

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-II**

CP (IB) No.970/MB/2025

[Under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 read with Rule 7(2) of the Insolvency and Bankruptcy (Application to the Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019]

Ordered On: 16.06.2026

IN THE MATTER OF:

Naman Syntex Prop Daksha Rajendra Ahuja.

... Petitioner/ Operational Creditor

Versus

Mrs. Mansi Lalit Kumar Manjrekar
Personal Guarantor of Guruanand Silk Mills Pvt Ltd

... Respondent/Personal Guarantor

CORAM:

HON'BLE SHRI ASHISH KALIA, MEMBER (JUDICIAL)

HON'BLE SHRI SANJIV DUTT, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant: Adv. Rita Yadav (VC)

For Respondent: None

For Intervenor: Adv. Malavika Sachin i/b Indialaw LLP in
Intervention Petition/185/2025 (VC)

ORDER

[Per: Coram]

1. This Company Petition has been filed by **M/s. Naman Syntex (Proprietor: Ms. Daksha Rajendra Ahuja)** (hereinafter referred to as the “Applicant/Operational Creditor”) under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 (“the Code”) read with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 (“hereinafter referred to as PG to CD Rules”), seeking initiation of Insolvency Resolution Process against **Mrs. Mansi Lalitkumar Manjrekar** (hereinafter referred to as the “Personal Guarantor/Respondent”), who is stated to have furnished a personal guarantee in respect of the liabilities of **Guruanand Silk Mills Private Limited** (hereinafter referred to as the “Corporate Debtor”).
2. The Applicant submits that it was engaged in the business of supplying textile goods and materials to the Corporate Debtor in the ordinary course of business and had raised various invoices from time to time towards such supplies. According to the Applicant, the goods were supplied on credit basis and substantial amounts remained outstanding and unpaid despite repeated demands. The Applicant contends that in order to secure the payment obligations of the Corporate Debtor and ensure continuity of business transactions, a personal guarantee was sought from the Respondent.
3. It is the case of the Applicant that the Respondent agreed to secure the liabilities of the Corporate Debtor and executed a Deed of Guarantee dated 07.07.2021 in favour of the Applicant. Under the terms of the said Deed of

Guarantee, the Respondent undertook to discharge the dues of the Corporate Debtor to the **extent of Rs.1,00,00,000/- (Rupees One Crore only)** in the event of default by the Corporate Debtor.

4. The Applicant further submits that as on **23.12.2024**, an amount of **Rs.2,12,60,488/- (Rupees Two Crore Twelve Lakh Sixty Thousand Four Hundred Eighty-Eight only)** remained outstanding and payable by the Corporate Debtor towards the goods supplied by the Applicant. It is stated that although the total dues of the Corporate Debtor exceeded the aforesaid amount, the liability of the Personal Guarantor under the Deed of Guarantee was restricted to Rs.1,00,00,000/-.
5. The Applicant submits that the Corporate Debtor was admitted into Corporate Insolvency Resolution Process by this Adjudicating Authority vide order dated 14.11.2024 passed in CP (IB) No.1069/MB/C-II/2023. Despite such admission and despite repeated demands, the outstanding dues allegedly remained unpaid.
6. The Applicant further submits that it invoked the personal guarantee vide notice dated 23.12.2024 and thereafter issued a demand notice in Form B under Rule 7(1) of the aforesaid Rules on 01.02.2025 calling upon the Respondent to discharge the guaranteed liability. According to the Applicant, despite receipt of the said notices, the Respondent failed to make payment of the guaranteed amount of Rs.1,00,00,000/-.In the aforesaid circumstances, alleging default on the part of the Corporate Debtor and failure of the Personal Guarantor to honour the guarantee obligations, the Applicant has filed the present Petition under Section 95 of the Code seeking initiation of Insolvency

Resolution Process against the Respondent as Personal Guarantor to the Corporate Debtor.

7. During the pendency of the present petition, an intervention application bearing no. Intervention Petition/185/2025 came to be filed by **State Bank of India** (hereinafter referred to as the "Intervenor Bank"), a secured financial creditor of the Personal Guarantor, seeking intervention in the present proceedings. It is submitted that the Personal Guarantor along with the co-borrowers had availed a Home Loan facility of Rs.6,00,00,000/- and a Home Top-Up Loan facility of Rs.5,00,00,000/- from the Intervenor Bank pursuant to Arrangement Letters dated 31.01.2019 and had executed various loan and security documents in favour of the Intervenor Bank. The said facilities were secured by creation of an equitable mortgage over an immovable property situated at Juhu Vile Parle, Mumbai by deposit of title deeds on 19.07.2019 and execution of related mortgage documents on 19.07.2019 and 20.07.2019. It is further submitted that the loan facilities were subsequently restructured under the Covid-19 Resolution Framework vide Arrangement Letters dated 02.09.2021. However, owing to persistent defaults committed by the Personal Guarantor and co-borrowers, the Intervenor Bank issued a Legal Notice dated 12.02.2024 and thereafter classified the loan account as Non-Performing Asset (NPA) on 31.03.2024.
8. Thereafter, a Demand Notice dated 26.06.2024 under Section 13(2) of the SARFAESI Act, 2002 was issued demanding payment of Rs.13,93,76,579.67/- , which was duly served on 01.07.2024. Upon failure of the borrowers to discharge their liability, the Intervenor Bank took symbolic possession of the

secured asset under Section 13(4) of the SARFAESI Act on 05.09.2024 and published the possession notice on 07.09.2024. Subsequently, a Recall Notice dated 16.09.2024 was issued and served upon the borrowers on 20.09.2024. It is further submitted that the Intervenor Bank initiated proceedings under Section 14 of the SARFAESI Act before the Chief Judicial Magistrate, Esplanade, Mumbai and vide order dated 21.01.2025 obtained directions for taking physical possession of the secured asset through a Court Commissioner.

9. Thereafter, physical possession of the secured asset was scheduled for 31.07.2025 and a communication dated 09.07.2025 was addressed to the Deputy Commissioner of Police seeking police assistance for the said purpose. It is further contended that immediately prior to the scheduled possession proceedings, the Personal Guarantor filed the present application under Section 95 of the Code on **28.07.2025** and thereafter filed Securitisation Application No.136 of 2025 along with IA No.1470 of 2025 before the Debts Recovery Tribunal-I, Mumbai seeking stay of the possession proceedings on the ground that an interim moratorium under Section 96 of the Code had come into effect. The Debts Recovery Tribunal-I, Mumbai vide order dated **31.07.2025 granted interim protection and stayed the possession proceedings.**

Findings:

10. Heard the learned counsel for the Petitioner and perused the documents placed on record. The Personal Guarantor has neither appeared nor filed any reply nor

made any representation in the matter.

11. Upon perusal of the record, it is observed that no substantive documentary evidence has been placed on record to establish the existence and quantum of the alleged debt of **Rs.2,12,60,488/-**. The Applicant has relied solely upon a ledger extract from its own books of account. In the absence of supporting invoices, agreements, acknowledgments, or any independent corroborative material, such self-serving entries cannot be treated as sufficient proof of debt and default.
12. It is further noted that despite the pendency of the present proceedings, the Personal Guarantor has not appeared before this Tribunal even on a single occasion. No affidavit, reply, or explanation has been placed on record on behalf of the Personal Guarantor. The continued absence of the Personal Guarantor throughout the proceedings, despite service of notice, further reflects a lack of bona fides in defending the present petition. Meanwhile, she has been merely enjoying the benefit of interim moratorium under section 96 of the Code which acts as a shield against recovery enforcement actions by other secured creditors.
13. It is further observed that the Applicant has not placed any material on record to demonstrate that it had filed its claim before the Interim Resolution Professional/Resolution Professional during the CIRP of the Corporate Debtor initiated vide order of this Tribunal dated 14.11.2024. The non-filing of claim during the CIRP of the Corporate Debtor raises serious doubts as to the subsistence, crystallisation and enforceability of the alleged liability and consequently affects the maintainability of the present application.

14. This Bench also notes that the alleged outstanding amount is stated to be **Rs.2,12,60,488/-** However, the Deed of Guarantee itself stipulates that the liability of the Personal Guarantor is restricted to an extent of ₹1,00,00,000/- only. Despite this express limitation, the pleadings do not clearly set out how the liability has been computed, crystallised, and confined strictly within the contractual cap contained in the guarantee. There is no clear explanation as to how the total alleged debt corresponds with the limited liability undertaken by the personal guarantor. The absence of clarity on this foundational aspect, particularly when the statutory threshold under the Code is ₹1 crore, raises serious doubts regarding the manner in which the present petition has been structured and materially affects its maintainability.
15. It is further significant to note that the Personal Guarantor is neither a promoter nor a director of the Corporate Debtor. The director/Promoter of the Corporate Debtor as per the MCA records are Dharamdas Gurnomal Talreja and Rakesh Dharamdas Talreja. No material has been placed on record to demonstrate any managerial role, shareholding, financial interest, or commercial nexus between the Personal Guarantor and the Corporate Debtor. In the ordinary course of commercial transactions, guarantees are not executed by persons having no demonstrable connection with the borrowing entity, unless supported by compelling circumstances. The Applicant has failed to plead or establish that such a practice is prevalent in the relevant textile trade or commercial usage.
16. A perusal of the Deed of Guarantee itself raises serious doubts. The document indicates that the Personal Guarantor was known to both parties; yet the petition fails

to explain the nature of such acquaintance, the background of the transaction, or the commercial rationale for assuming substantial financial liability. If the Personal Guarantor was known to both parties, he cannot be treated as a complete stranger; conversely, if he had no real nexus with the transaction between the petitioner and the Corporate Debtor, the execution of such a guarantee becomes inherently questionable. This internal inconsistency remains unexplained.

17. Further, the Deed of Guarantee does not disclose particulars of any assets owned by the Personal Guarantor, nor does it record that any specific property was offered as security. The petition is equally deficient in material particulars: there are no disclosures regarding the Personal Guarantor's financial capacity, income, bank accounts, asset position, or any other relevant financial information that would demonstrate the ability to honour the alleged obligation. The pleadings repeatedly refer to the Personal Guarantor in vague terms, without identifying or furnishing financial details to establish enforceability.

18. A perusal of the Deed of Guarantee reveals that

- The Respondent/Personal Guarantor was "approached" by the applicant "to procure new clients" for supply of textile fabrics.
- The Corporate Debtor is said to be "new and unknown" to the applicant despite the fact that Corporate Debtor has been engaged in manufacturing of textiles for over 25 years.
- Strangely enough, the Respondent/Personal Guarantor having no connection at all with the Corporate Debtor readily agrees to provide "a personal guarantee

for the part/full performance of the company's obligations under such accommodation".

19. In the absence of supporting documentation, surrounding circumstances, or independent corroboration, the Deed of Guarantee appears to be a bare and unsupported instrument. Mere production of a document styled as a guarantee, without demonstrating commercial context, consideration, capacity, and nexus, is insufficient to establish a legally enforceable debt under the Code.
20. These cumulative deficiencies further reinforce the conclusion that the present petition lacks bona fides and has been instituted not for a genuine insolvency resolution process of the Respondent/Personal Guarantor, but as a device to obstruct and delay recovery proceedings already lawfully initiated against her by the secured creditor.
21. This Tribunal also take due note of the sequence of events set out in the Intervention Petition no. 185 of 2025 filed by the State Bank of India, the sequence of events placed on record assumes considerable significance. The secured creditor had initiated recovery proceedings under the SARFAESI Act much prior to the filing of the present petition. Demand Notice under Section 13(2) of the SARFAESI Act was issued on 26.06.2024, followed by measures under Section 13(4) and symbolic possession of the secured asset on 05.09.2024. Thereafter, the secured creditor approached the learned Chief Metropolitan Magistrate under Section 14 of the SARFAESI Act and obtained an order dated 21.01.2025 for taking physical possession of the secured asset through a Court Commissioner.

22. Pursuant thereto, Writ of Commission came to be issued and the Court Commissioner fixed **31.07.2025 for taking physical possession** of the secured property. The record further reveals that on 09.07.2025 the Court Commissioner sought police assistance from the concerned authorities for execution of the possession proceedings. Thus, by July 2025, the recovery proceedings had progressed to an advanced stage and only the act of taking physical possession remained to be completed.
23. Significantly, the present petition under Section 95 of the Code was filed on **28.07.2025**, merely three days prior to the scheduled date of physical possession. The timing of the filing is not only conspicuous but also assumes greater significance in light of the subsequent conduct of the Personal Guarantor.
24. The record shows that immediately after filing the present petition and upon commencement of the interim moratorium under Section 96 of the Code, the Personal Guarantor approached the Debts Recovery Tribunal-I, Mumbai in S.A. No.136 of 2025 and specifically relied upon the pendency of the present proceedings to seek restraint against the possession proceedings scheduled on 31.07.2025. Accepting the said contention, the Debts Recovery Tribunal directed that possession of the secured asset shall not be taken till the moratorium remained in force.
25. The timing and surrounding circumstances indicate that the Company Petition has been instituted primarily to obtain the benefit of the interim moratorium and to frustrate lawful recovery proceedings. The Hon'ble National Company Law Appellate Tribunal in **Syed Sirajis Salikin Khadri v. Edelweiss Asset**

Reconstruction Company Limited, Company Appeal (AT) (Insolvency) No. 455 of 2025, has categorically held that the provisions of Section 94 or Section 95 of the Code cannot be invoked as a device to obstruct legitimate SARFAESI recovery proceedings, particularly where the petition is filed with the sole intent of stalling lawful enforcement. In view of the foregoing, this Bench is of the considered opinion that the present petition is an abuse of the process of law and has been filed with the object of invoking the moratorium under the Code to impede recovery actions already crystallised through proceedings before the DRT and under the SARFAESI Act.

26. Further, it is pertinent to refer to the judgement of the Hon'ble Supreme Court in the matter of **S.P. SP Chengalvaraya Naidu v. Jagannath (1994) 1 SCC 1** wherein it has been held that:- ***“One who comes to the court, must come with clean hands. We are constrained to say that more often than not, process of the court is being abused. Property-grabbers, tax-evaders, bank-loan-dodgers and other unscrupulous persons from all walks of life find the court-process a convenient lever to retain the illegal-gains indefinitely. We have no hesitation to say that a person, whose case is based on falsehood, has no right to approach the court. He can be summarily thrown out at any stage of the litigation.”***

6..... *A fraud is an act of deliberate deception with the design of securing something by taking unfair advantage of another. It is a deception in order to gain by another's loss. It is a cheating intended to get an advantage.A litigant, who approaches the court, is bound to produce all the documents executed by him*

which are relevant to the litigation. If he withholds a vital document in order to gain advantage on the other side, then he would be guilty of playing fraud on the court as well as on the opposite party.”

The Hon'ble Supreme Court has thus categorically and unequivocally declared that those persons who do not come with clean hands before a court of law can be shown the door at any stage of the proceedings.

27. In view of the aforesaid facts and circumstances, this Bench is of the considered opinion that the present petition lacks bona fides and has not been instituted for a genuine insolvency resolution of the Personal Guarantor. The unexplained deficiencies in the Applicant's case, coupled with the timing of the petition immediately prior to the proposed possession proceedings and the subsequent reliance on the interim moratorium to restrain recovery action, clearly indicate that the provisions of the Code have been invoked as a device to obstruct and delay lawful enforcement proceedings under the SARFAESI Act. The present petition, therefore, constitutes an abuse of the process of law and is liable to be rejected.

28. Accordingly, the present petition stands **dismissed and disposed of**.

Sd/-
SANJIV DUTT
MEMBER (TECHNICAL)

//LRA Khyati Sachdev//

Sd/-
ASHISH KALIA
MEMBER (JUDICIAL)

NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH COURT II

Intervention Petition/185/2025 IN CP (IB) No.970/MB/2025

CORAM

SHRI SANJIV DUTT
HON'BLE MEMBER (TECHNICAL)

SHRI ASHISH KALIA
HON'BLE MEMBER (JUDICIAL)

Ordered On: 16.06.2026

Name of The Parties: Naman Syntex Prop. Daksha Rajendra Ahuja

Vs.

Mrs Mansi Lalitkumar Manjrekar

Appearances: Hybrid

For Applicant: Adv. Rita Yadav (VC)

For Respondent: None

For Intervenor: Adv. Malavika Sachin i/b Indialaw LLP in

Intervention Petition/185/2025 (VC)

U/s 95(1) of (IBC)

ORDER

1. The present Intervention Application has been filed by **State Bank of India** under Section 60(5) of the Insolvency and Bankruptcy Code, 2016, seeking intervention in the captioned Company Petition. The Intervenor submits that it is a secured financial creditor of the Personal Guarantor and had initiated recovery proceedings under the provisions of the SARFAESI Act, 2002 on account of defaults committed in repayment of the credit facilities availed by the Personal Guarantor and co-borrowers.

IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI -II

Intervention Petition/185/2025 IN CP (IB) No.970/MB/2025

It is submitted that the loan account was classified as NPA on 31.03.2024 and thereafter measures under Sections 13(2), 13(4) and 14 of the SARFAESI Act were undertaken, culminating in an Order dated 21.01.2025 passed by the learned Chief Judicial Magistrate, Esplanade, Mumbai, for taking physical possession of the secured asset. Pursuant thereto, the Court Commissioner fixed 31.07.2025 for taking physical possession of the secured asset. The Intervenor has contended that the present Petition under Section 95 of the Code was filed on 28.07.2025, merely three days prior to the scheduled date of taking physical possession, solely with a view to avail the benefit of the interim moratorium under Section 96 of the Code and frustrate the recovery proceedings initiated by the Bank. The Intervenor has, therefore, alleged that the present Petition is collusive in nature and has sought dismissal of the same.

2. Accordingly, the Intervention Application is **allowed and disposed of**.

Sd/-
SANJIV DUTT
MEMBER (TECHNICAL)
//LRA Khyati Sachdev//

Sd/-
ASHISH KALIA
MEMBER (JUDICIAL)