

**IN THE NATIONAL COMPANY LAW TRIBUNAL**  
**AHMEDABAD**  
**COURT - 2**

ITEM No.302  
C.P.(IB)/252(AHM)2025

**Proceedings under Section 7 IBC**

**IN THE MATTER OF:**

Gayatri Engimech Private Limited  
V/s  
Specifec Glass Mosaic India Limited

.....Applicant

.....Respondent

**Order delivered on: 08/06/2026**

**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)**

Sd/-

**CHITRA HANKARE**  
**MEMBER (JUDICIAL)**

**BEFORE THE ADJUDICATING AUTHORITY  
THE NATIONAL COMPANY LAW TRIBUNAL  
AHMEDABAD (COURT - II)**

**CP (IB) No. 252 of 2025**

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

Gayatri Engimech Pvt. Ltd.  
CIN: U29100GJ2013PTC073796  
Having address at:  
Kathal, Taluka Kathal, Kheda,  
Ahmedabad -387411

... Applicant/  
Financial Creditor

**Versus**

Specific Glass Mosaic India Ltd.  
CIN: U26933GJ2004PLC044124  
Having address at:  
C-3,1001-1006, Anushurti Tower,  
S.G. Road, Thaltej,  
Ahmedabad, Gujarat-380015

... Respondent/  
Corporate Debtor

**Order pronounced on 08.06.2026**

**CORAM:**

**MRS. CHITRA HANKARE  
HON'BLE MEMBER (JUDICIAL)**

**DR. V. G. VENKATA CHALAPATHY  
HON'BLE MEMBER (TECHNICAL)**

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**Present:**

For the Applicant : Mr. Nipun Singhvi , Adv. and  
Mr. Rahul Bhavsar, Adv.  
For the Respondent : Mr. Aadit .R.Sanjanwala , Adv. and  
Mr. Rudram.T. Trivedi, Adv.

**JUDGEMENT**

1. This Application has been filed under Section 7 of Insolvency and Bankruptcy Code, 2016 by Gayatri Engimech Pvt. Ltd (hereinafter referred to as "Financial Creditor") seeking initiation of Corporate Insolvency Resolution Process against Specific Glass Mosaic India Ltd (hereinafter referred to as "Corporate Debtor") for having committed a default of an amount of Rs. 1,06,19,596/-. The date of default is stated as 28.04.2023.
2. The Applicant states that the Corporate Debtor, due to financial constraints, had approached it for financial assistance for meeting its business requirements. Pursuant to this, a Memorandum of Understanding dated 20.04.2021 was entered into between the Applicant and Corporate Debtor. The Financial Creditor disbursed the total loan amount of Rs. 85,00,000/- in two tranches, being Rs 45,00,000/- on 30.12.2020 and Rs 40,00,000/- on 23.03.2021 and the same was to be repaid in three

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instalments over a period of 3 years along with interest at the rate of 6% per annum, payable on half-yearly basis. The respondent failed to adhere to the repayment terms as stipulated in the MOU. The total amount outstanding and due as on 30.11.2024 is Rs. 1,06,19,596/- which includes principle sum of Rs. 85,00,000/- and accrued interest of Rs. 21,19,596/-.

3. The Applicant states that he had issued a formal notice dated 22.10.2022 to the respondent seeking repayment of the outstanding amount. The respondent vide its reply dated 28.04.2023 acknowledged its liability and expressed inability to repay the dues on account of market slowdown and financial hardship. The Applicant again issued letters dated 28.06.2024 and 01.12.2024 to the respondent seeking repayment of outstanding dues and highlighted its need for urgent funds. The Applicant thereafter issued a legal recall notice dated 26.12.2024 granting the respondent a final opportunity to settle the entire outstanding amount by 09.01.2025 but the respondent failed to discharge its liability.

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4. The Applicant has proposed the name of Mr. Sanjay Jitendralal Shah having registration no. IBBI/IPA-001/IP-P-01915/2020-2021/13096 to act as the Interim Resolution Professional, who has also filed his written consent in Form 2.
5. The Respondent / Corporate Debtor had filed its reply and states that the present petition is barred by the Limitation. Article 19 governs the period of limitation for money payable against money lent. Under Article 19 the period of limitation is for 3 years from the date when the loan is made. As per applicant's own case the amount were lent on 30.12.2020 and 23.03.2021 therefore, the loan is deemed to have been made on those dates and limitation period begins to run from the date of disbursement and thus the period of limitation would expire much prior to the filing of the petition under Section 7 of IBC, 2016, which is filed around June 2025.
6. The Respondent states that the petition is not in accordance with the provisions contained in Bankers Book Evidence Act, 1891. Under Section 2-A of the Act, a printout of an entry must be accompanied by a certificate stating it is a

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printout of such entry and certified by the person in charge of the computer system with a brief description of the computer system and other details. As per Section 4 of the Act, only a certified copy of an entry in the Bankers Book can be received as prima facie evidence of the existence of such entry. Further, as per Regulation 2A of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations 2016, the financial creditor must furnish certified copies of entries in the relevant account in the Banker's Book as evidence of default. The documents produced by the applicant do not conform with the aforesaid statutory requirements.

7. The Respondent states that there is non-compliance with the mandatory procedural requirements under the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016. As per Rule 4(3) of the aforementioned Rule, the applicant is required to dispatch a copy of the application filed before the Adjudicating Authority to the registered office of the Corporate Debtor by Registered Post or Speed Post. From the documents served upon the Corporate Debtor, no proof has been produced to

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show payment of the application fee. Under the aforementioned Rules a copy of the petition in Form 1 is required to be served upon the Insolvency and Bankruptcy Board of India but there is no proof on record to show that such service has been effected.

8. The Respondent states that provisions of the IBC, 2016 cannot be invoked as a mode of recovery. The Respondent had also produced its last audited financial statements, which demonstrates the financial position of the company and show the financial strength of the Corporate Debtor.
9. The Respondent states that in order to file a petition under Section 7 of IBC, 2016 the financial creditor must also qualify as a financial service provider under Section 2(17) who provides financial services as per Section 2(16). In the present case the business of the financial creditor does not qualify as a financial service provider. The Financial Creditor is not a money lender registered under the provisions of Gujarat Money Lenders Act, 2011 and therefore it is not legally permissible for the financial creditor to lend money, considering the prohibition under Section 5 of the Act. The MOU dated 20.04.2021 is void as

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per Section 24 of the Indian Contract Act, 1872 as the objective of the MOU was money lending which is impermissible without registration under Gujarat Money Lenders Act, 2011. It is further stated that stamp duty leviable on MOU, which can qualify as a loan agreement is not paid and hence it cannot be taken into evidence to establish financial debt.

10. The Applicant in its rejoinder states that the reply of the respondent is silent on material documentary evidence and does not rebut the admitted financial liability arising from the duly executed transaction documents and statutory records evidencing default. The application filed for initiation of CIRP against CD complies with the statutory requirements prescribed under Section 5(7), 5(8) and Section 7 of the IBC, 2016 and clearly establishes the existence of financial debt and occurrence of default. The respondent had executed the MOU along with a promissory note where it acknowledged receipt of sum of Rs. 85,00,000/- and undertook to repay the outstanding amount along with interest. The respondent expressly admitted the receipt of the loan amount and sought

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additional time for repayment vide letter dated 28.04.2023 which constitutes a valid acknowledgment of liability in writing under Section 18 of the Limitation Act, 1963 and extends the period of limitation.

11. The Applicant states that he had complied with the procedural mandate under Rule 4(3) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 by duly serving intimation upon Insolvency & Bankruptcy Board of India and is evidenced by the acknowledgment in Form 1A (AAA) issued by IBBI. The Respondent had acknowledged its liability vide written communication dated 28.04.2023 thus, constituting a valid acknowledgment of debt under Section 18 of the Limitation Act, 1963. The acknowledgment being made prior to the expiry of the prescribed period of limitation extends the limitation period.
12. The Applicant states that the documents on which he relies to substantiate its claim including ledger accounts, bank statements evidencing disbursements through banking channels, and written acknowledgement of debt establishes the existence of financial debt and default. It is further

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stated that technical compliance with the provisions of Bankers Book Evidence Act is not a sine qua non at the stage of admission under Section 7 of the IBC, 2016.

13. The Applicant states that provisions of the Gujarat Money Lenders Act, 2011 are inapplicable to the present transaction which is governed by Companies Act, 2013. The Applicant has placed on record the board resolution passed under Section 185 and Section 186 of the Companies Act, 2013. The Companies Act operating in the same field would prevail over any inconsistent State legislation. The MOU dated 20.04.2021 which is signed by the director of Corporate Debtor along with letter from CD dated 28.04.2023 and CD having admitted the said debt in their reply vide audited balance sheet as on 31.03.2025 showing the name of applicant in the long term borrowing shows till date the CD is liable for the defaulted amount.

14. The Applicant had relied upon the following judgments :-

a. *Civil Appeal Nos. 8337-8338 of 2017 between Innoventive Industries Ltd. Vs. ICICI Bank & Anr passed by Hon'ble Apex Court.*

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- b. Civil Appeal No. 1650 of 2020 between Dena Bank Vs C. Shivakumar Reddy & Anr passed by Hon'ble Apex Court.*
- c. Civil Appeal No. 2085 of 2022 between Axis Bank Ltd. Vs Naren Sheth & Anr. Passed by Hon'ble Apex Court.*
- d. Swiss Ribbons Pvt. Ltd. Vs Union of India (2019) 4 SCC 17.*
- e. Civil Appeal No. 2734 of 2020 between Laxmi Pat Surana Vs Union Bank of India passed by Hon'ble Apex Court.*

15. Both the parties have filed their written submissions and also heard both the counsels.
16. The applicant has not submitted any document as to how he is admissible as a financial creditor under Sec 5(7) of IBC 2016.
17. The Applicant does not comply with Sec 186(2) of the companies Act 2013 as no document and proof with balance sheet and financial statement is provided. The applicant has not complied with the relevant provisions to lend as he has not given any proof of share capital and reserves to lend. Further, it is submitted by the Applicant in its rejoinder that they had placed on record the Board Resolution under Section 185 and Section 186 of the Companies Act, 2013 authorizing the transaction. On, perusal of the record it

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appears that the Applicant has not produced the board resolution passed under Section 185 and 186 of the Companies Act, 2013. It is pertinent to mention that the MOU dated 20.04.2021 does not speak of any such resolution passed under Section 185 and Section 186 of the Companies Act, 2013. Also the balance sheet submitted does not convincingly state figures to comply with the act provisions.

18. The stated document before is a un registered Unstamped MOU executed on 20<sup>th</sup> April 2021 for Rs.85,00,000/- and the terms and conditions are mutually agreed between the parties. This is not a valid document to proceed in the matter and no recourse is shown in case of non-payment of debt.
19. Further, as per the balance sheet filed of the CD, it is shown in the schedule of Unsecured Loans that the applicant is a related party of Directors and their Associates in Specific Glass Mosaic Limited which is associated concern of Sisa Mosaic Limited and it appears it is a collusive petition. The promissory note signed is not stamped and is not a valid document to prove the debt.

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20. The disbursements have been made from the Cash Credit Account (maintained with Abhyudaya Cooperative Bank) which is a loan account and this cannot be considered to be an investment as there is no document produced that the creditor has agreed to the lending by the applicant to the CD. If the loan is granted for specific purpose, this cannot be treated as an investment in CD as loan which is shown as disbursed through an MOU, which appears to be a fictitious document created for the purpose of filing this application.
21. The bank statement enclosed is of Abhyudaya Cooperative Bank which seems to be a cash credit facility out of which no loan could be disbursed to other party. Further in the application it also states that attachment of bank statement is not mandatory.
22. We observe that neither the applicant complies with the IBC as a financial creditor nor has the documents as per terms of the agreement satisfactory including maintainability to allow this application.
23. In view of the above we pass the following:

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**ORDER**

CP (IB) No. 252 of 2025 is rejected and disposed of.

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

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**CHITRA HANKARE**  
**MEMBER (JUDICIAL)**