IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH - I

C.P. (IB) NO. 346 of 2026

Under Section 95(1) of the Insolvency & Bankruptcy Code, 2016 r/w 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.

In the matter of:

SAMATA NAGARI SAHKARI PATSANSTHA MARYADIT

…..Applicant/ Financial Creditor

Vs.

SHRI SATISH SURESH SAWAI

……. Respondent/Personal Guarantor

Order pronounced on **08.07.2026**

Coram:

Shri Prabhat Kumar	**Shri Sushil Mahadeorao Kochey**
Hon'ble Member (Technical)	Hon'ble Member (Judicial)

Appearances:

For the Financial Creditor : Adv Vinita Shetty

For the Resolution Professional : Adv Vinit Gangwal

ORDER

Brief facts:

1. The present Company Petition dated **16.03.2026** has been filed u/s. 95(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC, 2016/the Code") r/w. Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 by **SAMATA NAGARI SAHKARI PATSANSTHA MARYADIT** ("hereinafter referred to as Applicant/Financial Creditor/FC") for the purpose of initiating Insolvency Resolution Process against **SHRI SATISH SURESH SAWAI** ("hereinafter referred to as Personal Guarantor/Respondent") on account of default of **Rs.1,98,07,160/- (Rupees One Crore Ninety Eight Lakh Seven Thousand One Hundred and Sixty Only)** as on **23.05.2024.** The said amount comprises the principal outstanding together with interest amounting to Rs. 12,33,052/- (Rupees Twelve Lakh Thirty-Three Thousand and Fifty-Two Only), accrued interest amounting to Rs.1,62,190/- (Rupees One Lakh Sixty Two Thousand One Hundred and Ninety Only), penalty interest amounting to Rs. 23,170/ (Rupees Twenty-Three Thousand One Hundred and Seventy Only) and legal expenses amounting to Rs. 3790/ (Rupees Three Thousand Seven Hundred and Ninety Only). As stated in Part III of the Petition, the debt became due on **23.05.2024** and the default also occurred on **23.05.2024**.

2. The Applicant, Samata Nagari Sahkari Patsanstha Maryadit is a Co-operative Credit Society and was incorporated on **20.03.1986** bearing Registration No: ANR/ K.P.G / RASR (C.R)/ 651/86 and having its registered address at Samata Marg, Khandaknal Main Road, Kopargaon

Dist. Ahmednagar, Pin 423601. The present Petition has been filed through its Authorized Signatory **Mr. Sachin Bhattad** who is working in the capacity of General Manager of Samata Nagari Sahkari Patsanstha Maryadit, Kopargaon, Ahmednagar, Maharashtra.

3. Shri. Satish Suresh Sawai, having his address at Village & Post Mahalgaon, Tal. Vaijapur, Maharashtra 423701, executed a **Deed of Personal Guarantee dated 23.11.2023** in favour of the Financial Creditor to secure the credit facilities extended to **SS Cott Gin Private Limited**, the Corporate Debtor.

<u>Submissions of the Applicant:</u>

4. Learned Counsel appearing for the Applicant/ Financial Creditor submitted that the Corporate Debtor, S.S Cott Gin Private Limited, had applied for renewal of the Working Capital Cash Credit Facility by submitting a loan application dated **01.07.2023**. Pursuant thereto, the Applicant sanctioned a Working Capital Cash Credit Loan of Rs.1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) vide Board Resolution No. 4 dated **07.07.2023**. It is submitted that the Respondent herein stood as the Personal Guarantor for the said credit facility by executing a **Deed of Personal Guarantee dated 23.11.2023** in favour of the Applicant to secure repayment of the dues of the Corporate Debtor.

5. Learned Counsel for the Applicant further submitted that pursuant to the sanction of the aforesaid credit facility, an amount of Rs.1,50,00,000/- (Rupees One Crore Fifty Lakhs Only) was disbursed to the Corporate Debtor on 23.11.2023. It is submitted that the said loan was sanctioned for a period of twelve months, i.e., from 23.11.2023 to 23.11.2024, with a moratorium period of six months. As per the terms and conditions of the Loan Agreement dated 23.11.2023, the interest on the loan was to be debited to the Cash Credit Account at the end of every month and was

payable in full upon expiry of the six-month moratorium period.

6. It is submitted that upon expiry of six-month moratorium period, the interest under the aforesaid loan facility became due and payable on **23.05.2024**. However, the Corporate Debtor failed to discharge its repayment obligations in accordance with the terms of the Loan Agreement, thereby committing default on **23.05.2024**. It is further submitted that the Respondent, being the Personal Guarantor, also failed to honour his obligations under the Deed of Personal Guarantee consequent upon the default committed by the Corporate Debtor.

7. Learned Counsel further submitted that, consequent upon the aforesaid default, the Applicant issued a **Final Demand Notice dated 29.05.2024** calling upon the Corporate Debtor and the Respondent to repay the outstanding dues. However, despite receipt of the said notice, neither the Corporate Debtor nor the Respondent liquidated the outstanding dues or discharged their respective liabilities. It is submitted that thereafter, the Applicant initiated recovery proceedings under Section 101 of the Maharashtra Co-operative Societies Act, 1960, pursuant to which a Recovery Certificate dated **13.01.2025** came to be issued in favour of the Applicant.

8. It is further submitted that, thereafter, in compliance with Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, the Applicant issued a statutory **Demand Notice dated 08.11.2025** in **Form B** to the Respondent/Personal Guarantor calling upon him to repay the outstanding debt. It is submitted that the said notice was dispatched through Registered Post Acknowledgement Due (RPAD) and was returned with the postal endorsement "**Refused**" on **17.11.2025**. Despite service of the said notice and expiry of the prescribed

period, the Respondent failed to discharge the outstanding liability, thereby necessitating the filing of the present petition under Section 95(1) of the Code.

9. Learned Counsel further submitted that the present Petition has been filed within the prescribed period of limitation. It is submitted that the amount in default as on **23.05.2024** is **₹1,98,07,160/-**, and the liability of the Respondent, being the Personal Guarantor, continues to subsist under the Deed of Personal Guarantee. It is, therefore, prayed that this Adjudicating Authority may admit the present Petition and initiate the Insolvency Resolution Process against the Respondent in accordance with the provisions of the Code.

Report of Resolution Professional:

10. This Tribunal, vide order dated **06.04.2026 (Order made available on 10.04.2026),** appointed **Mr. Vinit Gangwal**, Insolvency Professional bearing Registration No. IBBI/IPA-002/IP-N00091/2017-18/10235, as the Resolution Professional Under Section 97 of the Insolvency and Bankruptcy Code, 2016 and directed him to file his report under section 99 of the Code. **Mr. Vinit Gangwal** has his office at Office No.503, Varun capital, CTS No.364+365/13, Off. J.M. Road, Bharat Petroleum Lane, Next to Citiotel, Shivajinagar, Pune, Maharashtra, 411005, having E-mail address: ip.vinitgangwal@sudharman.in having contact no. 9850823110.

11. Pursuant to the aforesaid Order of this Tribunal, the Resolution Professional has filed his Report under Section 99 of the Insolvency and Bankruptcy Code, 2016 in **IA (I.B.C)/1856(MB)2026, recommending initiation of personal insolvency proceedings against the Respondent/Personal Guarantor**. The analysis and recommendation of the Resolution Professional, as recorded in the said Report, are reproduced hereunder:

The Resolution Professional has, inter alia, observed as follows:

20. The Resolution Professional is satisfied that there is a debt, valid guarantee, default and that the same is not barred by limitation, on account of the following:

a. Section 5(22) of the Code defines "personal guarantor" to mean an individual who is the surety in a contract of guarantee to the corporate debtor.

b. In the present case, on the basis of the documents submitted by the Financial Creditor, the Resolution Professional is of the view that the Deeds of Guarantee sought to bind the present Personal Guarantor were executed at the time of disbursal of financial facilities by the Corporate Debtor and that the Financial Creditor has disbursed a loan to the Corporate Debtor amongst other things also on the strength of the Deed of Guarantee executed by the Personal Guarantor assuring that the debt of the Corporate Debtor would be repaid in case the Corporate Debtor has defaulted in servicing the financial facilities;

c. Thus, there is sufficient evidence of fact and legal principles in the law for the Resolution Professional to conclude that there is debt due, a valid personal guarantee and default on part of the personal guarantor and that the present Petition is not barred by limitation.

21. The Resolution Professional is also satisfied that the debt for which the present application for insolvency resolution process is filed does not include:

a. Liability to pay fine imposed by a court or Tribunal;

b. Liability to pay damages for negligence, nuisance or breach of statutory contractual or other legal obligations;

c. Liability to pay maintenance to any person under the law for the time being in force;

d. Liability in relation to a student loan;

e. Any other debt prescribed under Section 79(15) of the Code.

The Resolution Professional has made the following recommendation:

In view of the foregoing, after examining all the documents shared, including but not limited to the Board Resolution/ Sanction Letters, Mortgage Deed, the Guarantee Deeds, the Customer Ledger Accounts, and considering the existence of debt, default, valid guarantee agreement and limitation, the Resolution Professional hereby ***recommends that the Personal Insolvency of the Respondent****.*

Findings & Analysis:

12. We have heard the Learned Counsel appearing for the Applicant/Financial Creditor and carefully perused the pleadings, the documents placed on record, the Report submitted by the Resolution Professional under Section 99 of the Insolvency and Bankruptcy Code, 2016, the interim orders passed by this Tribunal from time to time, and all other material available on record.

13. It is observed from the record that the Applicant has complied with the requirements prescribed under the Insolvency and Bankruptcy Code, 2016 and the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019. The statutory **Demand Notice in Form B dated 08.11.2025** was issued to the Respondent/Personal Guarantor in accordance with Rule 7(1) of the aforesaid Rules. The said notice was returned with the postal endorsement **"Refused".** Thereafter, vide order dated **04.06.2026**, this Tribunal permitted substituted service by way of paper publication, which

was duly effected on **11.06.2026**. Despite sufficient opportunities and due service, the Respondent neither entered appearance nor filed any reply. Consequently, this Tribunal proceeded **ex parte** against the Respondent vide order dated **24.06.2026**.

14. Upon perusal of the Application, the documents annexed thereto and the Report submitted by the Resolution Professional under Section 99 of the Code, it is evident that the Applicant had sanctioned a Working Capital Cash Credit Facility of Rs.1,50,00,000/- to **M/s. SS Cott Gin Private Limited**, the Corporate Debtor. The Respondent executed a **Deed of Personal Guarantee dated 23.11.2023** in favour of the Applicant to secure the repayment obligations of the Corporate Debtor. It is further evident from the record that the Corporate Debtor committed default in repayment of the financial facility on **23.05.2024**, consequent whereupon the liability of the Respondent, being the Personal Guarantor, stood invoked in terms of the Deed of Personal Guarantee.

15. We have also considered the Report submitted by the Resolution Professional under Section 99 of the Code. Upon examination of the material placed on record, the Resolution Professional has concluded that there exists a financial debt, a valid and subsisting Personal Guarantee executed by the Respondent in favour of the Applicant, default in repayment of the debt, and that the present Application is not barred by limitation. The Resolution Professional has further observed that the debt does not fall within any of the exclusions contemplated under Section 79(15) of the Code and has accordingly recommended initiation of personal insolvency proceedings against the Respondent/Personal Guarantor.

16. Upon an independent consideration of the pleadings, the documents placed on record and the Report submitted by the Resolution Professional under Section 99 of the Code, we are satisfied that the Applicant has established the

existence of a financial debt, the execution of a valid Deed of Personal Guarantee by the Respondent in favour of the Applicant, and the occurrence of default in repayment of the debt. We are further satisfied that the present Application has been filed within the prescribed period of limitation and that there exists no ground warranting rejection of the Application under Section 100(4) of the Insolvency and Bankruptcy Code, 2016. Accordingly, the present Application deserves to be **admitted** under Section 100 of the Code.

17. As the report of Resolution Professional is recommendatory in nature and is not binding on this Tribunal, we are of the considered view that no objection can be taken in relation to erroneous finding, if any contained in the said report, as the findings therein are subject to independent consideration by this Tribunal.

18. Upon consideration of the material available on record, it is evident that the Corporate Debtor, M/s. SS Cott Gin Private Limited, committed default in repayment of the financial facilities extended by the Applicant. The Respondent, having executed the Deed of Personal Guarantee dated 23.11.2023, is co-extensively liable for the debt of the Corporate Debtor. The material placed on record further establishes that the Applicant has complied with the requirements prescribed under Section 95 of the Insolvency and Bankruptcy Code, 2016 and the Rules framed thereunder.

19. In view of the foregoing discussion, this Tribunal is satisfied that there exists a financial debt, a valid and enforceable Deed of Personal Guarantee executed by the Respondent, and a default in repayment of the said debt. The Report submitted by the Resolution Professional under Section 99 of the Code also supports the existence of debt, default, valid guarantee and limitation. Accordingly, this Tribunal is satisfied that the present Application deserves to be admitted under Section 100 of the Insolvency and Bankruptcy Code, 2016.

ORDER

20. Considering the above facts and circumstances and upon perusal of the documents on record, the **C.P. (IB)/346/MB/2026** filed under Section 95 of the Code, hereby **admitted** and the Insolvency Resolution Process stands initiated against **Shri Satish Suresh Sawai** viz. the Personal Guarantor herein. We hereby direct as hereinafter:

I. Initiate Insolvency Resolution Process against the Personal Guarantor and moratorium in relation to all the debts is declared, from today *i.e.* date of admission of the application, and shall cease to have effect at the end of the period of 180 days, or this Tribunal passes order on the repayment plan under Section 114 whichever is earlier as provided under Section 101 of IBC, 2016. During the moratorium period,

a. Any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed, and

b. The creditors of the Corporate Debtor shall not initiate any legal action or proceedings in respect of any debt; and

c. The debtor shall not transfer, alienate, encumber, or dispose of any of his assets or his legal rights or beneficial interest therein;

d. The provisions of this section shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

II. The Petitioner states that the proposed Resolution Professional **Mr. Vinit Gangwal** is directed to cause a public notice published on behalf of the Adjudicating Authority within 7 days of passing this Order on the website of the NCLT Mumbai Bench, inviting claims from all Creditors, within 21 days of such publication. The Resolution Professional shall discharge the functions/duties cast upon him under the provisions of the Code in this relation within time bound manner and shall be empowered to exercise the powers vested in him for discharge of such functions/duties.

III. The Resolution Professional shall submit his periodic reports before this Tribunal as required under the I&B Code or Regulations made thereunder.

IV. The Applicant is directed to deposit **INR 75,000/-** (Indian Rupees Seventy Five Thousand only) or such lesser amount as is mutually agreed between the Resolution Professional and the Applicant to the bank account of the Resolution Professional within **1 week**, towards his fees and out of pocket expenses to be incurred in relation to the process, however, the fees and such out of pocket expenses shall be such as is mutually agreed with the Creditor. Needless to say, this shall be subjected to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.

V. The Registry is directed to communicate a copy of order to the Resolution Professional immediately after the pronouncement of order, and upload the same on the website within **7** working days after the pronouncement of order.

21. Ordered accordingly.

Sd/-	Sd/-
Prabhat Kumar	**Sushil Mahadeorao Kochey**
Member (Technical)	Member (Judicial)

Akanksha S.