IN THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD
COURT – 2

ITEM No.301
C.P.(IB)/22(AHM)2026

Proceedings under Section 7 IBC

IN THE MATTER OF:

Small Industries Development Bank of India ....**Applicant**
V/s
G & L Profile And Equipments Pvt Ltd ....**Respondent**

Order delivered on: 04/08/2026

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)

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CHITRA HANKARE
MEMBER (JUDICIAL)

SJ/AP/AD

BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
COURT-II,

CP (IB)22(AHM)2026

(under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of Insolvency and Bankruptcy Application to Adjudicating Authority Rules 2016)

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA
Registered Office Address:
SIDBI Tower, 15 Ashok Marg, Lucknow- 226001
Uttar Pradesh Address: Specialized Asset Recovery Branch,
Small Industries Development Bank of India,
1st Floor, Navjeevan Amrit Jayanti Bhavan,
Behind Gujarat Vidhyapith,
Off. Ashram Road,
Ahmedabad-380014 ...Financial Creditor

Versus

G & L PROFILE AND EQUIPMENTS PRIVATE LIMITED
Registered Office Address:
Plot no. 41, GIDC, Savli at
Alindra Savli Industrial Estate,
Manjusar, Ta- Savli,
Vadodara, Gujarat- 391775 ... Corporate Debtor

Order pronounced on 04/08/2026

Coram:
Mrs.Chitra Hankare, Member (Judicial)
Dr.Velamur G Venkata Chalapathy, Member (Technical)

Appearance:

For the Financial Creditor: Mr. Vishal Raval, Adv.

For the Corporate Debtor : Mr. K S Sunil Kumar, Adv.

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JUDGEMENT

1. The present petition is filed by Small Industries Development Bank of India (SIDBI) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to "as the code") for initiation of Corporate Insolvency Resolution Process (hereinafter referred to as "CIRP") against the Corporate Debtor i.e. G& L Profile and Equipments Private Limited for total amount in default of Rs. 3,71,16,512.59/- as on 10.12.2025. The date of default is 03.01.2025.

2. Perusal of Part-I of the Form-1 indicates that the Petitioner/Financial Creditor is a financial Institution. The registered office of the Financial Creditor is situated at SIDBI Tower, 15 Ashok Marg, Lucknow-226001, Uttar Pradesh. The petition is affirmed by Mr. Praveen Mithal, Deputy General Manager of Financial Creditor, who is authorized under Board Resolution dated 01.11.2023.

3. Perusal of Part-II it reveals that the authorized share capital of the Company is Rs. 5,00,00,000/- and paid up capital of Rs. 2,58,20,000/-. The date of incorporation is 01.02.2007 registered office of the Corporate Debtor is Plot no. 41, GIDC, Savli at Alindra Savli Industrial Estate, Manjusar, Ta-Savli, Vadodara, Gujarat 391775.

Sd/-

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4. Perusal of Part-III of the Form-1 reveals that the Petitioner/Financial Creditor has nominated Mr. Manish Kumar Bhagat, CA having Registration No. IBBI/IPA-001/IP-P 00856/ 2017-18/11438 (Email: mbhagat2003@gmail.com) to act as Interim Resolution Professional ("IRP"). He has filed his written communication annexed with the Application as per the requirement of Rule 9(l) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016.

5. Perusal of Part-IV of the Form-1 reveals that the amount of debt is Rs. 505.85 lakhs was sanctioned vide letter of intent 27.11.2023 under 4E financing Scheme for Acquisition of Plant and Machineries and Miscellaneous Fixed Assets under the project.

6. It is submitted that the financial Creditor was set up on 2nd April, 1990 under the Act of Indian Parliament as the Principal financial Institution for promoting, financing and development of micro small and medium Enterprises(MSME) sector as well as for coordination of functions of Institutions engaged in similar activities.

7. The Corporate Debtor is in the business of manufacturing dies, various types of Aluminum profile and other products and has its office in Savli, Vadodara, State of Gujarat. The Financial

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Creditor has sanctioned term loan facilities in favour of the Corporate Debtor vide letter of intent was issued on 27.11.2023 for sanction for financial assistance of Rs. 505.85 lacs under 4E-Financing Scheme with interest @8.50% p.a. (2% above the repo rate) and penal interest of 2% p.a. payable in monthly installments. The Corporate Debtor for the purpose of availing financial assistance passed a Resolution dated 30.11.2023 and accepted all the terms and conditions of sanction. Pursuant to the aforesaid letter of intent and board resolution, the Corporate Debtor executed Term Loan Hypothecation dated 01.12.2023 in favour of the Financial Creditor to reflect the enhanced credit facilities creating first charge on all the plant and machinery and movable assets as detailed in Schedule(s) of the said Agreement.

8. A Deed of Guarantee was executed on 01.12.2023 by individuals guaranteeing the repayment of the entire facility. In pursuance of creation of hypothecation charge created in favour of the Applicant bank vide agreement for term loan cum Hypothecation dated 01.12.2023 the Corporate Debtor got registered the charge with registrar of Companies, Ahmedabad 29.12.2023. Due to non-compliance and persistent default in repayment of dues the Financial Creditor classified the

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account of Corporate Debtor as "Non-Performing Assets" on 03.01.2025 and vide its letter dated 09.05.2025 , recalled the said facilities given to the Corporate Debtor and called upon the Corporate Debtor to pay entire outstanding amount of Rs. 5,04,31,202.59/- along with interest as mentioned in the recall notice.

9. The Corporate Debtor failed to make payment of notice for invocation of the guarantee issued on 05.08.2025 and demand notice under Section 13(2) of the SARFAESI Act, 2002 issued to the Corporate Debtor and to all the Guarantors on 10.09.2025.

10. The Corporate Debtor availed following credit facilities:

Lending	Amount & date of sanction	Principal o/s amount	Remark
Sole lending By FC	505,85,000/-	3,24,32,484.17	Present application u/s 7 is initiated based on sole lending default amount
50% co-lending alongwith Fc (AFPL)	30.37 (15,18,988/- be each lender} 25.07.2023	7,04,878/-	Legal action will be taken Ambit Finvest Private Limited (AFPL) as per co-lending arrangement

11. Perusal of Part-V of Petition it reveals particulars of security

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are as under:

<table>
<tr><th>Particulars of Security</th><th>Estimated value as per Applicant (Crore)</th></tr>
<tr><td>(Description of Hypothecated movable properties) Description of properties Hypothecated by and belongs to G & L PROFILE AND EQUIPMENTS PRIVATE LIMITED) as per the SCHEDULE-II of Term Loan cum Hypothecation Agreement dated 01/12/2023 The Project envisage Acquisition of Plant and Machineries and Miscellaneous Fixed Assets at Plot No 41,42,43, GIDC, Savli at Alindra Savli Industrial Estate, Ta-Savli, Vadodara, Gujarat -391775 (India) at the cost of Rs. 505.85 lakh
<table>
<tr><th>Sr. No.</th><th>Head</th><th>Cost (rs. In lacs)</th></tr>
<tr><td>1</td><td>Plant & Machinery (P&M) - imported</td><td>368.62</td></tr>
<tr><td>2</td><td>Plant & Machinery (P&M) - Indigenous</td><td>137.23</td></tr>
</table>
All the movable properties of the Borrower pertaining to the project of the Borrower as described in the Agreement for Term Loan cum Hypothecation and situated at Plot No 41,42,43, GIDC, Savli at Alindra Savli Industrial Estate, Ta-Savli, Vadodara, Gujarat - 391775 (India) including, but not limiting to, its movable, plant, machinery, machinery spares, tools and accessories, office equipment, computers, furniture and fixtures, and all other movable, both present and future whether installed or not and whether now lying loose or in cases or which are now lying or stored in or about or shall hereafter</td><td>Properties-Present value is not known and to be assessed by registered Valuer only however, estimated WDV of available assets (Schedule-A of property) comes out to Rs. 365.47 lakh on providing 15% depreciation as per the standard norms as on 01.04.2025</td></tr>
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from time to time during the continuance of the security of these presents be brought into or upon or be stored or be in or about the Borrower premises, factory, showrooms and godowns at Plot No 41,42,43, GIDC, Savli at Alindra Savli Industrial Estate, Ta-Savli, Vadodara, Gujarat 391775 (India) or wherever else the same may be or be held by any party to the order or disposition of the Borrower or in the course of transit or on high seas or on order of delivery, howsoever and wheresoever in the possession of the Borrower and either by way of substitution or addition.	

Copy of Term Loan cum Hypothecation dated 01.12.2023, Copy of certificate of Registration of Charge issued by ROC and Copy of CERSAI report is attached to the application.

12. The Financial Creditor filed OA before the Debts recovery Tribunal-II, Ahmedabad bearing no. 27 of 2026 which is pending for adjudication.

13. The Petitioner filed Record of Default under Form D issued by the NeSL. It shows status "Deemed to be Authenticated" confirming the date of default as 03.01.2025.

Reply of Respondent/Corporate Debtor

14. The present application under Section 7 of the IBC is premature and not maintainable, as the applicant has failed to establish a valid date of default and subsequent classification

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-SD-of the account as NPA. As per the NeSL record, the date of default is stated as 03.01.2025, whereas the statement of account shows regular payments up to January 2025. Further, the applicant has shown the date of default and date of NPA as the same, contrary to the requirement that an account can be classified as NPA only after the prescribed period of default.

15. The applicant has also failed to establish its claim with proper supporting documents regarding the alleged assignment/joint lending arrangement and has wrongly included GST on penal charges, despite Circular No. 245/02/2025-GST dated 28.01.2025 clarifying that no GST is payable on such penal charges. Accordingly, the alleged debt and date of default have not been properly established, and the application under Section 7 deserves to be dismissed.

Observations & Conclusions:

16. Vide order dated 06.07.2026 the Ld. Counsel for the Corporate Debtor seeks time to settle the debt with the Applicant, this was objected by the financial creditor and Respondent granted last opportunity to settle the matter and allowed both the parties to file their written submissions.

17. Heard both sides Counsels at length and perused the material

Sd/- -SD-available on record. The Financial Creditor sanctioned a Term Loan of ₹5,05,85,000/- under the 4E Financing Scheme, vide Letter of Intent dated 27.11.2023, followed by the execution of a Term Loan-cum Hypothecation Agreement dated 01.12.2023. The charge was also duly registered with the ROC. Due to persistent default in repayment of dues, the Applicant classified the account of Corporate Debtor as "Non-Performing Asset" ("NPA") on 03.01.2025 and vide its Letter dated 09.05.2025, recalled the said facilities given to the Corporate Debtor and called upon the Corporate Debtor to pay entire outstanding amount of Rs.5,04,31,202.59/-(Rupees Five Crore Four Lakh Thirty One Thousand Two Hundred and Two and Fifty Nine Paisa Only) along with future interest as mentioned in the said recall notice.

18. Since the Corporate Debtor failed to make payment, a notice for invocation of the guarantees was issued on 05.08.2025 and thereafter demand notice under Section 13(2) of the SARFAESI Act, 2002 was issued to the Corporate Debtor and to all the guarantors/mortgagor on

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10.09.2025. The Applicant has also enclosed the report of CERSAI and the NESL. Further, the adjudication in the matter before DRT for recovery under Sec 19 of SARFAESI Act, is yet to be completed.

19. The submissions of respondent do not prove that the debt has been repaid, even though a stated FDR was adjusted before the Date of NPA. Co lending by the other lender is not material which appears to have an outstanding of Rs.7,04,878 which will become a claimable amount in the event of CIRP against the borrower. Once an account turns in to default the norms prescribed by RBI does not decide the date of default, but it prescribes a norm of 90 days when the account is turned as NPA for the purpose of provisioning and classification. The stated provisioning or classification has not been reversed as borrower has not set right the account by repaying the debt. The date of default is before the date of NPA but cannot be after the NPA date. Possibly the classification has been due to slippage which continued. In this case, the default and subsequent NPA date (same date) is not material as the

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-SD-borrower appears from records has not repaid to set the account right to become a standard asset or free of default. The debt is due and the application is filed within the limitation period. The relevant criteria for admitting this debt is whether the debt is due, defaulted. The amount of Debt is more than the threshold limit with interest due and payable. In view of the above, the debt is admitted to be due and hence we pass the following Order:

ORDER

(i) The Respondent/Corporate Debtor- **G& L Profile and Equipments Private Limited** is admitted in the Corporate Insolvency Resolution Process under Section 7 of the IBC, 2016.

(ii) As a consequence, thereof, the moratorium under Section 14 of the IBC, 2016 is declared for prohibiting all of the following in terms of Section 14(1) of the IBC, 2016.

a. *the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;*

b. *transferring, encumbering, alienating or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein;*

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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 Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;*

d. *the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.*

e. *The provisions of sub-Section (1) shall however, not apply to such transactions, agreements as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a Corporate Debtor.*

(iii) The order of moratorium shall have effect from the date of this order till the completion of the Corporate Insolvency Resolution Process or until this Adjudicating Authority approves the Resolution Plan under sub-section (1) of Section 31 or passes an order for liquidation of Corporate Debtor under Section 33 of the IBC, 2016, as the case may be.

(iv) It is further directed that the supply of essential goods/services to the Corporate Debtor, if continuing, shall not be terminated or suspended or interrupted during the moratorium period as per provisions of sub-sections (2) and (2A) of Section 14 of IBC, 2016.

(v) As proposed by the Financial Creditor, we appoint **Mr. Manish Kumar Bhagat** having Registration No. IBBI/IPA-001/IP-P P00856/2017-18/11438 (Email:

Sd/-   -SDmbhagat2003@gmail.com) under section 13 (1)(c) of the Code to act as Interim Resolution Professional ("IRP") of Corporate Debtor, subject to the condition that no disciplinary proceedings are pending against him. He shall conduct the Corporate Insolvency Process as per the Insolvency and Bankruptcy Code, 2016 r.w. Regulations made thereunder.

(vi) The IRP shall perform all his functions as contemplated, inter-alia, by sections 17, 18, 20 & 21 of the IBC, 2016. It is further made clear that all personnel connected with the Corporate Debtor, its Promoter or any other person associated with the management of the Corporate Debtor are under legal obligation under section 19 of the IBC, 2016 for extending assistance and co-operation to the IRP. Where any personnel of the Corporate Debtor, its Promoter or any other person required to assist or co-operate with IRP, do not assist or co-operate the IRP is at liberty to make appropriate application to this Adjudicating Authority with a prayer for passing an appropriate order.

(vii) This Adjudicating Authority directs the IRP to make a public announcement of the initiation of CIRP and call

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for the submission of claims under section 15 as required by section 13(1)(b) of the IBC, 2016.

(viii) The IRP is expected to take full charge of the Corporate Debtor assets, and documents without any delay whatsoever. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the IRP in this regard.

(ix) The IRP or the RP, as the case may be shall submit to this Adjudicating Authority periodical report with regard to the progress of the CIRP in respect of the Corporate Debtor.

(x) The IRP shall be under duty to protect and preserve the value of the property of the Corporate Debtor and manage the operations of the Corporate Debtor as a going concern as a part of obligation imposed by Section 20 of the IBC, 2016.

(xi) The Financial Creditor is directed to pay an advance of Rs. 2,00,000/- (Rupees Two Lakh Only) to the IRP within a period of 7 days from the date of this order to meet the cost of CIRP arising out of issuing public notice and

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inviting claims etc. till the CoC decides about his fees/expenses.

(xii) The Registry is directed to communicate a copy of this order to the Financial Creditor, Corporate Debtor and to the IRP and the concerned Registrar of Companies, after completion of necessary formalities, within seven working days and upload the same on the website immediately after the pronouncement of the order. The Registrar of Companies shall update its website by updating the Master Data of the Corporate Debtor in MCA portal specific mention regarding admission of this Application and shall forward the compliance report to the Registrar, NCLT.

(xiii) The commencement of the Corporate Insolvency Resolution Process shall be effective from the date of this order.

20. Accordingly, CP (IB)22(AHM)/2026 stands admitted. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

Sd/-

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

Sd/-

CHITRA HANKARE
MEMBER (JUDICIAL)

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