and the corresponding invoices. It further submitted that reminders were sent to the Corporate Debtor vide emails dated 20.08.2024, 27.08.2024, 11.09.2024, 12.09.2024 and 04.10.2024. However, the Corporate Debtor neither responded to the aforesaid emails nor disputed their contents.

8. The Operational Creditor has submitted that, towards discharge of the outstanding dues, the Corporate Debtor issued six cheques bearing Nos. 804684, 804691, 804692, 804689, 804690 and 804696, dated 14.09.2024, 19.09.2024 and 22.09.2024, aggregating to Rs. 61,34,336/-. However, all the aforesaid cheques were dishonoured and returned unpaid by the concerned bank due to insufficient funds in the Corporate Debtor's account.

9. The Operational Creditor has submitted that its officials visited the registered office of the Corporate Debtor on 07.11.2024 and 18.11.2024, during which they were assured that the outstanding dues would be paid shortly. However, despite these assurances and the dishonour of the aforesaid cheques, no payment was received. Consequently, on 19.02.2025, the Operational Creditor instituted four separate complaints under Section 138 of the Negotiable Instruments Act, 1881, read with the Bharatiya Nagarik Suraksha Sanhita, 2023, before the Court of the Chief Judicial Magistrate at Sulur.

10. The Operational Creditor has submitted that, due to the Corporate Debtor's failure to discharge the outstanding dues, it issued a Demand Notice dated 24.12.2024 in Form 4, under Rule 5 of the Insolvency and Bankruptcy

(Application to Adjudicating Authority) Rules, 2016, to the Corporate Debtor at its registered office, demanding payment of Rs.1,98,05,277/- towards the outstanding principal amount. The Operational Creditor also issued a Demand Notice dated 24.12.2024 in Form 3 under the aforesaid Rules, demanding payment of Rs. 1,98,05,277/- towards the outstanding principal amount along with interest.

11. It is submitted that, in response to the Demand Notices dated 24.12.2024, the Corporate Debtor, vide its reply dated 12.02.2025, particularly in paragraph 2, confirmed the contents of the Demand Notices. However, the Corporate Debtor subsequently raised contentions disputing the quality of the machinery/products supplied by the Operational Creditor, which were merely afterthoughts.

12. The Operational Creditor has further submitted that the invoices it issued provided a 10-day period from the date of delivery for the purchaser to raise any dispute regarding the quality of the products supplied. However, the Corporate Debtor did not raise any such dispute within the stipulated period or thereafter. It is further contended that, even in its reply dated 12.02.2025, the Corporate Debtor raised vague allegations regarding the quality of the products without specifying the nature or particulars of the alleged defects. According to the Operational Creditor, these allegations are ambiguous, devoid of merit, and constitute moonshine disputes.

13. The Operational Creditor, therefore, contends that the Corporate Debtor has failed to discharge its outstanding liability, which, as claimed, amounts to Rs. 2,23,38,415/- (Rupees Two Crores Twenty-Three Lakhs Thirty-Eight Thousand Four Hundred and Fifteen Only).

14. The Operational Creditor has stated in Part IV of the present Petition that the date of default is 21.05.2024. The total principal amount of debt claimed is Rs.1,98,05,277/-, with interest of Rs.25,33,138/-, aggregating to an outstanding amount of Rs.2,23,38,415/-.

15. Thereafter, the Operational Creditor filed an Affidavit-in-Rejoinder dated 14.05.2026 in response to the Corporate Debtor's Affidavit-in-Reply. The Operational Creditor denied the allegations and contentions raised by the Corporate Debtor and contended that no genuine pre-existing dispute existed between the parties and that the allegations regarding defective goods were fabricated to evade the initiation of the Corporate Insolvency Resolution Process (CIRP). Relying on paragraph 40 of the judgment of the Hon'ble Supreme Court in ***Mobilox Innovations Private Limited v. Kirusa Software Private Limited, [2017] ibclaw.in 01 SC***, the Operational Creditor submitted that the Adjudicating Authority is required to examine whether a plausible dispute exists and whether the defence raised is genuine or merely spurious, hypothetical or illusory. It is further contended that:

    i. Upon receipt of a complaint from the Corporate Debtor regarding alleged defects in the gearbox motors, the concerned gearbox was subjected to a technical inspection on 01.07.2024. The inspection revealed that the gears and bearings were damaged due to insufficient lubrication, oil leakage had occurred due to a damaged seal, and the internal gears and bearings were damaged on account of external causes, rendering the gearbox irreparable. The inspection report further recorded that such external damage was not covered under warranty and recommended the procurement of new gearboxes. The Operational Creditor has stated that the findings of the inspection were communicated to the Corporate Debtor vide email dated 09.07.2024. It is contended that the Corporate Debtor neither disputed the inspection findings nor sought any repair or replacement thereafter. Accordingly, the Operational Creditor submitted that the damage was external in nature and not attributable to any defect in the products supplied, and that the plea of pre-existing dispute raised by the Corporate Debtor is an afterthought and devoid of merit.

    ii. The jurisdiction of this Tribunal in proceedings under the Code is governed by Section 60(1) of the IBC, which confers jurisdiction upon the

National Company Law Tribunal with territorial jurisdiction over the place where the registered office of the Corporate Debtor is situated. It is contended that the registered office of the Corporate Debtor is situated at 111, New Tejpal Industrial Estate, Andheri Kurla Road, Saki Naka, Mumbai–400072, and therefore the Mumbai Bench of this Tribunal has the requisite territorial jurisdiction to entertain the present Petition. The Operational Creditor has accordingly submitted that the objection raised by the Corporate Debtor on this ground is untenable and liable to be rejected.

16. The Applicant has further filed an Additional Affidavit dated 14.05.2026, in which it has reiterated that no unresolved or subsisting grievance remains on the part of the Corporate Debtor in respect of the goods supplied. It is further contended that the gearbox was supplied with 320-grade synthetic oil, and the Corporate Debtor was provided with necessary instructions and a user manual for the proper filling and use of the lubricant. Accordingly, the Operational Creditor has attributed the damage to the negligent operation of the gearbox by the Corporate Debtor.

    i. It is further contended that the alleged defective goods do not pertain to the invoices forming the subject matter of the present Petition but relate to separate Invoice Nos. 22000279 and 23000532, which are not part of the present proceedings. It is submitted that the value of the goods alleged to be defective was only Rs. 4,23,000/- (Rs. 70,500 × 6), constituting approximately 2.13% of the total supply value of Rs. 1,98,05,277/-. It is further stated that the Operational Creditor has already received payment in respect of the said goods. On this basis, the Operational Creditor has contended that the allegations regarding defective goods are unrelated to the invoices forming the basis of the present Petition and that they were raised by the Corporate Debtor merely to create a purported pre-existing dispute.

SUBMISSIONS OF THE RESPONDENT/CORPORATE DEBTOR:

17. The Corporate Debtor has filed its Affidavit in Reply dated 26.09.2025, opposing the present Petition and contending that the Petition is not maintainable either in law or on facts and is liable to be dismissed. The Corporate Debtor has submitted that the Operational Creditor's claim is disputed and that such disputes arose well before the issuance of the Demand Notice under Section 8 of the Code. It is contended that the disputes pertain to the supply of defective and non-conforming goods by the Operational Creditor under various Purchase Orders executed between December 2023 and September 2024.

18. The Corporate Debtor has further submitted that it promptly brought the defects in the supplied goods to the notice of the Operational Creditor through various written communications, including emails dated 06.01.2024, 20.02.2024, 27.06.2024, 04.07.2024 and 09.07.2024, seeking rectification, replacement or compensation. It is alleged that the supplied goods suffered from serious mechanical and operational deficiencies, including overheating, gear misalignment, premature wear and tear and internal defects in the gearbox-motor assembly, rendering them unsuitable for industrial use and contrary to the agreed specifications and performance standards. The Corporate Debtor has also contended that the defective supplies resulted in production delays, machinery downtime and cancellation of downstream orders, causing substantial financial losses, for which it reserves its right to claim damages from the Operational Creditor.

19. The Corporate Debtor has further contended that the Operational Creditor is attempting to misuse the insolvency proceedings under the Code to recover a disputed debt. Relying on the judgment of the Hon'ble Supreme Court in ***Mobilox Innovations Private Limited v. Kirusa Software Private Limited [(2018) 1 SCC 353],*** it is submitted that the existence of a genuine dispute prior to the issuance of the Demand Notice disentitles the Operational Creditor from initiating proceedings under Section 9 of the Code. It is further contended that, in view of the subsisting disputes concerning the quality and performance of the

goods supplied, no default in respect of an undisputed debt due and payable under Section 3(12) of the Code is established.

20. The Corporate Debtor has also contended that the underlying contractual documents specifically stipulate that all transactions and bills are subject to the jurisdiction of Coimbatore. It is submitted that the Operational Creditor, despite the aforesaid contractual stipulation, has instituted the present Petition before the NCLT, Mumbai Bench, in contravention of the agreed jurisdiction clause.

21. The Corporate Debtor has filed an Affidavit-in-Reply dated 06.04.2026, opposing the Additional Affidavit filed by the Operational Creditor and contending that it deserves to be rejected for want of proper authorisation. It is submitted that the deponent, Mr. R. Rajesh Kumar, has described himself as the Resolution Professional of the Operational Creditor, whereas the Board Resolution dated 06.11.2024 identifies him only as the Company Secretary. The Corporate Debtor has contended that no documents have been placed on record establishing his valid appointment as a Resolution Professional, and that the particulars of the proposed Interim Resolution Professional in Part III of the Company Petition have also been left blank. It is further alleged that his simultaneous position as Company Secretary and Resolution Professional gives rise to an apparent conflict of interest.

22. The Corporate Debtor has further reiterated that the invoices relied upon by the Operational Creditor contain a stipulation making the transactions subject to the jurisdiction of Coimbatore, and that the alleged defects in the goods supplied were neither rectified nor compensated for by the Operational Creditor. It is contended that the Operational Creditor has relied on self-serving email communications without resolving the grievances, thereby establishing the existence of a genuine dispute. The Corporate Debtor has also objected to the initiation of separate proceedings under Section 138 of the Negotiable Instruments Act, 1881, before the Court of the Chief Judicial Magistrate, Sulur,

alleging that the Operational Creditor has initiated parallel recovery proceedings and is indulging in forum shopping with ulterior motives.

FINDINGS AND ANALYSIS:

23. We have heard the learned counsel for the parties and perused the pleadings, documents and submissions placed on record.

24. The Corporate Debtor has not denied the supply of goods in respect of which the debt is claimed to be outstanding and in default; however, it has raised disputes regarding quality on a few occasions, which are claimed to have been attended to by the Operational Creditor, who found the same to be beyond warranty. It is claimed by the Corporate Debtor in its reply to the demand notice dated 12.02.2025 that, on account of the supply of defective products to the Corporate Debtor, the Operational Creditor is liable to pay compensation; however, no such claim was raised contemporaneously.

25. The principal issue for consideration is whether the Operational Creditor has established the existence of an operational debt due and payable by the Corporate Debtor, and whether the Corporate Debtor has raised a genuine pre-existing dispute regarding the quality of the goods supplied before the issuance of the Demand Notice dated 24.12.2024. The Corporate Debtor has also challenged the territorial jurisdiction of this Tribunal on the ground that the transactions between the parties were governed by contractual terms stipulating the jurisdiction of the Courts at Coimbatore.

26. At the outset, it is pertinent to note that the present Petition has been filed under Section 9 of the Code for initiation of CIRP against the Corporate Debtor in respect of the outstanding invoices raised towards the supply of gearmotors and other related products. The Operational Creditor has placed on record copies of the Purchase Orders, invoices, delivery challans, E-way Bills, correspondence exchanged between the parties and the dishonoured cheques. The aforesaid documents prima facie demonstrate the commercial transactions between the parties and the supply of goods by the Operational Creditor to the Corporate

Debtor. The Operational Creditor has claimed an outstanding principal amount of Rs. 1,98,05,277/-, together with interest of Rs. 25,33,138/-, aggregating to Rs.,2,23,38,415/-.

27. It is an admitted position that the Corporate Debtor had placed various Purchase Orders upon the Operational Creditor and that the latter had supplied gearmotors and other related products against such orders. The Corporate Debtor has not disputed the underlying commercial relationship between the parties. The controversy, therefore, primarily concerns the alleged defects in the goods supplied and whether such allegations constitute a genuine pre-existing dispute in relation to the unpaid invoices forming the subject matter of the present Petition.

28. In this regard, the law laid down by the Hon'ble Supreme Court in ***Mobilox Innovations Pvt. Ltd. v. Kirusa Software Pvt. Ltd.,*** ***(2017) ibclaw.in 01 SC***

> "*24……. What is important is that the existence of the dispute and/or the suit or arbitration proceeding must be pre-existing – i.e.* ***it must exist before the receipt of the demand notice or invoice****, as the case may be. In case the unpaid operational debt has been repaid, the corporate debtor shall within a period of the self-same 10 days send an attested copy of the record of the electronic transfer of the unpaid amount from the bank account of the corporate debtor or send an attested copy of the record that the operational creditor has encashed a cheque or otherwise received payment from the corporate debtor (Section 8(2)(b)). It is only if, after the expiry of the period of the said 10 days, the operational creditor does not either receive payment from the corporate debtor or notice of dispute, that the operational creditor may trigger the insolvency process by filing an application before the adjudicating authority under Sections 9(1) and 9(2)……*"

> ***40***. *It is clear, therefore, that once the operational creditor has filed an application, which is otherwise complete, the adjudicating authority must reject the application under Section 9(5)(2)(d) if notice of dispute has been received by the operational creditor or there is a record of dispute in the information utility. It is clear that such notice must bring to the notice of the operational creditor the "existence" of a dispute or the fact that a suit or arbitration proceeding relating to a dispute is pending between the parties. Therefore, all that the adjudicating authority is to see at this stage is whether there is a plausible contention which requires further investigation and that the "dispute" is not a patently feeble legal argument or an assertion of fact unsupported by evidence. It is important to separate the grain from the chaff and to reject a spurious defence which is mere bluster. However, in doing so, the Court does not need to be satisfied that the defence is likely to succeed. The Court does not at this stage examine the merits of the dispute except to the extent indicated above. So long as a dispute truly exists in fact and is not spurious, hypothetical or illusory, the adjudicating authority has to reject the application."*

29. In the present case, the Corporate Debtor has relied upon emails dated 06.01.2024, 20.02.2024, 27.06.2024 and 04.07.2024 to contend that it had raised complaints regarding the quality and performance of the gearboxes and other products supplied by the Operational Creditor much prior to the issuance of the Demand Notice.

30. Upon considering the submissions of the Operational Creditor, we observe that the allegations regarding defective goods pertain to Invoice Nos. 22000279 and 23000532, which are not the subject matter of the present Petition. Further, the value of the goods alleged to be defective is Rs.4,23,000/- (Rs.70,500 × 6), which constitutes approximately 2.13% of the total supply value of Rs.1,98,05,277/-, and that payment in respect of the said goods has already been

received. In the absence of any material demonstrating that the alleged defects relate to the invoices forming the basis of the present claim or that the same have any direct bearing on the outstanding operational debt claimed herein, we are of the considered view that such allegations, by themselves, do not establish the existence of a pre-existing dispute in respect of the debt forming the subject matter of the present Petition.

31. Further, the Operational Creditor has not disputed the receipt of complaints from the Corporate Debtor concerning the gearbox. However, it has submitted that the complaints were duly attended to and that a technical inspection of the gearbox was carried out on 01.07.2024. The inspection report noted that the gears and bearings had been damaged due to insufficient lubrication, that oil leakage had occurred due to a damaged seal, and that the damage was external and not covered under warranty. The said report was communicated to the Corporate Debtor vide email dated 09.07.2024. We further note that the Corporate Debtor did not raise any objection to the findings of the inspection report or seek any further remedy thereafter, as there is no subsequent communication raising any objection to the inspection report or reiterating the grievance, as placed on record by the Corporate Debtor, until the issuance of the demand notice under Section 8 of the Code. The absence of any further correspondence during this period lends prima facie support to the Operational Creditor's contention that the grievance had been attended to and that no dispute remained unresolved at the time of issuance of the demand notice.

32. We further note that the Operational Creditor had addressed several emails dated 07.08.2024, 12.08.2024, 16.08.2024, 20.08.2024, 27.08.2024, 11.09.2024, 12.09.2024 and 04.10.2024 demanding payment of the outstanding dues. The Corporate Debtor is stated to have neither responded to the said demands nor disputed the outstanding invoices at that stage. Further, the issuance of six cheques aggregating to Rs. 61,34,336/-, which were subsequently dishonoured for insufficiency of funds, is also a relevant circumstance while considering the outstanding liability.

33. In view of the aforesaid facts and circumstances, we are of the considered opinion that the Corporate Debtor has failed to demonstrate that any dispute concerning the said gearbox remained unresolved as on the date of receipt of the demand notice issued under Section 8 of the Code. Accordingly, the complaints relied upon by the Corporate Debtor, in the absence of any subsequent objection or communication disputing the inspection report, do not establish the existence of a subsisting pre-existing dispute as contemplated under Section 9(5)(ii)(d) of the Code.

34. As regards the objection concerning territorial jurisdiction, we find that the registered office of the Corporate Debtor is situated at Mumbai. Section 60(1) of the Code expressly provides that "*60. (1) The Adjudicating Authority, in relation to insolvency resolution and liquidation for corporate persons including corporate debtors and personal guarantors thereof shall be the National Company Law Tribunal having territorial jurisdiction over the place where the registered office of the corporate person is located."* The jurisdiction of this Tribunal, therefore, flows from the statutory provisions of the Code. A contractual stipulation providing that transactions and bills shall be subject to Coimbatore jurisdiction cannot, by itself, exclude the statutory jurisdiction conferred upon this Tribunal under Section 60(1) of the Code. Accordingly, the objection raised by the Corporate Debtor on this ground is devoid of merit.

35. The objection raised by the Corporate Debtor regarding the initiation of proceedings under Section 138 of the Negotiable Instruments Act, 1881, also does not, by itself, render the present Petition non-maintainable. The proceedings under the Negotiable Instruments Act and the insolvency proceedings under the Code arise under distinct statutory provisions and serve different purposes. The mere institution of complaints in respect of dishonoured cheques cannot operate as a bar to proceedings under Section 9 of the Code, provided the statutory requirements for initiating CIRP are otherwise met.

36. We have also considered the objection raised by the Corporate Debtor regarding the authority of Mr R. Rajesh Kumar to affirm the Additional Affidavit on behalf of the Operational Creditor. The incorrect description of the deponent at some places as a Resolution Professional, while the Board Resolution dated 06.11.2024 states that he is the Company Secretary, cannot vitiate the application in substance. Nonetheless, it is a curable defect, which stands clarified and explained vide corrected rejoinder dated 14.5.2026 wherein Mr. R Rajesh Kumar has stated that "*I am the Company Secretary of the Operational Creditor and in that capacity, I had signed the above-captioned Petition:*.

37. We further find that the Operational Creditor has placed on record the Purchase Orders, invoices, delivery challans and E-way Bills in support of the supplies made to the Corporate Debtor. The subsequent correspondence demanding payment and the dishonour of the cheques issued by the Corporate Debtor further constitute relevant material in support of the Operational Creditor's claim. The Corporate Debtor has not placed any material, as referred to in the pleadings, establishing payment or discharge of the liability arising from the specific invoices forming the subject matter of the present Petition.

38. In view of the foregoing discussion, and having found that the Corporate Debtor has failed to establish the existence of a genuine pre-existing dispute which remained unresolved as on the date of receipt of the Demand Notice, we are satisfied that the Operational Creditor has established the existence of an operational debt and default in payment thereof. The present Petition is complete in all respects. Accordingly, the present Petition deserves to be admitted.

ORDER

39. The Petition bearing **CP(IB)/802(MB)/2025** filed by **ROSSI GEARMOTORS (INDIA) PRIVATE LIMITED**, the Operational Creditor, under **section 9** of the IBC read with relevant provisions of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 for initiating Corporate

Insolvency Resolution Process (CIRP) against **SPARTAN ENGINEERING INDUSTRIES PRIVATE LIMITED** is **allowed**.

i. **Mr. Chhotulal Rawa Bhagwat,** bearing Registration No. **IBBI/IPA-002/IP-N01238/2022-2023/14241** having registered Office Flat No. 104, First Floor, Neha Apartment, Plot No. 7, Sector 20C, Airoli, Navi Mumbai, Maharashtra ,400708 email address as crbhagwatcs@rediffmail.com Contact Number as **9819767835** is hereby appointed as the IRP of the Corporate Applicant to carry out the functions as mentioned under the IBC. The IRP shall carry out functions as contemplated by sections 15, 17, 18, 19, 20 and 21 of the IBC. The fee payable to IRP/RP shall be compliant with Regulations, Circulars and Directions issued by the Insolvency & Bankruptcy Board of India (IBBI) as may be applicable.

40. There shall be a moratorium under Section 14 of the IBC, in regard to the following:

i. 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;

ii. Transferring, encumbering, alienating or disposing of by the Corporate debtor any of its assets or any legal right or beneficial interest therein;

iii. 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 (SARFAESI) Act, 2002;

iv. The recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate debtor.

41. Notwithstanding the above, during the period of moratorium: -
    i. 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;
    ii. That the provisions of sub-section (1) of section 14 of the IBC shall not apply to such transactions as may be notified by the Central Government in consultation with any sectoral regulator;

42. The moratorium shall have effect from the date of this order till the completion of the CIRP or until this Adjudicating Authority approves the resolution plan under sub-section (1) of section 31 of the IBC or passes an order for liquidation of Corporate Debtor under section 33 of the IBC, as the case may be.

43. The IRP shall made Public announcement of the CIRP immediately as specified under section 13 of the IBC read with regulation 6 of the Insolvency & Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

44. 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 of the IBC. 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 within a period of one week from the date of receipt of this Order, in default of which coercive steps will follow.

45. The Petitioner is directed to deposit **INR 3,00,000/-** (Indian Rupees Three Lakhs only), to the bank account of the Resolution Professional within one week, adjustable against his fees and out-of-pocket expenses, which shall be such as is agreed by the Petitioner herein and subsequently confirmed by the Creditors. Needless to say, this shall be subject to the rules and regulations under the Insolvency and Bankruptcy Code, 2016. Further, the amount so contributed by

the Board of Directors from their personal sources shall be treated as interim finance and dealt with accordingly.

46. The Registry is directed to communicate this Order to the Corporate Debtor and the IRP by Speed Post and email immediately, and in any case, not later than two days from the date of this Order.

47. A copy of this Order be sent to the Registrar of Companies, Mumbai, Maharashtra, for updating the Master Data of the Corporate Applicant. The said Registrar of Companies shall send a compliance report in this regard to the Registry of this Court within **seven days** from the date of receipt of a copy of this order.

48. Ordered accordingly.

SD/-	***SD/-***
Prabhat Kumar	**Sushil Mahadeorao Kochey**
Member (Technical)	Member (Judicial)

Vipul Ghate