

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, COURT-I, AHMEDABAD**

ITEM No. 101

CP(IB) No.287/7/AHM/2026

(An 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: NKR Engineers Private Limited

Bank of India

(CIN: U99999MH1906PLC000243)

Registered office at Star House,
C-5, G Block, Bandra Kurla Complex,
Mumbai, Maharashtra-400051.

And

Recovery Branch at Star House,
5th Floor, Bank of India Building,
Bhadra, Ahmedabad – 380001.

...Applicant/Financial Creditor

VERSUS

NKR ENGINEERS PRIVATE LIMITED

(CIN: U29293GJ2004PTC045176)

Registered Office: Devashray,
Near Express Highway, Opposite Shrinand City,
New Maninagar Road, Vatva,
Ahmedabad, Gujarat – 382445.

...Respondent/Corporate Debtor

Order Delivered On: 16.10.2026

C O R A M:

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Applicant/C

: Ms. Neetu Chaturvedi, Advocate a.w.

Mr. Aditya Raval, Advocate a.w..

Mr. Rajesh Sharma, A.O. and

Mr. Navneet Jaiswal, Sr. Manager VC Mode

For the Respondent/CD : **None.**

ORDER
Per Bench

1. This Company Petition registered on 28.09.2026, has been filed by the Bank of India (Financial Creditor) under Section 7 of the Insolvency and Bankruptcy Code, 2016 (Code), read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (hereinafter referred to as "IB (AAA) Rules, 2016") for initiation of Corporate Insolvency Resolution Process (CIRP), against **NKR Engineers Private Limited** (Corporate Debtor), in its capacity as Corporate Guarantor of M/s Devashray Papers (India) LLP for having defaulted in payment of the outstanding Financial Debt of Rs. 50,45,33,679.89ps. including interest as on 31.08.2026.
2. On perusal of Part-I of Form-1, it is observed that the Financial Creditor, Bank of India, is a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its registered office at C-5, G-Block, Bandra Kurla Complex, Bandra (East), Mumbai, Maharashtra – 400051, and its Ahmedabad Recovery Branch at Star House, 5th Floor, Bank of India Building, Bhadra, Ahmedabad – 380001. The present application has been filed through Mr. Rajesh Sharma, Assistant General Manager and authorised representative of the Financial Creditor. The authority in favour of the authorised representative is supported by the authority letter and resolution annexed to the Company Petition as Exhibit-A.
3. On perusal of Part-II of Form-1, it is observed that the Corporate Debtor, **NKR Engineers Private Limited**, bearing CIN U29293GJ2004PTC045176, was incorporated on 20.12.2004 under the provisions of the Companies Act, 1956. As per the particulars furnished in the application, the Corporate Debtor has an authorised share capital of Rs. 1,00,00,000/- and a paid-up share capital of Rs. 1,00,00,000/-. Its registered office, as stated in the original application, is situated at

Devashray, Near Express Highway, Opposite Shrinand City, New Maninagar Road, Vatva, Ahmedabad, Gujarat – 382445. The company particulars and master data relied upon by the Financial Creditor form part of Exhibit-B to the petition.

4. On perusal of Part-III of Form-1, it is observed that the Financial Creditor has proposed Mr. Sunit Jagdishchandra Shah, Insolvency Professional, having registration number IBBI/IPA-001/IP-P00471/2017-18/10814, as the Interim Resolution Professional (IRP). The proposed IRP has furnished his written communication in Form-2 dated 02.07.2026, expressing his consent to act as IRP in the event of admission of the application. The said written communication is annexed to the petition as Exhibit-C.
5. On perusal of Part-IV of Form-1, it is observed that the Financial Creditor has claimed total outstanding dues of Rs. 50,45,33,679.89/- as on 31.08.2026, comprising the principal amount of Rs. 40,86,94,108.91/- and interest of Rs. 9,58,39,570.98/-. The date of default in respect of the principal borrower is stated to be 11.10.2024, while the date of default attributed to the Corporate Debtor, in its capacity as corporate guarantor, is stated to be 07.04.2025. The account of the principal borrower was classified as a Non-Performing Asset (NPA) on 08.01.2025.
6. On perusal of Part-IV and Part-V of Form-1, together with the documents annexed thereto, the case of the Financial Creditor, in brief, is as follows: -
 - 6.1 The Applicant/Financial Creditor, Bank of India, has filed the present Company Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016, seeking initiation of CIRP against NKR Engineers Private Limited, as Corporate Guarantor of M/s.

Devashray Papers (India) LLP, in respect of consortium credit facilities sanctioned to the principal borrower.

- 6.2 The principal borrower- M/s. Devashray Papers (India) LLP was sanctioned Term Loan and Cash Credit facilities under the consortium financing arrangement. The Corporate Debtor executed the Deed of Corporate Guarantee dated 15.12.2022, stated to be unconditional, absolute and irrevocable, securing repayment of the financial facilities extended to the principal borrower.
- 6.3 The principal borrower committed default in repayment of the Cash Credit facility on 11.10.2024 and the Term Loan facility on 23.10.2024, as reflected in the records referred to in the Petition and the earlier proceedings. The accounts were classified as Non-Performing Assets on 08.01.2025, and a recall notice dated 10.01.2025 was issued.
- 6.4 As regards the Corporate Debtor, the Petition records 07.04.2025 as the date of default, stating that the corporate guarantee was invoked on the same date. The guarantee invocation and the resulting liability of the Corporate Debtor are relied upon by the Financial Creditor to establish default in its capacity as Corporate Guarantor.
- 6.5 The Financial Creditor has relied upon NeSL **Form D**, submitted in May 2025, with the Record of Default stated to have been authenticated on 20.06.2025. The Form D records relate to the principal borrower's financial debt and reflect the default status as "**Authenticated**"; the account-wise dates recorded therein are 11.10.2024 for Cash Credit and 23.10.2024 for Term Loan.
- 6.6 The Financial Creditor has also relied upon the recall notice dated 10.01.2025, the notice under Section 13(2) of the SARFAESI Act,

2002, dated 04.02.2025, and the revival letter dated 14.02.2025. The earlier Section 7 Petition against the principal borrower was admitted by this Tribunal on 30.10.2025 in C.P. (IB) No. 263/7/AHM/2025.

- 6.7 As per the statement of account and computation of dues, the total outstanding financial debt as on 31.08.2026 was Rs. 50,45,33,679.89/-, comprising principal of Rs. 40,86,94,108.91/- and interest of Rs. 9,58,39,570.98/-. The principal comprises Rs. 16,32,95,702.57/- under the Term Loan and Rs. 24,53,98,406.34/- under the Cash Credit facility.
- 6.8 The documents relied upon and annexed to the Company Petition are Exhibit A, authority letter and resolution; Exhibit B, MCA master data and certificate of registration of charge; Exhibit C, consent in Form 2 of the proposed IRP; Exhibit D, bank statements, computation and Bankers' Books Certificate; and Exhibits E to I, hypothecation deed, mortgage deed and declarations and undertakings.
- 6.9 The remaining documents are Exhibit J, Original Application before the DRT; Exhibit K, order dated 30.10.2025 in C.P. (IB) No. 263/7/AHM/2025; Exhibit L, NeSL Forms C and D; Exhibits M to P, Security Trustee Agreement, Working Capital Consortium Agreement, Consortium Term Loan Agreement and Inter-Creditor Agreement; Exhibit Q, power of attorney relating to book debts; and Exhibits R to W, deeds of guarantee, corporate guarantee, financial statements, corporate resolution, recall notice, SARFAESI notice and revival letter.
7. That on issuance of the notice to the Corporate Debtor, the Applicant/Financial Creditor filed an affidavit of service dated 06.10.2026 vide Inward No. D-8617, recording service of notice through

electronic mode on 03.10.2026 upon the Corporate Debtor on its registered E-mail ID.

8. Further, pursuant to the order dated 07.10.2026, the Financial Creditor filed a compliance affidavit with supporting documents vide Inward No. D-9027 dated 16.10.2026, recording service by dasti upon the Corporate Debtor through its Accountant and at the residential addresses of its Directors through Family Member against acknowledgment.
9. However, despite service of notice and sufficient opportunity, the Corporate Debtor neither appeared nor filed a reply. Accordingly, the matter is proceeded with **ex-parte**, without dispensing with the requirement of independently examining the statutory conditions for admission.
10. We have heard the learned Counsel appearing for the Financial Creditor ex-parte against the Corporate Debtor and perused the Petition, Form-1, Exhibits A to W, the affidavits of service and the other material available on record. The enquiry under Section 7 concerns the existence of financial debt, occurrence of default, completeness of the application and the applicable statutory requirements.
11. In ***Innovative Industries Ltd. v. ICICI Bank, (2018) 1 SCC 407***, the Hon'ble Supreme Court held that the Adjudicating Authority must ascertain the existence of financial debt and the occurrence of default while considering an application under Section 7 of the Code.
12. In ***B. Prashanth Hegde v. State Bank of India and Anr., (2026) ibclaw.in 86 SC*** decided on 12.02.2026, the Hon'ble Supreme Court reiterated the essential statutory requirements of a Section 7 application, including financial debt, default and the prescribed threshold.

13. In ***Catalyst Trusteeship Ltd. v. Ecstasy Realty Pvt. Ltd.***, (2026) ibclaw.in 104 SC decided on 24.02.2026, the Hon'ble Supreme Court reiterated that the enquiry under Section 7 concerns the existence of financial debt and occurrence of default. The concept of a pre-existing dispute applicable to Section 9 cannot, by itself, defeat an otherwise maintainable application under Section 7
14. The Insolvency and Bankruptcy Code (Amendment) Act, 2026, and the provisions brought into force with effect from 26.05.2026, shall be applied to the present proceedings to the extent legally applicable. The amended Section 7(5) requires consideration of the occurrence of default, completeness of the application and the prescribed condition concerning disciplinary proceedings against the proposed resolution professional.
15. In ***Laxmi Pat Surana v. Union Bank of India and Another***, (2021) 8 SCC 481, the Hon'ble Supreme Court recognised that proceedings under Section 7 may be initiated against a corporate guarantor in respect of the financial debt of the principal borrower, subject to the terms of the guarantee and the applicable law.
16. Hon'ble NCLAT in ***Milind Kashiram Jadhav v. State Bank of India and Anr.***, (2024) ibclaw.in 273 NCLAT, has recognised the evidentiary value of Record of Default generated through Information Utility and held that once the Record of Default is produced in terms of Section 7(3)(a) of the Code, admission cannot be refused on the ground that other documents have not been produced. The relevant observations are as follows: -

"Record of default with the information utility was filed and is on record. In such a case there is no relevance of other documents as claimed by the Appellant and admission cannot be disallowed on this ground."

17. In the present case, corporate guarantee dated 15.12.2022, financing documents, statements of account, computation of dues and Bankers' Books Certificate support the Financial Creditor's claim. The NeSL Form D records the principal borrower's account-wise defaults and bears the status "Authenticated".
18. The Petition records 07.04.2025 as the date of invocation of the corporate guarantee, whereas the principal borrower's defaults are recorded as 11.10.2024 and 23.10.2024 for the Cash Credit and Term Loan facilities, respectively. The enforceability of the guarantee and the resulting liability of the Corporate Debtor are to be determined with reference to the guarantee and invocation documents on record.
19. The Financial Creditor has claimed debt of Rs. 50,45,33,679.89 as on 31.08.2026, comprising principal of Rs. 40,86,94,108.91 and interest of Rs. 9,58,39,570.98. The claim is supported by the account statements and computation of dues placed on record.
20. Upon verification of the guarantee and invocation documents, the financial records and the applicable statutory requirements, this Tribunal is satisfied that the financial debt and default attributable to the Corporate Debtor are established and that the application is complete in accordance with Section 7 of the Code.
21. The Applicant has proposed Mr. Sunit Jagdishchandra Shah as the Interim Resolution Professional (IRP) and has placed on record his written consent in Form-2 dated 02.07.2026, bearing Registration No. IBBI/IPA-001/IP-P00471/2017-18/10814. In the said written communication, the proposed IRP has disclosed that he has two on-going assignments as a Resolution Professional and one assignment as a Liquidator, with no on-going assignment as an Interim Resolution Professional. He has also declared that no disciplinary proceedings are pending against him before the Insolvency and Bankruptcy Board of

India or the Indian Institute of Insolvency Professionals of ICAI. His eligibility, validity of the Authorisation for Assignment, and compliance with the prescribed limits on assignments under Regulation 7B of the IBBI (Insolvency Professionals) Regulations, 2016, shall be verified before his appointment.

22. The Adjudicating Authority further satisfied that the application is complete in all material particulars and that no disciplinary proceeding against the proposed Interim Resolution Professional is pending, as brought on record.

23. Accordingly, in light of the above facts and circumstances, it is, **hereby ordered** as under: -

(i) The Company Petition bearing **CP (IB) No.287/7/AHM/2026** is **admitted** under Section 7(5)(a) of the Insolvency and Bankruptcy Code, 2016, and the Corporate Insolvency Resolution Process is hereby initiated against the Respondent/Corporate Debtor - **NKR Engineers Private Limited**.

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

- a. *The institution or continuation of 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;*
- 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 SARFAESI Act, 2002; and*

- d. *Recovery of any property by an owner or lessor where such property is occupied by or in possession of the Corporate Debtor.*
- (iii) The provisions of Section 14(1) shall not apply to such transactions, agreements or arrangements as may be notified under Section 14(3) of the Code, including proceedings against a surety in a contract of guarantee to the Corporate Debtor.
- (iv) The moratorium shall come into effect from the date of this order and shall continue till completion of the CIRP or until approval of the Resolution Plan under Section 31(1) or passing of an order for liquidation under Section 33 of the Code, as the case may be.
- (v) However, the supply of essential goods or services to the Corporate Debtor shall not be terminated, suspended or interrupted during the moratorium period, except in accordance with Sections 14(2), 14(2A) and other applicable provisions of the Code.
- (vi) Accordingly, as proposed, we appoint **Mr. Sunit Jagdishchandra Shah**, Insolvency Professional, having Registration No. IBBI/IPA-001/IP-P00471/2017-18/10814 (e-mail: **sunit78@gmail.com**), as the Interim Resolution Professional (IRP). He shall conduct the Corporate Insolvency Resolution Process in accordance with the Insolvency and Bankruptcy Code, 2016, and the Regulations framed thereunder. ***He is directed to file, within three days from date of uploading of this order, an affidavit declaring the number of his ongoing assignments as IRP, RP and Liquidator and confirming that the same are within the limits prescribed under the applicable IBBI regulations, and that he is eligible and competent to undertake the present assignment.***

- (vii) The Interim Resolution Professional shall make the public announcement forthwith and, in any event, within three days of his appointment, in accordance with Section 15 of the Code read with Regulation 6 of the CIRP Regulations, 2016 and invite claims from the creditors in the prescribed manner.
- (viii) The Interim Resolution Professional shall take over the management and affairs of the Corporate Debtor in terms of Section 17 of the Code and perform the duties prescribed under Sections 18 and 20 thereof, including taking control and custody of the assets, records and information relating to the Corporate Debtor.
- (ix) The personnel of the Corporate Debtor, its promoters and all persons associated with its management shall extend every assistance and cooperation to the Interim Resolution Professional, as required under Section 19 of the Code. In the event of non-cooperation, the Interim Resolution Professional shall be at liberty to seek appropriate directions from this Adjudicating Authority.
- (x) The Financial Creditor is directed to deposit a sum of **Rs.5,00,000/- (Rupees Five Lakh Only)** in advance exclusive of applicable taxes, if any, with the Interim Resolution Professional within **seven days** from the date of this order to meet the initial costs of the CIRP, including issuing public notice and inviting claims, as per Regulation 33(1) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. This amount shall be adjustable against the IRP's fees and expenses as approved by the Committee of Creditors (CoC) under Regulation 33(3), with any excess refundable to the Financial Creditor or shortfall recoverable from the Corporate Debtor's estate as CIRP costs.

- (xi) The Registry is directed to communicate a copy of this order to the Financial Creditor, the Corporate Debtor, the Interim Resolution Professional, the concerned Registrar of Companies and the Insolvency and Bankruptcy Board of India, in accordance with law.
- (xii) The IRP/RP shall take into consideration the books of account, bank statements and other records of the Corporate Debtor as well as take note of the material and circumstances emerging from the record, including the sequence of Board Resolutions, source and movement of funds, transactions between the parties and the financial particulars placed on record, while conducting the CIRP in accordance with the provisions of the Code.
- (xiii) The IRP shall take custody and control of the assets, books of account and records of the Corporate Debtor in accordance with Section 18 of the Code and the applicable Regulations and shall file a status report before this Adjudicating Authority regarding compliance with the aforesaid directions within 20 days from receipt of this order.
24. Accordingly, this Application **CP(IB)/287/7/AHM/2026** is hereby **admitted**. and the Registry shall take necessary steps for compliance with this order.
25. A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.

sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)