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**NATIONAL COMPANY LAW TRIBUNAL
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GUWAHATI**

ORDER SHEET OF THE HEARING ON 4th DECEMBER 2025

CP(IB)/9/GB/2025

Present: 1. Hon'ble Member (Judicial), Shri Rammurti Kushawaha

In the Matter of	Eduvanz Financing Private Limited Vs Abutani Mercantile Private Limited
Under Section	U/s 7 of IBC, 2016

Appearances (via video conferencing/physically)

For Petitioner (s) : Mr. Bikash Sharma, Adv.
: Ms. P. Agarwal, Adv.

For Respondent (s) : Mr. Karan Borad, Adv.

ORDER

Order pronounced in open Court *vide* separate sheets.

Sd/-

**Rammurti Kushawaha
Member (Judicial)**



Shubham (PS)

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**NATIONAL COMPANY LAW TRIBUNAL
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In CP(IB)/9/GB/2025

Application under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

In the matter of:

Eduvanz Financing Private Limited, having registered office at F2, 1st Floor, Cosmos Square, Chikhaldongari Road, Evershine Global City, Dongarpada, Rustomjee Global City, Virar West, Palghar, Maharashtra – 401303;

...Petitioner/ Financial Creditor

-Versus-

Abutani Mercantile Private Limited, CIN U70101AS2000PTC006382 which is within the Jurisdiction and having its registered office at G.S. Road, Six Mile Khanapara, Guwahati, Assam -781022;

...Respondent/ Corporate Debtor

Coram:

Shri Rammurti Kushawaha : Member (Judicial)

Appearances (through video conferencing):

For Petitioner : Mr. B. Sharma, Ms. P. Agarwala (Adv.)

For Respondent : Mr. K. Borad (Adv.)

Order pronounced on: 04.12.2025



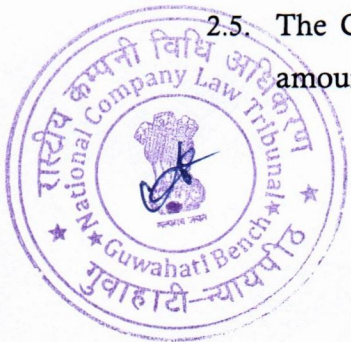


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ORDER

1. The present Application has been filed by **Eduvanz Financing Private Limited** ("Financial Creditor"), under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC") read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, to initiate Corporate Insolvency Resolution Process ("CIRP") of **Abutani Mercantile Private Limited** ("Corporate Debtor") for an unresolved Financial Debt of Rs. 1,41,81,641/-
2. As per the Petitioner, the brief facts of the case are as follows: -
 - 2.1. The Corporate Debtor is a Private Limited Company incorporated on 21.12.2000 under the Companies Act, 1956 and registered with the Registrar of Companies, Shillong. The Directors of the Corporate Debtor are Arjun Kalita and Girish Doley.
 - 2.2. Pursuant to the Corporate Debtor's request, the Financial Creditor entered into a Facility Agreement ("Agreement") with Corporate Debtor dated 21.01.2023 (Annexed as "Annexure P-5"). Under the terms of said Agreement, the Financial Creditors *vide* Sanction Letter dated 16.01.2023 (Annexed as "Annexure P-6"), sanctioned amount of Rs. 3,00,00,000/- into 3 separate accounts namely (i) A230124730/L230125025, (ii) A230124753/L230125026 and (iii) A230113409/L230124144.
 - 2.3. As per the terms of the Agreement, the Corporate Debtor agreed to repay the entire amounts disbursed in one bullet repayment on the 91st day after the date of drawdown, with interest to be repaid on a monthly basis. As per the agreement, the Corporate Debtor had agreed to repay the last tranches of amount along with interest on 05.05.2023.
 - 2.4. Thereafter, the loan accounts of the Corporate Debtor were classified as Non-Performing Asset ("NPA") on 05.08.2023.
 - 2.5. The Corporate Debtor defaulted on the repayment of dues under two accounts, amounting to a total of Rs. 1,42,27,991/-. The Financial Creditor issued a notice on





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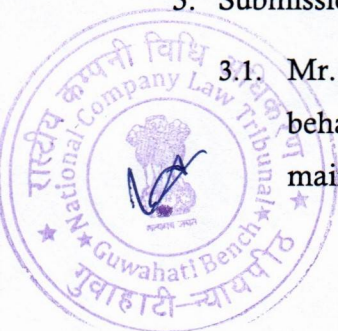
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06.09.2023 informing the Corporate Debtor of the occurrence of default. As no response was received, a subsequent legal notice dated 19.10.2023 was served demanding repayment of the outstanding amount. Subsequently, the Corporate Debtor, through its letter dated 26.10.2023, admitted its liability to repay the entire amount due and requested three months' time. The Corporate Debtor made a part payment of Rs. 22,00,000/- (Rupees Twenty-Two Lakhs) on 22.11.2023.

- 2.6. Thereafter, the Financial Creditor issued another letter dated 01.12.2023, demanding repayment of the outstanding amount of Rs. 1,25,49,887/-, the Corporate Debtor had defaulted in repayment under one account, i.e., A230124730/L230125025. However, the Corporate Debtor did not cure the default or discharge the outstanding dues.
- 2.7. Subsequently, the National E-Governance Services Limited (NeSL), a registered Information Utility, issued a Record of Default (RoD) in Form D showing the default date 05.05.2023 (Annexed as 'Annexure P-8'), with a Total Outstanding of Rs. 1,42,20,152/- with the status of authentication showing "Deemed to be Authenticated" as of 18.11.2023.
- 2.8. Despite several reminders, the Corporate Debtor failed to make any payment resulting a total outstanding amount of Rs. 1,41,81,641/- (Rupees One Crore Forty-One Lakhs Eighty One Thousand Six Hundred and Forty-One), as on 31.12.2024 including principal, EMI interest, penal interest and penal charges.
- 2.9. The instant petition under Section 7 of the IBC has been filed well within the period of limitation, supported by sufficient documentary evidence of default and acknowledgment of liability by the Corporate Debtor. Therefore, a case is made out for admission of the Petition and initiation of CIRP against the Corporate Debtor.

3. Submissions by the Corporate Debtor:

- 3.1. Mr. Arjun Kalita, Director of the Corporate Debtor, filed an Affidavit-in-Reply on behalf of the Corporate Debtor and raised preliminary objections regarding the maintainability of the Petition, claiming that the Applicant failed to produce





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admissible documentary evidence to establish the existence of a "financial debt" or the date of default.

- 3.2. It is submitted that the Corporate Debtor unequivocally denied the assertion of disbursement into three separate accounts, stating that the sanctioned facility was credited into a single designated loan account, arguing the bifurcation is a distortion of the factual record and *mala fide*. It is further submitted that initiation of CIRP being a serious and drastic measure, the Financial Creditor bears the strict burden of proving both debt and default.
- 3.3. It was further submitted that the claim amount of Rs. 1,41,81,641/- is grossly miscalculated and flawed due to the arbitrary imposition of penal interest and penal charges which are contrary to the RBI guidelines and contractual terms.
- 3.4. It was also submitted that the Corporate Debtor denies the rigid interpretation of the repayment clause requiring a single bullet repayment on the 91st day. It is contended that Clause 25(ii), Schedule-I of the Facility Agreement allegedly reveals ambiguity and lack of clarity in the repayment stipulation.
- 3.5. The Corporate Debtor further submitted that the Corporate Debtor made a substantial part-payment of Rs. 22,00,000/- on 22.11.2023, demonstrating its bona fide intent to discharge its liabilities.
- 3.6. With respect to the NeSL report, it is contended that the said report cannot be treated as conclusive for establishing the quantum of debt, particularly since the Corporate Debtor has not authenticated or accepted the Record of Default.
- 3.7. The Corporate Debtor further submitted that it is a duly registered Micro, Small and Medium Enterprise (MSME), as evidenced by its Udyam Registration Certificate and the Financial Creditor failed to comply with the mandatory RBI guidelines regarding the restructuring and rehabilitation of stressed MSME accounts before initiating CIRP, which constitutes a deliberate infraction and renders the petition legally untenable.





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- 3.8. It was further submitted that the adequacy of evidence, arguing that the Financial Creditor failed to comply with mandatory statutory requirements under the Bankers' Books Evidence Act, 1891, and the Information Technology Act, 2000, by omitting to annex certified or digitally authenticated copies of the bank records and ledgers, thereby undermining the credibility of the financial claims.
4. Additional Submissions by the Financial Creditor, *vide* rejoinder dated 30.10.2025:
- 4.1. The Financial Creditor submitted that the Reply filed by the Corporate Debtor is not maintainable as the Board Resolution dated 30.07.2025, which purportedly authorized the filing of the Reply and the accompanying affidavit by Mr. Arjun Kalita, is allegedly in violation of Section 174 of the Companies Act, 2013. Section 174 mandates a quorum of at least two directors or one-third of the total strength, whichever is higher, for a Board Meeting. The Financial Creditor contends that the Board Resolution in question lacks the necessary quorum and is, therefore, illegal in the eyes of the law and not maintainable. The Financial Creditor further placed reliance on the decision of the NCLT in *Raj Vikram Singh v. Pulp Strategy Communication Pvt. Ltd. & Ors.*, 2017 SCC OnLine NCLT 15473, wherein it was held that a resolution passed in violation of Section 174 of the Companies Act, 2013 is liable to be set aside. Accordingly, the Reply filed by the Corporate Debtor deserves to be rejected *ab initio*.
- 4.2. Further submitted that the Financial Creditor has clearly established the outstanding amount of Rs. 1,41,81,641/- as of 31.12.2024, which far surpasses the statutory minimum threshold under Section 4 of the IBC. Since the total amount sanctioned was Rs. 3,00,00,000/-, accordingly the Financial Creditor emphasizes that the outstanding sum includes principal, EMI interest, penal interest and penal charges. The Financial Creditor placed reliance on the judgment of the Hon'ble Supreme Court in *Orator Marketing Pvt. Ltd. v. Samtex Desinz Pvt. Ltd.* (Civil Appeal No. 2231 of 2021), wherein it was held that the definition of "financial debt" in section 5(8) of IBC does not expressly exclude an interest free loans advanced to finance the business operations of a corporate body."





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- 4.3. It was further submitted that the Corporate Debtor, through its letter dated 26.10.2023, admitted its liability to repay the entire due amount and requested three months' time to clear the outstanding dues. Subsequently, the Corporate Debtor made a part payment of Rs. 22,00,000/- on 22.11.2023. This admission and subsequent payment constitute irrefutable documentary evidence of a subsisting debt and default.
- 4.4. The Financial Creditor further contended the Corporate Debtor's objection regarding alleged non-compliance with the Bankers' Books Evidence Act, 1891. It is submitted that production of certified copies of entries from the Bankers' Books is not a mandatory requirement for initiating a petition under Section 7 of the Code.
- 4.5. The Financial Creditor further submitted the Corporate Debtor's contention that it is MSME and the Financial Creditor was non-compliant with mandatory RBI restructuring guidelines pertaining to stressed MSME accounts which render the Section 7 petition non-maintainable. It is submitted that such guidelines do not create a bar on the initiation of proceedings under Section 7 of the Code.
- 4.6. The Financial Creditor further submitted that once a financial debt and default are clearly proven, the Adjudicating Authority is obligated to admit the petition under Section 7. The IBC is a specialized framework and non-compliance with commercial or prudential regulatory circulars issued by the RBI does not, per se, create a pre-existing dispute that defeats the right of the financial creditor to initiate CIRP.
- 4.7. Hence, the Financial Creditor prays for dismissal of the reply filed by the Corporate Debtor as the reply non-maintainable against the Financial Creditor, as the debt is admitted which is evident from the NESL Report and from the documents attached with the Captioned Petition.
5. Heard the learned counsels for both parties and perused the records. The present petition under Section 7 of IBC has been filed by the Financial Creditor seeking initiation of the CIRP against the Corporate Debtor on the ground of default in repayment of a purported financial debt.





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6. The Financial Creditor has placed on record Facility Agreement (Annexed as 'Annexure P-5'), Sanction Letters (Annexed as 'Annexure P-6'), Bank Statement evidencing disbursement of loan amount between Financial Creditor & Corporate Debtor (Annexed as 'Annexure P-7').
7. The Corporate Debtor acknowledged this liability through its letter dated 26.10.2023 (Annexed as 'Annexure P-11'), admitted its liability to repay the entire due amount and requested three months' time to clear the outstanding dues. Subsequently, the Corporate Debtor made a part payment of Rs. 22,00,000/- on 22.11.2023.
8. The accounts of the Corporate Debtor were classified as Non-Performing Assets (NPA) on 05.08.2023 constituting a default under the IBC. The Legal Demand and request for repayment Notice dated 19.10.2023 and letter dated 01.12.2023, further substantiate the default.
9. The Corporate Debtor has raised a defence based on its MSME registration and contended that the Financial Creditor failed to comply with RBI guidelines on the restructuring of stressed MSME accounts. While the RBI circulars do mandate a structured framework for resolution of MSME distress, the non-compliance with such circulars cannot render a petition under Section 7 non-maintainable per se.
10. Moreover, the IBC is a self-contained code, and where a financial debt and default are established, procedural non-compliance with RBI guidelines does not defeat the statutory remedy.
11. In *Innoventive Industries Ltd. v. ICICI Bank*, [(2018) 1 SCC 407], the Hon'ble Supreme Court held that once a default is established, the Adjudicating Authority is bound to admit the petition under Section 7 of the Code, unless there exists a bona fide dispute or the debt itself is not legally enforceable.
12. Further, the Hon'ble Supreme Court in the matter of *M. Suresh Kumar Reddy v. Canara Bank*, (2023) 8 SCC 387, it was held that once NCLT is satisfied that the default has





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occurred, there is hardly a discretion left with NCLT to refuse admission of the application under Section 7.

13. Thus, it is well settled that the Adjudicating Authority is not required to conduct a roving enquiry into disputes unless the debt is disputed with substantial grounds. In the present case, there exists ample documentary evidence showing the disbursement of financial facilities, acknowledgment of debt and occurrence of default.
14. The application under Section 7 is complete in terms of the requirements under the Code and the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The Financial Creditor has clearly established the existence of a financial debt under section 5(8) of IBC and the occurrence of default, which exceeds the threshold under Section 4 of the Code and is well within the limitation for filing the present application.
15. In light of the above findings, this petition under Section 7, IBC is hereby **admitted** and initiation of CIRP is ordered against **Abutani Mercantile Private Limited** under Section 7, IBC read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rule, 2016, with the following order:
 - i. The order of moratorium under Section 14, IBC shall have effect from the date of pronouncement of this order till the completion of the CIRP or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33, as the case may be. This Bench hereby prohibits -
 - ii. 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;
 - iii. Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal rights or beneficial interest therein;
 - iv. 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





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Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002;

- v. The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.
16. The supply of essential goods or services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during moratorium period.
17. The Applicant has proposed the name of Mr. Kamal Agarwal, bearing registration no. IBBI/IPA-001/IP-P00868/2017-2018/11466, e-mail ID: advocate.kamal.aggl@gmail.com, having Registered Office 487/27, School Road Near Peeragarhi Metro Station, New Delhi, National Capital Territory of Delhi, 110087 as the Interim Resolution Professional ("IRP").
18. Accordingly, Mr. Kamal Agarwal is appointed as IRP. The IRP is directed to take charge of the Corporate Debtor's management and assets immediately and to perform duties as per the provisions of the IBC and the rules framed thereunder.
19. The IRP is directed to make a public announcement of the initiation of the CIRP as per the provisions of Section 13 of IBC and the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. The IRP shall submit a report to this Tribunal within **30 days** from the date of this order, detailing the steps taken in the CIRP.
20. During the CIRP period, the management of the Corporate Debtor will vest in the IRP/RP in terms of Section 17 of IBC. The suspended directors and employees of the Corporate Debtor shall provide all documents in their possession and furnish every information in their knowledge to the IRP/RP.
21. Registry shall send a copy of this order to the Registrar of Companies, Guwahati, for updating the Master Data of the Corporate Debtor.
22. The Financial Creditor shall deposit an amount of Rs. 2,00,000/- (**Rupees Two Lakhs Only**) towards the initial CIRP costs by way of a Demand Draft drawn in favour of the IRP appointed herein, immediately upon communication of this Order. The IRP shall





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spend the above amount only towards expenses and not towards the fee of the IRP fee till it is decided by CoC. The amount, however, will be subject to adjustment by the Committee of Creditors as accounted for by the Interim Resolution Professional and shall be paid back to the Financial Creditor.

23. Accordingly, the instant petition, *i.e.* CP (IB)/9/GB/2025 stands admitted in terms of the Section 7 of the Code.
24. The Registry is directed to send e-mail copies of the order forthwith to all the parties inclusive of the Counsel and the Interim Resolution Professional.
25. Urgent certified copy of this order, if applied for, be issued upon compliance with all requisite formalities.
26. File be consigned to record.

Sd/-
Rammurti Kushawaha
Member (Judicial)

Signed this on 4th day of December, 2025



Aditya P. (L.R.A.)

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