



**N THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH  
COURT- IV**

**C.P. (IB) No. 459/MB/2024**

*[Under Section 9 of the Insolvency and  
Bankruptcy Code, 2016]*

**In the matter of**

**ABV Electronics**

**...Operational Creditor**

V/s.

**Anmol Innovative Electrical Private  
Limited**

**...Corporate Debtor**

**Pronounced: 09.02.2026**

***CORAM:***

**SHRI ANIL RAJ CHELLAN**

**SHRI K. R. SAJI KUMAR**

**HON'BLE MEMBER (TECHNICAL)**

**HON'BLE MEMBER (JUDICIAL)**

***Appearances***

***: Hybrid***

For the Operational Creditor

**: Adv. Kajal Naidu i/b Sanchit S tatkare**

For the Corporate Debtor

**: Adv. Siddha Pamecha a/w Adv.**

**Richa Shukla i/b G A. Kataria.**



**ORDER**

***Per: Anil Raj Chellan, Member (Technical)***

1. This Application has been filed under Section 9 of the Insolvency and Bankruptcy Code, 2016 (Code) by ABV Electronic, through its Proprietor Ms. Ajita Balkrishna Virkar, also known as Gargi Niranjana Karmarkar, for initiating Corporate Insolvency Resolution Process (CIRP) in respect of Anmol Innovative Electrical Private Limited, the Corporate Debtor. The Applicant states that it is in the business of wholesale trading in electrical products, which supplied electrical products to Anmol Innovative Electrical Private Limited (Corporate Debtor), which is engaged in manufacturing extension boxes, musical bells, and power strips. However, the Corporate Debtor has failed to make payments against the issued invoices, thereby making the Applicant an Operational Creditor of the Corporate Debtor.

**2. Submissions of Operational Creditor**

2.1. The Corporate Debtor, after negotiations regarding rates of products, issued a Purchase Order PO/09/23-24 dated 06.04.2023 for the procurement of electrical products for an amount of Rs. 1,20,45,210/- (One Crore Twenty Lakh Forty-Five Thousand Two Hundred Ten Rupees). As per the Purchase Order, the products were to be supplied on or before 02.06.2023. Furthermore, the Corporate Debtor agreed to make the payment within 45 days from the date of Tax Invoice. The Operational Creditor states that it supplied the material in accordance with the terms and raised the following tax invoices:

Date	Invoice Number	Amount (Rs.)
19-Apr-23	ABV/016/2023-24	954623.00
25-Apr-23	ABV/022/2023-24	1568425.00
01-May-23	ABV/028/2023-24	1458173.00
09-May-23	ABV/032/2023-24	948873.00
13-May-23	ABV/037/2023-24	2235240.00
18-May-23	ABV/041/2023-24	2535410.00
30-May-23	ABV/046/2023-24	2344466.00
	<b>Total</b>	<b>12045210.00</b>



- 2.2. Despite having received the goods, the Corporate Debtor failed to settle the outstanding dues within 45 days from the date of delivery/Tax Invoice. As a result, the Operational Creditor issued reminder letters dated 21.07.2023, 08.09.2023, 10.10.2023, 21.12.2023, and 16.02.2023. The last reminder encompassed all seven invoices and demanded payment of Rs. 1,20,45,210/-. In response to the reminder letter dated 21.07.2023, the Corporate Debtor sought more time to make the payment. Furthermore, the Corporate Debtor *vide* letters dated 12.09.2023 and 17.10.2023 acknowledged the total outstanding amount of Rs.1,20,45,210/- and agreed to make the payment along with the interest at 18% p.a.
- 2.3. In light of the long-standing business relationship, the Operational Creditor acceded to the request. However, the Corporate Debtor failed to fulfil its commitments and did not make any payment against any outstanding tax invoices. Consequently, the Operational Creditor issued a final reminder letter dated 02.04.2024, calling upon the Corporate Debtor to clear the outstanding dues within one week, failing which legal action would be initiated.
- 2.4. Despite the receipt of the final reminder, the Corporate Debtor neither replied nor made any payment. Consequently, the Operational Creditor issued a Demand Notice dated 15.04.2024 in Form 4 under Section 8 of the Code, demanding payment of Rs.1,37,12,314/-, inclusive of interest of 18% per annum up to 31.03.2024.
- 2.5. The Operational Creditor further submits that even after service of the Demand Notice, the Corporate Debtor failed to make payment. Further, there is no pre-existing dispute with respect to the supply and purchase of goods to the Corporate Debtor. It is submitted that the Corporate Debtor failed to make payment of a sum of Rs. 1,37,12,314/- (One Crore Thirty-Seven Lakh Twelve Thousand Three Hundred Fourteen Rupees). The date of default as specified in Part IV of the Application is 14.07.2023.
- 2.6. In support of the Application, the Operational Creditor has submitted the Statement of Account, Ledger Account maintained by the Operational Creditor,



and Ledger Confirmation received from the Corporate Debtor. The Operational Creditor has also submitted a Record of Default issued by NeSL, showing the default date as 14.07.2023.

**3. Contentions of Corporate Debtor**

- 3.1. The Corporate Debtor has filed its Affidavit-in-Reply dated 15.10.2024, raising preliminary as well as main objections to the averments made in the Application. It is contended that the present Application is wholly misconceived in law, frivolous, and vexatious, and is liable to be dismissed on this ground alone. It is further contended that the Application has been filed with the sole intent of harassing the Corporate Debtor.
- 3.2. The Corporate Debtor submits that it is settled law that an application under the Code must strictly comply with the requirements stipulated under the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (AAA Rules). It is pointed out that pursuant to the amendment dated 22.06.2022, it has become mandatory for every operational creditor to serve a copy of the Application upon the Insolvency and Bankruptcy Board of India (IBBI) prior to filing. A perusal of the present Application demonstrates non-compliance with the said mandatory requirement. On this ground, it is contended that the Application is defective, incomplete, and contrary to the provisions of the AAA Rules, and therefore deserves to be dismissed at the threshold.
- 3.3. The Corporate Debtor further contends that this Tribunal is not a recovery forum and that the Code is intended for resolution and revival of corporate debtors, and not for recovery of alleged dues. It is contended that the conduct of the Operational Creditor clearly demonstrates that the Application has been filed solely for recovery purposes and not for insolvency resolution. In support, reliance is placed on the judgment of the Hon'ble Supreme Court in *K. Kishan v. Vijay Nirman Company Private Limited* [(2018) SCC Online SC 1013], wherein it was held that creditors cannot use the Code either prematurely or for extraneous considerations or as a substantive for debt enforcement procedures. It further states that the Code cannot be used in terrorem to extract



sum of money even though it may not be finally payable as adjudication proceedings, are still pending. The object of the Code is to put the insolvency process against a corporate debtor only and not to act as a recovery forum. Further, the Corporate Debtor referred to the judgement of the Hon'ble Supreme Court in *Vidarbha Industries v. Axis Bank* [2022 SCC Online SC 841] and submitted that other factors like the viability and financial health of the Corporate Debtor are to be considered by the Tribunal before admission. In addition, if the Application is admitted, the same will impact many employees.

- 3.4. It is further contended that the Application suffers from ambiguity with respect to the date of default, as multiple dates of default have been pleaded. The Corporate Debtor further states that the Tribunal cannot be expected to select or assign a date of default from among several dates.
- 3.5. The Corporate Debtor states that the Application is filed without merit and cogent evidence to support its claims. The Corporate Debtor further states that on mere perusal of the allegations made by the Corporate Debtor and the preliminary submissions of the Corporate Debtor, it is clear and evident that the Application is liable to be dismissed on the ground of it being baseless, defamatory, false, and unsubstantiated.

#### 4. **Analysis and Findings**

- 4.1. We have perused all the documents on record and heard both the Ld. Counsel for the Operational Creditor and the Corporate Debtor.
- 4.2. Before we come to the rival contentions of the parties, it is apposite to notice that there is no dispute regarding the supply of electrical goods to the Corporate Debtor by the Operational Creditor, in accordance with the terms of the Purchase Order dated 06.04.2023, nor regarding the defaults in payment in respect of the Tax Invoices raised by the Operational Creditor for Rs.1,20,45,210/-. However, the Corporate Debtor has raised objections to the admission of the Application on the basis that (i) it has been filed without compliance with the mandatory provisions of AAA Rules, (ii) it is solely intended



for recovery purposes, and (iii) it presents multiple dates of defaults. These objections will be examined in the following paragraphs.

- 4.3. The Corporate Debtor refers to Rule 6(2) of the AAA Rules, which stipulates that the operational creditor shall serve a copy of the Application to the registered office of the corporate debtor and to the IBBI, by registered post or speed post or by hand or by electronic means, before filing with the Adjudicating Authority. It is contended that the Operational Creditor has not complied with this mandatory requirement, thereby rendering the Application defective.
- 4.4. A review of the present Application demonstrates that the Operational Creditor submitted Form 1A (IAAA) to the IBBI on 17.05.2024. A copy of the Acknowledgement IAAA-0524-005358 has been filed along with the Application at the time of filing. Therefore, this contention of the Corporate Debtor lacks merit.
- 4.5. The next contention raised by the Corporate Debtor is that the process under the Code is being used by the Operational Creditor for the sole purpose of recovery, rather than for insolvency resolution. To evaluate this contention, we may have to look at the conduct of parties. The records reveal that the Operational Creditor has been issuing payment reminders since 21.07.2023. In response, the Corporate Debtor, through a letter dated 24.07.2023, expressed regret, stating, *"We hereby regret to inform you that due to precarious financial conditions of our company and considering the recessions in the market, we require more time to clear your dues."* Subsequently, the Operational Creditor filed this Application in June 2024, a year after, without taking any recovery measures. Therefore, the mere filing of this Application under the Code cannot be construed as an action to exert pressure on the Corporate Debtor, which continues to struggle to fulfil its financial obligations. No doubt, the Code is intended to facilitate the revival and resolution of corporate debtors, but it does not exclude recovery altogether. Given the conduct of the parties, we cannot conclude that the insolvency proceeding is intended to be used by the Operational Creditor as a tool for recovering their dues, as recovery through



insolvency process remains uncertain. In view of the above, this contention of the Corporate Debtor is also negated.

- 4.6. As regards the contention of multiple dates of default, the Purchase Order explicitly states that the payment will be made by the Corporate Debtor within 45 days from the date of the Tax Invoice. The case of the Operational Creditor is that seven Tax Invoices were raised from 19.04.2023 to 30.05.2023. Consequently, the due dates for these invoices range from 03.06.2023, for the first invoice to 14.07.2023, for the last invoice). Therefore, the Applicant has identified 14.07.2023 as the date of default in the Application.
- 4.7. The due date for making payment is 45 days from the date of the Tax Invoice. Consequently, the due date for each Invoice is a single date, and the last due date is recorded as the date of default in the Application. There is no requirement under the Code that the due date on all invoices be the same to trigger an Application for insolvency resolution. Thus, we do not see any merit in this contention also.
- 4.8. The Corporate Debtor has not contested the supply of goods and has clearly acknowledged the outstanding debt through letters dated 12.09.2023, 17.10.2023, and ledger confirmation. Additionally, the Operational Creditor has submitted a Record of Default issued by NeSL, which indicates the default date as 14.07.2023. This date corresponds to the expiry of the agreed credit period of 45 days from the last date of delivery of the goods.
- 4.9. It is an admitted position that the Operational Creditor issued a Demand Notice dated 15.04.2024 in Form 4 pursuant to Section 8 of the Code, demanding payment of the outstanding operational debt. Notwithstanding the proper service of the aforementioned Demand Notice, the Corporate Debtor failed to make payment of the demanded amount and did not inform the Operational Creditor of any dispute within the statutory period of ten days.
- 4.10. In the circumstances, the claim of the Operational Creditor stands established as there exists a default in the payment of the amount owed to the Operational



Creditor. The existing default amount exceeds rupees one crore, which meets the threshold limit stipulated under Section 4 of the Code. Additionally, the Application is filed well within the limitation period and is complete in all respects.

**ORDER**

In view of the foregoing, this **C.P. No. (IB) 459/MB/2024** filed under Section 9 of the Code by **ABV Electronic**, the Operational Creditor, for initiating CIRP in respect of **Anmol Innovative Electrical Private Limited**, the Corporate Debtor, is hereby **admitted**.

We further declare moratorium under Section 14 of the IBC with consequential directions as mentioned below:

- I. We prohibit:
  - a) the institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including the 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, and;
  - 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 supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period.
- III. That the order of moratorium shall have effect from the date of this order till the completion of the CIRP or until this Tribunal approves the resolution plan under Section 31(1) of the IBC or passes an order for the liquidation of the Corporate Debtor under Section 33 thereof, as the case may be.
- IV. That the public announcement of the CIRP shall be made in immediately as specified under Section 13 of the IBC read with Regulation 6 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.
- V. The Tribunal appoints **Satyendra Kumar Sinha**, having Registration No. **IBBI/IPA-002/IP-N01320/2025-2026/14589**, as the IRP, e-mail ID [satyen1412@yahoo.co.in](mailto:satyen1412@yahoo.co.in) having valid Authorisation for Assignment up to 31.12.2026 as the IRP to carry out the functions under the IBC.
- VI. That the fee payable to IRP/RP shall be in accordance with such Regulations/Circulars/ Directions as may be issued by the 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 IBC. 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 IBC. Coercive steps will follow against them under the provisions of the IBC read with Rule 11 of the NCLT Rules for any violation of law.

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- 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 Operational Creditor is directed to deposit a sum of Rs.5,00,000/- (Five 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 Operational Creditor on priority upon the funds becoming available with IRP/RP from the Committee of Creditors (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, Maharashtra, Mumbai for updating the Master Data of the Corporate Debtor.
- XI. A copy of the Order shall also be forwarded to the IBBI for record; dissemination on their website; and for maintaining data.
- XII. The Registry is directed to immediately communicate this Order to the Operational Creditor, the Corporate Debtor and the IRP by way of Speed Post, e-mail and WhatsApp.
- XIII. Compliance report of the order by Designated Registrar is to be submitted today.

**Sd/-**

**ANIL RAJ CHELLAN**  
**MEMBER (TECHNICAL)**

Sanika, LRA

**Sd/-**

**K. R. SAJI KUMAR**  
**MEMBER (JUDICIAL)**