

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD



Under Section 94 of IB Code, 2016

Item No.306
C.P.(IB)/46(AHM)2026

IN THE MATTER OF:

Patel Prakash Baldebhai PG of Ramdev International
Castor Products Pvt. Ltd
V/s
Canara Bank

.....Applicant
.....Respondent

Under Section 99 IBC r/w Rule 11 NCLT

Item No.307
IA /379(AHM)2026
In
C.P.(IB)/46(AHM)2026

IN THE MATTER OF:

Bhavik Haribhai Rupapara RP in the matter of Patel
Prakash Baldevbhai PG to Ramdev International Castor
Products Pvt. Ltd

.....Applicant

Under Section 94 IBC

Item No.308
C.P.(IB)/47(AHM)2026

IN THE MATTER OF:

Patel Hasmukhbhai Ranchodbhai PG of Ramdev
International Castor Products Pvt. Ltd
V/s
Canara Bank

.....Applicant
.....Respondent

Under Section 99 IBC r/w Rule 11 NCLT

Item No.309
IA/380(AHM)2026
in
C.P.(IB)/47(AHM)2026

IN THE MATTER OF:

Bhavik Haribhai Rupapara RP in the matter of Patel
Hasmukhbhai Ranchodbhai PG to Ramdev International
Castor Products Pvt. Ltd

.....Applicant

Item No.310
IA/455(AHM)2026
in
C.P.(IB)/47(AHM)2026



Under Section 60(5) of IB Code, 2016

IN THE MATTER OF:

Mr. Patel Hasmukhbhai Ranchodbhai PG of Ramdev
International Castor Products Pvt. Ltd

.....Applicant

V/s

Canara Bank

.....Respondents

Order delivered on: 27.04.2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)

MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

COMMON ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The common order is pronounced in the open court, vide separate sheet.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)



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

**CP(IB) No.46/94/NCLT/(AHM)2026
WITH
I.A. No.379/99/NCLT(AHM)2026**

&

**CP(IB) No.47/94/NCLT/(AHM)2026
WITH
I.A. No.380/99/NCLT(AHM)2026
&
I.A. No. 445/NCLT(AHM) 2026**

[Company Petition under Section 94(1) of the Insolvency and Bankruptcy Code, 2016 r.w. Rule 6(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantor to Corporate Debtor) Rules, 2019]

IN THE MATTER OF: Mr. Patel Prakash Baldevbhai

CP(IB) No.46/94(AHM)2026

Mr. Patel Prakash Baldevbhai

Having address at,
Bhaktinagar, Kalyanpur Kadi
Mehsana-38216, Gujarat

...Petitioner/PG

VERSUS

Canara Bank

Having address at
Asset Recovery Management Branch,
7th Floor, Gift Tower One,
GIFT City, Gandhinagar-382355

... Respondent/FC

I.A. No.379/99/NCLT(AHM)2026

Bhavik Haribhai Rupapara



Address: 303, Silver Hill Appartment
Pal Road, opp. Sanskar City Appartment,
Opp Ramdhan Ashram,
Mavdi Area, Rajkot, Gujarat, 360001

...Resolution Professional

With

C.P.(IB) No. 47/NCLT/(AHM) 2026

&

I.A. No. 380/NCLT/AHM/2026

&

I.A. No. 445/NCLT/AHM/2026

IN THE MATTER OF: Patel Hasmukhbhai Ranchodbhai
CP(IB) No.47/94(AHM)2026

Mr. Hasmukhbhai Ranchodbhai

Having address at,
Patel Vas, Dolatpura Goraiya, Viramgam,
Ahmedabad-382150, Gujarat

...Petitioner/PG

VERSUS

Canara Bank

Having address at:
Asset Recovery Management Branch,
7th Floor, Gift Tower One,
GIFT City, Gandhinagar-382355

... Respondent/FC

I.A. No.380/99/NCLT(AHM)2026

Bhavik Haribhai Rupapara

Address: 303, Silver Hill Appartment
Pal Road, opp. Sanskar City Appartment,
Opp Ramdhan Ashram,
Mavdi Area, Rajkot, Gujarat, 360001



...Resolution Professional

I.A. No.445/NCLT(AHM)2026

Mr. Patel Hasmukhbhai Ranchodbhai
Personal Guarantor of
Ramdev International Castor Products Pvt. Ltd.
Having address at,
Patel Vas, Dolatpura Goraiya, Viramgam,
Ahmedabad-382150, Gujarat

...Applicant/PG

VERSUS

Canara Bank
Having address at:
Asset Recovery Management Branch,
7th Floor, Gift Tower One,
GIFT City, Gandhinagar-382355

... Respondent/FC

Order pronounced on 27.04.2026

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 Petitioners/PGs : Mr. Nilesh Udernani, &
: Mr. Parth Shah, Advocates
For the Applicant/IRP : Ms. Milly Ghosal, Advocate
For the FC/ Canara Bank : Mr. Karan Pratap Singh, Advocate

C O M M O N O R D E R

Per: Bench

1. This common order is being passed in CP (IB) 46 of 2026
and CP(IB) 47 of 2026, Company Petitions filed on



12.02.2026 by **Mr. Patel Prakash Baldevbhai & Mr. Patel Hasmukhbhai Ranchodbhai** (the Petitioners - Personal Guarantors) under Section 94(1) of the Insolvency and Bankruptcy Code, 2016 read with Rule 6(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules 2019 seeking initiation of Insolvency Resolution Process in respect of themselves as Personal Guarantors to the Corporate Debtor – **M/s. Ramdev International Castor Products Pvt Ltd.** The total financial debt liability of the Petitioners towards all the Financial Creditors stated to be **Rs.20,62,05,635.93 as on 08.08.2025.** Since the issue involved in both the petitioners are common and arise out of the same set of facts, they are being disposed of by this common order.

2. The Petitioners have placed the facts through these Company Petitions and documents in the following manner:

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2.1 The present Company Petitions have been filed by the Petitioners being Personal Guarantor to **M/s Ramdev International Castor Products Pvt. Ltd** as well as



borrowers under Section 94 of the Insolvency and Bankruptcy Code, 2016 seeking initiation of insolvency resolution process due to inability to repay financial debts.

- 2.2 The Corporate Debtor- **M/s Ramdev International Castor Products Pvt. Ltd.** availed Loan facilities dated 11.08.2023, aggregating to the tune of Rs. 23,35,01,816/-. A copy of the Sanction Letters issued by Canara Bank is annexed and marked with the Petition as **Annexure A** “Colly”.
- 2.3 It is the case of the Respondent Bank that the Applicant is the Guarantor / Mortgagor for the Loan Facilities obtained by the Principal Borrower. A copy of the Deed of Guarantee dated 23.08.2023 is annexed and marked with the Petition as **Annexure-B**.
- 2.4 It is the case of the Respondent Bank that the account of the Principal Borrower was declared NPA on 31.01.2025. Consequently, as per the case of the Respondent Bank, the Respondent bank had issued a Demand Notice u/s 13(2) of the Act, 2002, on 18.08.2025, claiming an amount to the tune of Rs.20,62,05,635.93/- due as on 08.08.2025. A Copy of the Demand Notice u/s 13(2) of the Act, 2002 dated 18.08.2025 is annexed and marked as **Annexure-C**.
- 2.5 Thereafter, the Respondent Bank the has obtained Orders under Section 14 of the Act, 2002, on 01.12.2025 from the Ld. Chief Judicial Magistrate,



Ahmedabad and on 06.12.2025 from the Ld. Chief Judicial Magistrate, Sanand. Further, the Respondent Bank filed an application u/s 14 of the Act, 2002 on 27.11.2025 before the Ld. Chief Judicial Magistrate, at Kadi. The said Application u/s 14 of the Act, 2002 was allowed by the Ld. Addl. CJM, Kadi vide Order dated 13.01.2026. Additionally, the Respondent Bank filed an application u/s 14 of the Act, 2002 on 11.12.2025 before the Ld. Chief Judicial Magistrate, at Viramgam. The said Application u/s 14 of the Act, 2002 was allowed by the Ld. Addl. CJM, Viramgam vide Order dated 13.01.2026. Simultaneously, the Respondent Bank has also issued Auction Sale Notice dated 31.01.2026 proposing to schedule the Auction of the subject properties on 18.02.2026. A Copy of the measures taken by the Respondent under the SARFAESI Act, 2002 are annexed o and marked as **Annexure D 'Colly'**.

3. The Petitioners have relied upon the following documents in support of Company Petitions, which are as under: -

- (a) Copy of CC Limit Facility dated 11.08.2023 sanctioned by the Respondent Bank of Rs. 13,11,00,000/- annexed as Annexure-A Colly
- (b) Copy of Term Loan facility dated 11.08.2023 sanctioned by the Respondent Bank of Rs. 2,63,00,000/- annexed as Annexure-A Colly
- (c) Copy of Term Loan facility dated 11.08.2023 sanctioned by the Respondent Bank of Rs. 4,36,01,816/- annexed as Annexure-A Colly



- (d) Copy of Term Loan facility dated 11.08.2023 sanctioned by the Respondent Bank of Rs. 3,25,00,000/- annexed as Annexure-A Colly
- (e) Copy of Deed of Guarantee dated 23.08.2023 executed by the Applicant Personal Guarantor herein in favour of Respondent Bank annexed as Annexure-B Colly
- (f) Copy of Demand Notice under Section 13(2) of the SARFESI Act, 2002 dated 18.08.2025 issued by Respondent Bank annexed as Annexure C.
- (g) Copy of Application dated 27.11.2025 filed u/s 14 before Ld, Magistrate Court by the Respondent Bank annexed as Annexure D Colly.
- (h) Copy of Order dated 01.12.2025, 06.12.2025 and 13.01.2026 under Copy of Master Facility Agreement dated 26.05.2023 annexed as Annexure-D Colly.
- (i) Copy of Auction sale notice issued by Respondent Bank dated 31.01.2026 CIBIL Report of the Petitioner annexed as Annexure-D Colly.
- (j) Copy of CIBIL Report of the Petition annexed as Annexure-D Colly.
- (k) Copy of Petitioner's Income Tax Return for A.Y. 2025-2026 annexed as Annexure-D Colly.
- (l) Copy of Order dated 14.11.2025 passed by this Hon'ble Tribunal in CP 383 of 2025 in case titled as, "Equentia Financial Services Private Limited v. Amrutbhai Baldevbhai Patel" annexed as Annexure-D Colly
- (m) Copy of Order dated 14.11.2025 passed by this Hon'ble Tribunal in CP 384 of 2025 in case titled as, "Equentia Financial Services Private Limited v. Kishan Prakashbhai Patel". annexed as Annexure-D Colly
- (n) Copy of Order dated 14.11.2025 passed by this Hon'ble Tribunal in CP 386 of 2025 in case titled as, "Equentia Financial Services Private Limited v. Jagrutiben Amrutbhai Patel" annexed as Annexure-D Colly.
- (o) Copy of PAN Card of the Petitioner Personal Guarantor annexed as Annexure-D Colly.
- (p) Copy of Aadhar Card of the Petitioner Personal Guarantor annexed as Annexure-D Colly.



4. On presentation of the Company Petitions filed by the Petitioners, this Adjudicating Authority vide order dated 11.02.2026 has appointed **Mr. Bhavik Haribhai Rupapara**, having Registration No. IBBI/IPA-001/IP-P-02741/2022-2023/14196 as Interim Resolution Professional with directions to issue notice to creditors, obtain responses as per section 97(3) of IBC, 2016 and submit a report under Section 99 of the Code within ten days. The IRP was also directed to file its report through a separate IA.
5. The IRP filed the report under Section 99 of Insolvency and Bankruptcy Code, 2016 on 10.03.2026 through **I.A. No.379/99/NCLT(AHM)2026 & I.A. No. 380/99/NCLT(AHM) 2026**, recommending the **admission** of the Company Petitions filed by the Petitioners under Section 94 of IBC, 2016. The IRP recorded in the report that:-

*A. It is stated by the Resolution Professional that the Company Petition does fall within the Limitation Period prescribed under Article 137 of the Limitation Act, 1963. This is explained in detail **under Point V (Sub - Points 1 to 5) of this Report.***



- B. Further the Resolution Professional sought clarification in regards to Section 94 (4) of the Insolvency and Bankruptcy Code, 2016 to which the Personal Guarantor has not responded annexed as Exhibit H of the Report.
- C. The Applicant further states that that the debt of the Personal Guarantor is not an excluded debt thus satisfying Section 94(3) of the Insolvency and Bankruptcy Code, 2016.
- D. The Applicant further states that in terms of Section 94(5) of the Insolvency and Bankruptcy Code, 2016 **“Code”** no application under Chapter III has been admitted in respect of the Personal Guarantor during the period of twelve months preceding the date of filing of the present Company Petition. Accordingly, the Personal Guarantor is eligible to have filed the present Company Petition under Section 94 of the Code.
- E. The Resolution Professional further states that the opinion expressed by Canara Bank Limited and the actions undertaken by them have been elaborately discussed **under Point VI (Sub Points 14 to 16) of this Report.**
- F. The Resolution Professional respectfully submits that the present Report under Section 99 of the Insolvency and Bankruptcy Code, 2016 (“Code”) could not be prepared and filed within the statutory period of 10 days prescribed under Section 99(1) of the Code, as additional time was required to correspond with Canara Bank and



*the Personal Guarantor. The Resolution Professional, therefore, humbly prays for condonation of delay of **8 days** in filing this Report.*

G. Hence, upon a comprehensive examination of the statutory requirements under the Insolvency and Bankruptcy Code, 2016, the Resolution Professional is of the considered opinion that the application filed by the Personal Guarantors, Shri Patel Prakash Baldevbhai and Shri Patel Hasmukhbhai Ranchodbhai were submitted within the limitation period, and therefore, the same is liable to be accepted by this Hon'ble Tribunal.

H. The applicant based on the finding above is recommending initiation of Insolvency Resolution Process against the Personal Guarantors - Shri Patel Prakash Baldevbhai and Shri Patel Hasmukhbhai Ranchodbhai.

7. During the course of proceedings, the **Petitioner- Mr. Hasmukhbhai Ranchodbhai** has filed an another **I.A. No. 445 of 2026** in the main **C.P (IB) No. 47 of 2026** under Section 60(5) of the IBC Code, 2016 read with Rule 11 of the NCLT Rules, 2016 with the following prayers: -

INTERIM RELIEF:

A. This Hon'ble Tribunal be pleased to condone the delay if any, to admit and allow the present Application, in the interest of justice;



- B. *This Hon'ble Tribunal be pleased to Stay the operation, implementation and effect of the alleged auction conducted and/or sale confirmed on 30.01.2026 in respect of the subject property belonging to the Applicant, in the interest of justice;*
- C. *This Hon'ble Tribunal be pleased to restrict and restrain the Respondent Bank, its officers, agents, servants, assigns, and any person claiming through or under it, from acting upon the alleged auction, from confirming or further implementing the same, from issuing or acting upon any sale certificate, from handing over possession, and from creating, recognising, or permitting the creation of any third party rights in respect of the subject property;*
- D. *This Hon'ble Tribunal be pleased to pass such other and further interim relief as may be deemed fit and proper, in the interest of justice.*

RELIEFS SOUGHT

- A. *This Hon'ble Tribunal be pleased to allow the present Application;*
- B. *This Hon'ble Tribunal be pleased to hold and Declare that the alleged auction conducted and/or sale confirmed on 30.01.2026, in furtherance of the Auction Notice dated 22.12.2025, in respect of the subject property belonging to the Applicant, is illegal, void, non-*



est, and incapable of being acted upon in law, in the interest of justice;

C. This Hon'ble Tribunal be pleased to direct the Respondent Bank to restore status quo ante in respect of the subject property;

D. This Hon'ble Tribunal be pleased to pass such further or other orders / reliefs as this Hon'ble Adjudicating Authority may deem fit and proper, in the interest of justice.

8. The Facts of the Case of the said IA are reproduced as under:

8.1 It is stated that the Applicant has filed the present application in proceedings under Section 94 of the Code and that this Tribunal has appointed a Resolution Professional vide order dated 11.02.2026. It is further stated that the present application is filed under Section 60(5) of the Code read with Rule 11 of the NCLT Rules seeking declarations and directions against the Respondent Bank.

8.2 It is stated that the Respondent Bank had extended financial facilities to the principal borrower and the Applicant had executed documents in the capacity of a personal guarantor. It is further stated that the Respondent sought to proceed against certain secured assets, including the immovable property exclusively belonging to the Applicant, being Non-Agricultural land



bearing Khata No. 1474 (Old Khata No. 556, 1374), Survey No. 1558 (Old Survey No. 231), admeasuring 2-14-85 Hec. Are Sq. Mtrs., situated at Village Goraiya, Taluka Viramgam, District Ahmedabad, Gujarat (hereinafter referred to as the “subject property”).

- 8.3 It is stated that the Respondent issued an auction notice dated 22.12.2025 under the SARFAESI Act proposing auction of secured assets, including the subject property, on 30.01.2026, which constituted a coercive measure against the rights of the Applicant.
- 8.4 It is stated that the legality of the said auction notice was challenged before the Debts Recovery Tribunal in S.A. No. 22 of 2026 filed by co-guarantors, wherein on 29.01.2026 the Respondent filed a Purshis stating that it would not proceed with the auction scheduled on 30.01.2026 and possession scheduled on 01.02.2026 in view of the interim moratorium. It is further stated that the said statement was categorical, unconditional, and not limited to any particular guarantor or property and came to be recorded by the DRT.
- 8.5 It is stated that thereafter the Applicant filed proceedings under Section 94 of the Code on 08.02.2026, upon which the statutory interim moratorium under Section 96 came into effect, restraining the Respondent from continuing coercive measures against the Applicant.



- 8.6 It is stated that the Applicant also initiated proceedings before the Debts Recovery Tribunal by way of S.A. No. 32 of 2026, wherein on 12.02.2026 the Respondent again filed a Purshis stating that it would not proceed with physical possession in view of the moratorium, without disclosing any prior auction having been conducted.
- 8.7 It is stated that subsequently, upon scrutiny of the statement of account, the Applicant discovered credit entries dated 31.01.2026 and 06.02.2026, indicating that the Respondent had allegedly conducted the auction on or around 30.01.2026 despite its categorical statement before the DRT. It is further stated that no prior intimation, confirmation of sale, disclosure of purchaser details, or auction records were provided to the Applicant, and the alleged transaction surfaced only through account entries.
- 8.8 It is stated that the said conduct of the Respondent is alleged to be in direct contradiction to its own judicial representation before the DRT and raises serious issues regarding legality, fairness and bona fides of the auction process.
- 8.9 It is stated that no sale certificate has been served upon the Applicant, nor any confirmation of sale, details of purchaser, deposit of sale consideration, delivery of possession, or creation of third-party rights have been disclosed. It is further stated that even while filing the



Purshis dated 12.02.2026, the Respondent did not disclose that the subject property had allegedly already been auctioned.

8.10 It is stated that the Applicant thereafter issued a legal notice dated 28.02.2026, delivered on 03.03.2026, calling upon the Respondent to furnish complete particulars of the alleged auction and to treat the same as null and void; however, no response has been received from the Respondent.

8.11 It is stated that the Applicant apprehends that unless appropriate directions are issued, the Respondent may rely upon the alleged auction to create third-party rights, perfect title, or proceed further, thereby defeating the statutory moratorium under Section 96 and rendering the insolvency proceedings ineffective.

8.12 It is stated that the present application has therefore been filed as a challenge to the alleged auction and the conduct of the Respondent in acting contrary to its own statements and in derogation of the statutory moratorium.

9. After issuance of notice in the I.A., the **Financial Creditor / Canara Bank** appeared and have filed its common composite replies in the shape of the objection to the main CPs as well as to the IAs of the IRP on 06.04.2026 vide inward diary Nos. D-2976 & 2977 in C.P. (IB) No. 46 of 2026 & C.P. (IB)



No. 47 of 2026. The relevant portion of same are reproduced as under: -

- 9.1 It is stated by the Respondent that the present Application filed under Section 94 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “IBC”) is *ex facie* not maintainable, as the Applicant has failed to disclose or establish any invocation of the personal guarantee by the Respondent Bank, which is the sole Respondent in the matter.
- 9.2 It is stated that under the statutory scheme governing insolvency of Personal Guarantors, the occurrence of default qua the guarantor is a foundational requirement for initiation of insolvency proceedings. It is further stated that it is a settled principle of PIRP jurisprudence that liability of a guarantor becomes crystallized and occurrence of default is predicated only upon invocation of the guarantee by the creditor, i.e., the Respondent Bank herein. It is thus contended that invocation of guarantee is a *sine qua non* for invoking Section 94 and Section 95 of the IBC.
- 9.3 It is stated that a bare perusal of the captioned petition reveals that the Company Petition under Section 94 is bereft of necessary pleadings and is conspicuously silent regarding any specific invocation of the personal guarantee. It is further stated that no guarantee invocation notice or any document evidencing invocation




has been placed on record, and it is not even the pleaded case that the guarantee has been invoked by way of the Section 13(2) demand notice dated 18.08.2025.

- 9.4 It is stated that in light of the absence of invocation of guarantee prior to filing of the petition on 08.02.2026, no default under the provisions of the IBC can be said to have occurred. It is thus contended that in the absence of default, the petition is premature, not maintainable, and liable to be dismissed at the threshold with exemplary costs.
- 9.5 It is further stated that absence of invocation goes to the root of the matter and is not a curable defect. It is contended that the Petitioner is estopped from subsequently improving its case or manufacturing a new narrative inconsistent with the particulars of debt and default already pleaded.
- 9.6 It is stated that Rule 2 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 provides that the said rules shall apply to insolvency resolution process of personal guarantors. It is further stated that Rule 3(e) defines a “guarantor” as a debtor in respect of whom the guarantee has been invoked and remains unpaid, thereby making invocation a necessary precondition.



- 9.7 It is stated that from the definition under Rule 3(e), it is apparent that a person can be construed as a guarantor only if (i) he is a personal guarantor to the corporate debtor, (ii) the guarantee has been invoked, and (iii) the debt remains unpaid. It is contended that unless all these conditions are fulfilled, a person cannot fall within the purview of “guarantor” under the PG Rules, 2019.
- 9.8 It is stated that since the Petitioner has failed to establish invocation of guarantee, the Petitioner cannot be treated as a guarantor within the meaning of the Rules and therefore cannot maintain a petition under Section 94 of the IBC, rendering the petition liable to be dismissed.
- 9.9 It is stated that Part III of the petition, dealing with particulars of debt and default, shows that both the date when debt became due and the date of default have been mentioned as 31.01.2025 (date of NPA as per 13(2) notice dated 18.08.2025). It is further stated that there is no whisper in Part III nor any document annexed evidencing invocation of guarantee, nor is it the case that invocation was through the said 13(2) notice.
- 9.10 It is stated that without prejudice, even if it is assumed that the guarantee stood invoked through the Section 13(2) notice dated 18.08.2025, the petition still remains defective. It is contended that under the SARFAESI Act, a period of 60 days is granted to discharge the liability, and therefore default qua guarantor would arise only



after expiry of such period. However, the Petitioner has stated the date of default as 31.01.2025, which is prior to the alleged invocation, rendering the case legally untenable.


9.11 It is stated that in view of the above, two scenarios arise: firstly, where there is no invocation of guarantee, rendering the petition not maintainable; and secondly, even if invocation is assumed through the 13(2) notice dated 18.08.2025, the date of default precedes invocation, making the petition self-contradictory and legally untenable. It is thus contended that in either scenario, the petition is liable to be dismissed.

9.12 It is stated that it is a settled position of law that the burden to establish existence of debt and occurrence of default lies upon the Applicant, and that the date of default is sacrosanct and pivotal for invoking the provisions of the IBC. It is contended that the Petitioner has failed to satisfy this threshold through cogent documentary evidence.

9.13 It is stated that the Petitioner has failed to discharge the burden as no invocation of guarantee has been demonstrated, the dates mentioned are internally inconsistent, and the alleged default predates the supposed invocation, which is legally impermissible. It is contended that such inconsistencies go to the root of the matter and render the application liable to be rejected at the threshold with exemplary costs.



- 9.14 It is stated that under the scheme of the Code, the Resolution Professional is required to submit a report under Section 99 based on pleadings and documents on record, and cannot cure defects or fill gaps in the petition. It is contended that the RP cannot set up a new case by recording inconsistent findings on debt, default, or invocation.
- 9.15 It is stated that despite the petition being silent on invocation, the RP in the report has observed that the guarantee was invoked firstly through the Section 13(2) notice dated 18.08.2025 and secondly through a separate invocation notice dated 20.02.2026. It is contended that such observations are inconsistent with the pleadings and are legally untenable.
- 9.16 It is stated that the RP's observations regarding invocation are perverse and misconceived, as a Section 13(2) notice cannot ipso facto constitute invocation unless it specifically refers to the guarantee. It is further contended that even if invocation is presumed, default would arise only after 60 days, which is inconsistent with the pleaded date of default. Further, the invocation notice dated 20.02.2026 is subsequent to the filing of the petition on 08.02.2026 and therefore cannot sustain the petition.
- 9.17 It is stated that the RP has also made observations on limitation, stating that limitation would commence after expiry of 7 days from service of invocation notice dated



20.02.2026. It is contended that such observation is legally unsustainable, as limitation cannot commence after the filing of the petition itself. It is thus submitted that the RP's report recommending acceptance of the petition is perverse, misconceived, and liable to be rejected.

10. Further, the **Common Composite Rejoinders** to the Reply of **Financial Creditor/Canara Bank** have also filed by the Petitioners/Personals on 16.04.2026, vide inward diary Nos. D-3304 and D-3305. The relevant portion of same are reproduced as under: -


10.1 It is submitted that at the very threshold, the Respondent's objections do not amount to a denial of the debt or the Petitioner's status as a personal guarantor. On the contrary, the Respondent proceeds on the basis that the Petitioner executed a personal guarantee dated 23.08.2023 that the account was classified as NPA on 31.01.2025, and that SARFAESI proceedings were initiated thereafter. The objection is therefore not one of absence of debt or guarantee, but merely a technical challenge to maintainability on the ground of alleged non-disclosure of invocation.

10.2 It is further submitted that once the record discloses the guarantee, the default, the NPA classification, the demand against guarantors, and the subsequent invocation by the Bank itself, the Respondent's contention that the petition is non-maintainable



deserves rejection. The law does not permit approbation and reprobation.

- 10.3 It is submitted that the allegation that the petition has been filed to delay SARFAESI proceedings is wholly untenable. Invocation of a statutory remedy under Section 94 of the Code cannot be termed mala fide merely because it operates to the inconvenience of the creditor.
- 10.4 It is submitted that the Respondent's grievance is not about absence of jurisdictional facts, but that the Petitioner has invoked a lawful insolvency mechanism while recovery proceedings were ongoing. Such a grievance does not constitute a valid ground for dismissal, as SARFAESI proceedings do not extinguish the statutory right under the Code.
- 10.5 It is further submitted that this Tribunal, by order dated 11.02.2026, while appointing the Resolution Professional, directed examination of issues including debt, default, invocation, and limitation. The Respondent's attempt to seek summary rejection is contrary to the statutory scheme and the said directions.
- 10.6 It is submitted that the principal contention of the Respondent regarding absence of invocation is misconceived in fact and law. The record shows that the Respondent issued a demand notice dated 18.08.2025 under Section 13(2) of SARFAESI, wherein the Petitioner



was specifically named as guarantor, and the liability was quantified and demanded.

- 10.7 It is submitted that the Respondent cannot, after issuing such a demand to the guarantor, contend that there was no invocation. At best, the Respondent may raise an interpretative argument, but the same cannot defeat the insolvency process.
- 10.8 It is submitted that the Section 13(2) notice is a substantive demand against the guarantor, as it identifies the guarantor, quantifies the liability, and calls upon discharge of obligations. Such notice cannot be treated as inconsequential.
- 10.9 It is submitted that issuance of the demand notice dated 18.08.2025 constitutes valid invocation of the guarantee. Reliance is placed on ***Ujwal Gupta v. Union Bank of India***, wherein it has been held that a Section 13(2) notice requiring payment from the guarantor amounts to invocation. Further reliance is placed on ***Asha Basantilal Surana v. State Bank of India***, wherein it is held that invocation depends on substance and not on form.
- 10.10 It is submitted that the Resolution Professional, in the Section 99 process, has also observed that the Section 13(2) notice can be treated as invocation, which is in compliance with the directions of this Tribunal and not an extraneous consideration.



- 10.11 It is submitted that the Respondent cannot reduce the issue to a mere absence of a separately titled “invocation notice” when the substance of invocation is evident from the record.
- 10.12 It is further submitted, without prejudice, that the Respondent’s objection proceeds on an unduly narrow understanding of guarantee law by insisting on a separate invocation notice prior to filing.
- 10.13 It is submitted that such a contention is contrary to the law laid down by the Hon’ble Supreme Court in **Laxmi Pat Surana v. Union Bank of India**, wherein it has been held that the liability of the guarantor is coextensive and arises upon default of the principal borrower.
- 10.14 It is submitted that the Hon’ble Supreme Court in **Laxmi Pat Surana v. Union Bank of India** has held that the guarantor becomes liable the moment the principal borrower commits default, and the creditor’s right to proceed against the guarantor arises simultaneously.
- 10.15 It is submitted that in the present case, there exists not only the guarantee deed dated 23.08.2023, but also NPA classification on 31.01.2025, the Section 13(2) notice dated 18.08.2025, and a subsequent express invocation dated 20.02.2026. The subsequent invocation is merely confirmatory and does not negate the pre-existing liability.




- 10.16 It is submitted that the Respondent cannot rely on its own conduct for recovery and simultaneously deny invocation for insolvency. The objection is thus hyper-technical and unsustainable.
- 10.17 It is submitted that the objection regarding date of default is also without substance, as the date 31.01.2025 flows from the Respondent's own classification of the account as NPA and is reflected in the Section 13(2) notice.
- 10.18 It is submitted that the Petitioner has relied upon the chronology furnished by the Respondent itself, and the Respondent cannot contradict its own records to challenge maintainability.
- 10.19 It is submitted that even if a distinction is drawn between borrower default and guarantor liability, such distinction does not affect maintainability of proceedings under Section 94.
- 10.20 It is submitted that the foundational facts remain undisputed, namely existence of debt, guarantee, default, NPA classification, and action against guarantors, along with subsequent invocation.
- 10.21 It is submitted that the status of the Petitioner as personal guarantor is clearly established from the record, including the guarantee deed, Section 13(2) notice, and invocation notice. The Respondent is bound by its own documents.



- 10.22 It is submitted that the Respondent cannot take inconsistent stands by treating the Petitioner as guarantor for recovery and disputing the same for insolvency.
- 10.23 It is submitted that the allegation that the Resolution Professional has improved the case is without merit, as the RP acted in compliance with the Tribunal's order dated 11.02.2026 directing examination of debt, default, invocation, and limitation.
- 10.24 It is submitted that the RP called upon the Bank to furnish relevant documents including guarantee deed, invocation notice, and account statements, and the Respondent having participated cannot now challenge the process.
- 10.25 It is submitted that the RP's actions are in consonance with the statutory mandate and judicial directions and cannot be faulted.
- 10.26 It is stated that subsequent to filing of the petition, the Respondent issued an express invocation notice dated 20.02.2026 calling upon the Petitioner to discharge dues of Rs. 20,15,64,472.30 within seven days.
- 10.27 It is submitted that the said subsequent invocation undermines the Respondent's objection and demonstrates that the guarantee was treated as subsisting and enforceable.



- 10.28 It is submitted that such subsequent invocation is corroborative in nature and supports the Petitioner's case rather than defeating it.
- 10.29 It is submitted that the objection on limitation is also untenable, as the guarantee is dated 23.08.2023, NPA is 31.01.2025, Section 13(2) notice is 18.08.2025, and petition is filed on 08.02.2026, all within limitation.
- 10.30 It is submitted that the issue of limitation has already been examined by the Resolution Professional in terms of the Tribunal's directions and does not warrant rejection at the threshold.
- 10.31 It is submitted that in view of the above, the Respondent's objections are devoid of merit, as the record clearly establishes the guarantee, default, demand, and invocation, and the petition cannot be dismissed on hyper-technical grounds.
- 11.** Vide an order dated 06.04.2026, this Adjudicating Authority directed all the sides to file their written submissions to which the Petitioners/PGs have filed its written submissions on 20.04.2026, vide inward diary No.D-3393. The relevant portion of the same are reproduced as under:
- 11.1 It is the case of the Petitioner that the Corporate Debtor was sanctioned multiple credit facilities by the Respondent – Canara Bank on 11.08.2023, aggregating to approximately Rs. 23.35 Crores. In furtherance



thereof, the Petitioner executed a Deed of Personal Guarantee dated 23.08.2023, thereby undertaking liability to discharge the dues in the event of default.

- 11.2 It is submitted that due to persistent defaults, the account was classified as NPA on 31.01.2025. Thereafter, the Respondent issued a demand notice dated 18.08.2025 under Section 13(2) of the SARFAESI Act, demanding repayment from the borrower and guarantors, including the present Petitioner.
- 11.3 It is further submitted that the Respondent initiated coercive recovery proceedings, including applications under Section 14 which culminated in possession orders passed in December 2025 and January 2026. Subsequently, an auction notice dated 31.01.2026 was issued proposing sale of secured assets.
- 11.4 It is the Petitioner's case that in view of mounting liability and imminent recovery action, the present petition under Section 94 of the Code was filed on 08.02.2026. This Tribunal, by order dated 11.02.2026, appointed a Resolution Professional to examine the issues under Section 99.
- 11.5 It is also submitted that other co-guarantors of the Corporate Debtor have already been admitted into insolvency by orders dated 06.02.2026, and the Respondent Bank has filed its claims in those proceedings, thereby acknowledging the subsistence of the guarantee obligations.



11.6 The Petitioner has opposed the Respondent's objection regarding non-invocation of guarantee, contending that the demand notice dated 18.08.2025 itself constitutes valid invocation. Reliance is placed on *Asha Basantilal Surana v. State Bank of India* and *Ujwal Gupta v. Union Bank of India*, to submit that invocation depends on substance and not form, and a Section 13(2) notice calling upon guarantors to pay is sufficient.

11.7 It is further submitted that the Respondent has also issued a subsequent invocation notice dated 20.02.2026 and has initiated proceedings before the Debts Recovery Tribunal, which reinforces that the guarantee stands invoked. The Petitioner contends that the Respondent cannot adopt inconsistent positions by invoking the guarantee for recovery while disputing it for insolvency proceedings.

11.8 The Petitioner has also relied upon *Laxmi Pat Surana v. Union Bank of India* to submit that the liability of a guarantor is co-extensive and arises upon default. It is contended that the present petition is a valid exercise of statutory right under Section 94, and that debt, default, and invocation stand established, rendering the objections of the Respondent untenable.

12. The **Respondent/Canara Bank** has also filed its written submission on 20.04.2026, vide inward diary No.D-3394.

The relevant portion of the same are reproduced as under: -



- 12.1 It is submitted that the undisputed chronology itself reflects mala fide intent, inasmuch as the loan account was classified as NPA on 31.03.2021, followed by issuance of demand notice under Section 13(2) on 18.08.2025, passing of possession order in December 2025, issuance of e-auction notice on 27.12.2025, and conduct of auction on 30.01.2026. The present petition has been filed only on 08.02.2026 after culmination of substantial recovery measures, clearly indicating that the same has been filed to invoke the interim moratorium under Section 96 and derail the recovery process.
- 12.2 The Respondent has further submitted that the petition is not maintainable in law in the absence of invocation of the personal guarantee, which is a sine qua non and a jurisdictional precondition for initiating insolvency proceedings against a personal guarantor. It is contended that no invocation notice has been placed on record and, therefore, no default can be said to have arisen qua the guarantor.
- 12.3 It is further submitted that the Applicant has taken contradictory stands regarding the date of default and has sought to rely upon the SARFAESI notice as well as a subsequent invocation dated 20.02.2026, which admittedly post-dates the filing of the petition, rendering the application premature and legally untenable. Such reliance on SARFAESI notice as invocation is stated to be an afterthought and cannot cure the foundational defect.



12.4 Placing reliance upon *Prakash Kishorebhai Bindal v. Axis Bank Ltd.* and *Rozina Firoz Hajiani & Ors. v. Union of India*, the Respondent submits that initiation of proceedings under the Code at an advanced stage of SARFAESI action amounts to misuse of the insolvency framework. It is further contended that the pleadings are inconsistent and that the RP report travels beyond the pleadings to fill lacunae.

12.5 On these grounds, the Respondent has prayed that the present application, being devoid of foundational requirements and filed with mala fide intent, be rejected at the threshold with exemplary costs.

13. It is pertinent to note that the **Petitioner - Patel Prakash Baldevbhai** had earlier approached the Hon'ble High Court of Gujarat by way of **R/Special Civil Application No. 3494 of 2026**, challenging the measures initiated by the Respondent Bank under the SARFAESI Act, including the order passed by the Debts Recovery Tribunal. The Hon'ble High Court, vide judgment dated 13.03.2026, declined to entertain the said petition and dismissed the same, primarily on the ground that the Petitioners had already availed the statutory remedy under Section 17 of the SARFAESI Act before the Debts Recovery Tribunal and, having failed to obtain relief therein, could not invoke the



writ jurisdiction under Article 226 as an appellate forum. The Hon'ble Court held that the statutory scheme provides a complete mechanism including an appellate remedy under Section 18, and permitting recourse to writ jurisdiction in such circumstances would defeat the legislative framework and allow re-agitation of issues already adjudicated. Accordingly, the petition was **dismissed** with liberty to the Petitioners to avail the statutory appellate remedy in accordance with law.

14. We have heard the Arguments of Ld. Counsel for the Petitioners/Personal Guarantors, Ld. Counsel for the Applicant/IRP, Ld. Counsels for the appearing Financial Creditor/ Canara Bank and perused the records as well as the Report of IRP. Upon consideration of the pleadings, documents placed on record, report of the Interim Resolution Professional and submissions of the parties, the following issues arise for determination: -

- (i) Issue No.01:** Whether the Company Petitions filed under Section 94 of the Insolvency and Bankruptcy Code, 2016 read with Rule 6 are complete and maintainable;




- (ii) **Issue No.02:** Whether debt and default against Personal Guarantors are established;
 - (iii) **Issue No.03:** Whether invocation of guarantee is established prior to filing;
 - (iv) **Issue No.04:** Whether the Company Petitions constitute an abuse of process to frustrate SARFAESI and other recovery proceedings?
 - (v) **Issue No.05:** Whether the Company Petitions are liable to be rejected on the ground of malicious or fraudulent intent?
 - (vi) **Issue No.06:** Whether I.A. No. 445 of 2026 is maintainable;
- 15. Issue No.01:** Whether the petitions under Section 94 read with Rule 6 are complete and maintainable?

15.1 The Petitioners have filed the present applications under Section 94 of the Insolvency and Bankruptcy Code, 2016 as Personal Guarantors to the Corporate Debtor. The execution of Deeds of Guarantee dated 23.08.2023 in favour of the Respondent Bank is not in dispute and is evidenced by Annexure B.

15.2 The objection of the Respondent is that the petitions are not maintainable in absence of invocation of the personal guarantee prior to filing.

15.3 It is observed from the record that the Respondent Bank issued a demand notice dated 18.08.2025 under Section 13(2) of the SARFAESI Act, 2002, annexed as Annexure C, wherein the Petitioners have been



specifically identified as guarantors and called upon to discharge the outstanding liability.

- 15.4 The said notice quantifies the dues and demands payment from the borrower as well as the guarantors. The demand is not limited to the principal borrower alone.
- 15.5 Invocation of guarantee is a matter of substance and not form. A notice which identifies the guarantor, quantifies the liability and calls upon the guarantor to pay constitutes invocation of guarantee.
- 15.6 Therefore, the demand notice dated 18.08.2025 satisfies the requirement of invocation of guarantee. The subsequent invocation notice dated 20.02.2026 is only confirmatory in nature and does not affect the validity of prior invocation.
- 15.7 Accordingly, the requirement under Rule 3(e) of the Rules, 2019 stands satisfied. This **issue** is decided in favour of the Petitioners.

16. Issue No.02: Whether debt and default against Personal Guarantors are established;

- 16.1 The sanction of financial facilities dated 11.08.2023 is evidenced by Annexure A (Colly). Execution of guarantee is evidenced by Annexure B.



- 16.2 The account of the Corporate Debtor has been classified as NPA on 31.01.2025, which is not disputed.
- 16.3 Upon issuance of demand notice dated 18.08.2025 under Section 13(2), the guarantors were called upon to discharge the liability. Failure to comply with the said demand results in default.
- 16.4 In terms of settled law, the liability of a guarantor is co-extensive with that of the principal borrower and arises upon default of the principal borrower.
- 16.5 Therefore, the existence of debt and default stands established against the Petitioners. This issue is decided in favour of the Petitioners.
- 17. Issue No.03:** Whether invocation of guarantee is established prior to filing;
- 17.1 The Respondent/FC has contended that no specific invocation notice was issued prior to filing.
- 17.2 This Adjudicating Authority finds that the Section 13(2) notice dated 18.08.2025, annexed as Annexure C, constitutes invocation as it:
- (i) identifies the Petitioners as guarantors
 - (ii) quantifies the outstanding dues
 - (iii) calls upon the guarantors to discharge the liability
- 17.3 The law does not mandate a separate document titled as “invocation notice” if the substance of invocation is



evident. The subsequent notice dated 20.02.2026 further supports the fact that the guarantee stood invoked.


17.4 Accordingly, invocation of guarantee prior to filing is established. This **issue** is decided in favour of the Petitioners.

17.5 However, mere satisfaction of jurisdictional requirements under Sections 94 and 99 of the Code does not ipso facto mandate admission under Section 100. The Adjudicating Authority retains jurisdiction to examine whether the process has been invoked for bona fide insolvency resolution or for purposes falling within the mischief of Section 65 of the Code.

18. Issue No.04: Whether the Company Petitions constitute an abuse of process to frustrate SARFAESI proceedings?

18.1 The Respondent/FC has placed on record that proceedings under the SARFAESI Act commenced with issuance of notice dated 18.08.2025 under Section 13(2), followed by orders under Section 14 and conduct of auction on 30.01.2026. The petitions under Section 94 were filed on 08.02.2026 subsequent to these actions.

18.2 Section 94 of the Insolvency and Bankruptcy Code, 2016 permits filing by a personal guarantor subject to compliance with statutory conditions. The sequence of events indicates that recourse to the Code was taken



after enforcement steps were undertaken under another statute.

- 18.3 The Hon'ble NCLAT in ***Syed Sirajis Salikin Khadri vs Edelweiss ARC (2025 SCC OnLine NCLAT 810)*** has held that filing insolvency application after advanced stage of SARFAESI proceedings to obtain moratorium constitutes abuse of process.
- 18.4 In ***Prakash Kishorebhai Bindal v. Axis Bank Ltd., (2026) ibclaw.in 768 NCLT*** held that proceedings under the Code should not be invoked to halt recovery actions which have reached an advanced stage under the SARFAESI Act.
- 18.5 In ***Rozina Firoz Hajiani and Ors. v. Union of India and Ors., (2026) ibclaw.in 1653 HC*** held that Sale of the secured asset under SARFAESI Act, 2002, concluded prior to the moratorium under Section 96 of IBC, stands excluded from the estate of the personal guarantor. Further, initiation of insolvency proceedings after recovery measures may indicate use of process not aligned with the statutory scheme where timing shows post-enforcement invocation.
- 18.6 In view of the above chronology and legal position, filing of the present petitions after conduct of auction indicates use of process under Section 94 subsequent to enforcement action. Accordingly, this issue is decided in favour of the Respondent/FC.



19. Issue No.05: Whether petitions are liable to be rejected on ground of malicious or fraudulent intent?

- 19.1 The Respondent has submitted that the petitions were filed after SARFAESI measures and after proceedings before other forums including Debts Recovery Tribunal and High Court. Record reflects auction dated 30.01.2026 and filing on 08.02.2026.
- 19.2 Section 65 of the Insolvency and Bankruptcy Code, 2016 provides that initiation of insolvency process for purposes other than resolution is subject to action by the Adjudicating Authority. The timing of filing is relevant for such examination.
- 19.3 The Petitioners had already invoked remedies before other forums prior to filing of the present petitions. The present proceedings have been initiated after enforcement steps and prior litigation.
- 19.4 In ***Getz Cables Pvt. Ltd. vs State Bank of India (Company Appeal (AT) (Insolvency) No.1953 of 2024)*** Hon'ble NCLAT held that mere pendency of SARFAESI proceedings is not sufficient to establish mala fide intent. However, the Hon'ble NCLAT has clarified that "**something more**" such as timing of filing, conduct of Petitioners and surrounding circumstances must be examined to determine malicious intent.



- 19.5 The Petitioners invoked multiple parallel remedies including proceedings before the Debts Recovery Tribunal and the Hon'ble High Court. The timing and sequence of events indicate that the dominant intent is to interdict recovery proceedings rather than to seek insolvency resolution.
- 19.6 Applying the above ratio, this Adjudicating Authority is satisfied that the present Company Petitions are filed with intent to stall recovery proceedings and fall within the ambit of Section 65 of the Code which are liable to be rejected at the threshold under Section 65 of the Code.
- 19.7 In view of the above sequence and statutory provision, the petitions are liable to be rejected on this ground. Accordingly, this issue is decided in favour of the Respondent/FC.

20. Issue No.06: Whether I.A. No. 445 of 2026 is maintainable?

- 20.1 The Applicant has sought reliefs relating to auction conducted under the SARFAESI Act including declaration and restraint. These reliefs arise from measures taken under Sections 13 and 14 of the SARFAESI Act.
- 20.2 Section 17 of the SARFAESI Act provides remedy before the Debts Recovery Tribunal for adjudication of such disputes. The Applicant has already availed such remedy.



- 20.3 In ***United Bank of India v. Satyawati Tondon, (2010) 8 SCC 110***, the Hon'ble Supreme Court held that where statutory remedy is available under SARFAESI Act, recourse must be taken before the prescribed forum.
- 20.4 The Hon'ble High Court has declined to entertain the matter as one of the Petitioners have already avail alternate remedy before DRT in accordance with law. The jurisdiction under Section 60(5) of the Code is residuary in nature and cannot be invoked to adjudicate matters which squarely fall within the domain of the Debts Recovery Tribunal under Section 17 of the SARFAESI Act. The reliefs sought by the Applicant pertain to validity of auction, sale process, and enforcement measures, which are statutorily triable by the Debts Recovery Tribunal.
- 20.5 In view of availability of alternate remedy and prior proceedings, the application is not maintainable. Accordingly, this issue is decided in favour of the Respondent/FC.
- 20.6 It is further noted that the Petitioner has already invoked the jurisdiction of the Debts Recovery Tribunal in respect of the same cause of action. Entertaining the present application would result in parallel adjudication and forum shopping, which is impermissible in law.



CONCLUSION AND FINAL ORDER

- 21.** In terms of Section 100 of the Insolvency and Bankruptcy Code, 2016, the Adjudicating Authority is required to either admit or reject the application after considering the report submitted under Section 99. While the requirements of debt, default, and invocation stand satisfied, the present case falls within the exception carved out under Section 65 of the Code.
- 22.** Hence, upon a comprehensive consideration of the pleadings, documents on record, submissions of the parties, and the Report submitted by the Resolution Professional under Section 99 of the Insolvency and Bankruptcy Code, 2016, this Adjudicating Authority records the following conclusions: -
- 21.1 The existence of debt and execution of personal guarantees by the Petitioners stands established;
- 21.2 The demand notice dated 18.08.2025 issued under Section 13(2) of the SARFAESI Act constitutes invocation of guarantee in substance;
- 21.3 However, the chronology of events clearly demonstrates that substantial recovery measures under the SARFAESI Act, including conduct of auction on 30.01.2026, had already been undertaken prior to filing of the present petitions on 08.02.2026;
- 21.4 The timing of initiation of proceedings under Section 94 of the Code, immediately after culmination of



enforcement actions, indicates that the process under the Code has been invoked not for bona fide insolvency resolution, but to interdict and frustrate recovery proceedings already at an advanced stage;

- 21.5 The conduct of the Petitioners, read with surrounding circumstances, attracts the mischief of Section 65 of the Insolvency and Bankruptcy Code, 2016.
- 23.** This Adjudicating Authority is, therefore, satisfied that the present Company Petitions have been filed with intent other than resolution of insolvency, and constitute an abuse of the insolvency framework.
- 24.** Insofar as I.A. No. 445 of 2026 is concerned, the reliefs sought pertain to challenge of measures taken under the SARFAESI Act, 2002, for which a specific statutory remedy is available under Section 17 before the Debts Recovery Tribunal. The Applicant having already availed such remedy, the present application is not maintainable under Section 60(5) of the Code.
- 25.** In view of the foregoing discussion and findings, **CP(IB) No. 46/94/NCLT/(AHM) 2026** and **CP(IB) No. 47/94/NCLT/(AHM) 2026** filed under Section 94(1) of the



Insolvency and Bankruptcy Code, 2016 are hereby **dismissed** with a cost of **Rs. 2,00,000 (Rupees Two Lakhs only)**, each upon the Petitioners/Personal Guarantors, under Section 65 of the Code, considering the timing of filing and the conduct of the Petitioners/Personal Guarantors.

- 26.** The Petitioners/Personal Guarantors are directed to deposit the cost with **Prime Minister National Relief Fund** within 15 days from the date of this order and place on record proof of deposit with the Asstt. Registrar with a copy to the Financial Creditor/ Standard Chartered Bank. Failure to do so shall entail appropriate legal consequences, including contempt as well as recovery in accordance with law.
- 27.** In view of dismissal of the main Company Petitions, **I.A. No. 379/99/NCLT(AHM) 2026** and **I.A. No. 380/99/NCLT(AHM) 2026** (filed for taking on record the Report under Section 99) filed by the IRP having become infructuous and are accordingly disposed of.
- 28.** Further, **I.A. No. 445/NCLT(AHM) 2026** is **dismissed as not maintainable**, in view of availability of alternate statutory remedy under the SARFAESI Act, 2002.



29. The interim moratorium which commenced under Section 96(1) of the Insolvency and Bankruptcy Code, 2016 shall cease to have effect from the date of this order.
30. It is clarified that dismissal of the present Company Petitions shall not preclude the Respondent Bank/Financial Creditors from continuing recovery proceedings under the SARFAESI Act, 2002, Recovery of Debts and Bankruptcy Act, 1993 and other applicable laws.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Vinit

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)