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

ITEM No.308
C.P.(IB)/96(AHM)2026

Under Section 95 IBC

IN THE MATTER OF:

State Bank Of India ....**Applicant**
V/s
Mrs. Rupal Manish patel PG of Keya Buildtech LLP ....**Respondent**

ITEM No.309

IA/546(AHM)2026
in
C.P.(IB)/96(AHM)2026

Under Section Sec, 99 (1) IBC r/w Rule 11 NCLT

IN THE MATTER OF:

Rahul Shah IRP in the Matter of Rupal Manish Patel PG of Keya Buildtech LLP ....**Applicant**
V/s
Rupal Manish Patel PG of Keya Buildtech LLP ....**Respondent**

ITEM No.310

C.P.(IB)/98(AHM)2026

Under Section 95 IBC

IN THE MATTER OF:

State Bank Of India ....**Applicant**
V/s
Mr. Manish Mahendrabhai Patel PG of Keya Buildtech LLP ....**Respondent**

ITEM No.311
IA/545(AHM)2026
in
C.P.(IB)/98(AHM)2026

Under Section Sec, 99 (1) IBC r/w Rule 11 NCLT

IN THE MATTER OF:

Rahul Shah IRP in the Matter of Mr. Manish Mahendrabhai Patel PG of Keya Buildtech LLP ....**Applicant**
V/s
Mr, Manish Mahendrabhai Patel PG of Keya Buildtech LLP & Ors ....**Respondent**

Order delivered on: 20/07/2026

Coram:
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 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

C.P. (IB) No. 96/NCLT/(AHM)/2026
WITH
I.A. No.546/NCLT/AHM/2026

[Company Petition under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 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]

In the matter of: **Mrs. Rupal Manish Patel**

C.P. (IB) No. 96/NCLT/(AHM)/2026

State Bank of India
Through authorised officer
Shri Kamlesh Kumar Bairwa,
Assistant General Manager,
Having office address at:
Stressed Asset Management Branch,
4th Floor, Old LHO Building,
Ganesh Vasudev Mavalankar Road,
Old City, Lal Darwaja,
Ahmedabad – 380001.

.... Petitioner/Financial Creditor

VERSUS

Mrs. Rupal Manish Patel
Personal Guarantor of
Keya Buildtech LLP
Having residential address at:
"Pramukh Preet",
2, Vrundavan Society,
Nr. Vegetable Market,
Race Course Road, Ellora Park,
Vadodara – 390007, Gujarat.

.... Respondent/Personal Guarantor

I.A. No.546/NCLT/AHM/2026

Rahul Shah,
Interim Resolution Professional of:
Personal Guarantor,
Mrs. Rupal Manish Patel,
Having IBBI Registration No:
IBBI/IPA-001/IP-P-02170/2020-2021/13367,
(AFA Valid till: 30.06.2026),
Having his Correspondence Address at:
Shop No.6, Samprati Residency,
Opp. AMC Garden, Paliyadnagar,
Naranpura, Ahmedabad,
Gujarat – 380013.

.... Interim Resolution Professional

AND

C.P. (IB) No. 98/NCLT/(AHM)/2026
WITH
I.A. No.545/NCLT/AHM/2026

In the matter of: **Mr. Manish Mahendrabhai Patel**

C.P. (IB) No. 98/NCLT/(AHM)/2026

State Bank of India
Through authorised officer
Shri Kamlesh Kumar Bairwa,
Assistant General Manager,
Having office address at:
Stressed Asset Mangement Branch,
4th Floor, Old LHO Building,
Ganesh Vasudev Mavalankar Road,
Old City, Lal Darwaja,
Ahmedabad – 380001.

.... Petitioner/Financial Creditor

VERSUS

Mr. Manish Mahendrabhai Patel
Personal Guarantor of
Keya Buildtech LLP

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Having residential address at:
"Pramukh Preet",
2, Vrundavan Society,
Nr. Vegetable Market,
Race Course Road, Ellora Park,
Vadodara – 390007, Gujarat

.... Respondent/Personal Guarantor

I.A. No.545/NCLT/AHM/2026

Rahul Shah,
Interim Resolution Professional of:
Personal Guarantor,
Mr. Manish Mahendrabhai Patel,
Having IBBI Registration No:
IBBI/IPA-001/IP-P-02170/2020-2021/13367,
(AFA Valid till: 30.06.2026),
Having his Correspondence Address at:
Shop No.6, Samprati Residency,
Opp. AMC Garden, Paliyadnagar,
Naranpura, Ahmedabad,
Gujarat – 380013.

.... Interim Resolution Professional

Order Pronounced on: 20.07.2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
MR. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Petitioner/FC	: Mr. Vishal Raval, Ld. Advocate
For the Petitioner/IRP	: Mr. Sumit Parikh, Ld. Advocate
For the Respondents/PGs	: Mr. Manish Bhatt, Sr. Advocate a.w. Mr. Akshay Matani, Advocate.

COMMON ORDER
{*Per:* Bench}

1. This common order is being passed in CP (IB) No. 96 of 2026 and CP (IB) No. 98 of 2026, petitions filed under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 seeking initiation of the Insolvency Resolution Process against the Respondents/Personal Guarantors, namely **Mrs. Rupal Manish Patel** and **Mr. Manish Mahendrabhai Patel**, who are Personal Guarantors to the Corporate Debtor, M/s. Keya Buildtech LLP. Since the issues involved in both the petitions are common and arise out of the same set of facts, they are being disposed of by this common order.

2. These Company Petitions CP(IB) No.96 of 2026 and CP(IB) No.98 of 2026 have been filed on 06.03.2026 by Mr. Kamlesh Kumar Bairwa, authorized vide letter dated 02.01.2026 by the **State Bank of India** (the Petitioner- Financial Creditor) under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 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, seeking initiation of Insolvency Resolution Process against both the Respondents/Personal Guarantors to the Corporate

Debtor M/s. Keya Buildtech LLP) for a default amount of Rs.41,50,71,913.02ps. (as on 28.01.2026) with interest thereon, in respect of Deed of Guarantee dated 07.04.2017 and the further Deed of Guarantee dated 24.11.2019 executed by the Respondents in favour of the Petitioner Bank. The debt is stated to have become due on 19.01.2026.

3. The Financial Creditor Bank has placed the facts through this Petition in the following manner: -

3.1 It is stated that credit facilities were extended by the Petitioner/Financial Creditor Bank to M/s. Keya Buildtech LLP (hereinafter referred to as the "Corporate Debtor"), inter-alia, vide Letter of Arrangement dated 07.04.2017 sanctioning credit facilities aggregating to Rs.25.00 Crore, together with the Board Resolutions of the Corporate Debtor dated 15.02.2017 and 30.03.2017, and further credit facilities were enhanced to Rs. 19.24 Crore vide Supplemental Letter of Arrangement dated 28.10.2020.

3.2 It is stated that towards securing repayment of the aforesaid facilities, Mrs. Rupal Manish Patel and Mr. Manish Mahendrabhai Patel (the Personal Guarantors/Respondents) jointly executed a Deed of Guarantee dated 07.04.2017 and a further Deed of Guarantee dated 24.11.2019 in favour of the Petitioner Bank, along with an Agreement of Loan-cum-

Hypothecation dated 07.04.2017, and an Equitable Mortgage was created over land and building situated at Plot No. 294, 295, Survey No. 175/1, 175/3, 183, T.P. No. 5, Near Khodiyar Crossing, Village Savad, Taluka & District Vadodara – 390019 (on which "Crystal Pramukh Commercial Hub" is constructed), vide Memorandum of title deeds registered at Sr. No. 4181, the charge having been created on 07.04.2017.

3.3 It is stated that a revival letter dated 29.07.2019 was executed by the Corporate Debtor acknowledging the debt, and a Balance Confirmation letter dated 01.04.2019 was signed by the Corporate Debtor acknowledging the outstanding dues.

3.4 It is stated that a settlement proposal dated 31.07.2023 (to which the Petitioner responded on 08.08.2023) and a One-Time Settlement ("OTS") letter dated 21.08.2025 (to which the Petitioner responded on 29.08.2025) were exchanged between the parties, and no settlement was fructified.

3.5 It is stated that a notice of invocation of the personal guarantee dated 03.01.2026 was issued and served through e-mail on 17.01.2026, pursuant to which the debt became due on 19.01.2026 and default occurred on 27.01.2026.

3.6 It is stated that upon failure of the Personal Guarantors to discharge the debt, the Petitioner issued a Demand Notice dated 30.01.2026 in Form B under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtors) Rules, 2019, calling upon the Personal Guarantor to pay the outstanding dues; despite service, no payment was made.

3.7 It is stated that the total debt owed to the Petitioner, as on 28.01.2026, under the Personal Guarantee is Rs. 41,50,71,913.02/-, together with interest thereon, comprising the Term Loan, Working Capital Term Loan, and Funded Interest Term Loan facilities extended to the Corporate Debtor.

3.8 It is stated that the Petitioner Bank has also filed O.A. No. 555 of 2022 before the Debts Recovery Tribunal-II, Ahmedabad, which remains pending adjudication, and that the Corporate Debtor, M/s. Keya Buildtech LLP, has already been admitted into Corporate Insolvency Resolution Process vide order dated 20.01.2026 passed by this Tribunal in CP(IB) No. 247(AHM) of 2025 under Section-7 of the I.B. Code, 2016.

3.9 It is further stated that the debt stands registered with the **Form-D of Information Utility (NeSL) with Status: "Authenticated" and date of default: 31.10.2021**, and that the Petitioner Bank, i.e. State Bank of India, has separately declared the Personal Guarantor, Mrs. Rupal Manish Patel, along with Mr. Manish

Mahendrabhai Patel, as willful defaulters, vide Public Notice dated 25.03.2026.

4. On presentation of the Company Petition by the Financial Creditor, this Bench, vide its order dated 13.04.2026, appointed CA Rahul Shah, having IBBI Registration No. IBBI/IPA-001/IP-P02170/2020-21/13367, as Interim Resolution Professional ("IRP"), to examine the Application as per Section 97(3) of the IBC, 2016, with a direction to submit his report under Section 99 of the I.B. Code, 2016 within ten days. The IRP was also directed to file his report through a separate IAs.

5. The Interim Resolution Professional has filed the report through IA No. 546 of 2026 & **and** IA No. 545 of 2026 on 30.03.2026 vide inward no. D-0000and D-0000, **recommending the admission** of the Company Petitions filed under Section 95 of IBC, 2016. The IRP submitted an observation and recommendation as regards the admission of the Company Petitions in his report with affidavit, affirmed on 28.03.2026. The grounds for admission, as recorded in the Report, are, inter-alia, as follows: -

Ground	Finding / Submission	Legal Effect / Compliance
(i) Application under Section 95	The application filed by the Financial Creditor satisfies all requirements under Section 95 of	Procedural compliance established.

	the Code, with requisite particulars and documents annexed.	
(ii) Corporate Debt in Default	There exists a corporate debt owed by M/s. Keya Buildtech LLP which is in default, with outstanding dues of Rs.41,50,71,913/- inclusive of interest and penalties.	Default of corporate debt established.
(iii) Personal Guarantee	The Respondents executed personal guarantees dated 07.04.2017 and 24.11.2019 securing repayment of the corporate debt.	Liability of guarantor established.
(iv) Invocation & Limitation	Guarantee invoked vide notice dated 03.01.2026 and demand notice dated 30.01.2026 in Form B. Default is within limitation, supported by revival letters, settlement proposals, and payments up to 28.02.2022.	Invocation valid; limitation period satisfied.
(v) Debt Registered with Information Utility	Debt stands registered with the Information Utility.	Under Section 99(3), guarantor cannot dispute validity of debt.
(vi) No Repayment Evidence	Despite requisitions under Section 99(2), the Personal Guarantor furnished no evidence of repayment of the debt claimed as unpaid.	Non-compliance by guarantor; debt remains unpaid.
(vii) Ineligibility for Fresh Start	Aggregate value of qualifying debts exceeds Rs.35,000/-.	Guarantor ineligible for fresh start under Chapter II of the Code.

6. This Tribunal vide its order dated 13.04.2026, issued notice to the Personal Guarantors and directed to file its reply, if any, within seven days from the receipt of notice. On receipt of the notice, the Respondents/Personal Guarantors filed their replies on 07.07.2026 vide inward no. D-4511 and no. D-4513.

6.1 The Respondents submitted that the Corporate Insolvency Resolution Process ("CIRP") of the principal borrower, M/s. Keya Buildtech LLP, was commenced vide order dated 20.01.2026 in CP (IB) No. 247/7/AHM/2025. Against the said order, Company Appeal (AT) (Ins) No. 373 of 2026 (Rupal Manish Patel v. Punit Handa) is pending adjudication before the Hon'ble NCLAT. The Hon'ble NCLAT has directed that "The CoC may proceed in accordance with law, however, before issuing Form G the IRP shall obtain leave of the court." Thus, the CIRP itself is under challenge, and consequential proceedings against the guarantor are premature.

6.2 The Respondents submitted that the IRP's report is vitiated by violation of Section 99 of the Code. Although information was sought, the Respondents was deprived of meaningful opportunity to participate in the examination of the application. Hence, the report is procedurally defective.

6.3 It is stated that the application under Section 95 is premised on an invocation notice dated 03.01.2026. The said notice was not issued by the State Bank of India but through the Advocate Mr. Vishal G. Raval, who lacked authority at that relevant time. His vakalatnama was executed only on 24.02.2026, which is subsequent to the notice. As stated, the guarantee agreement mandates demand by the "Bank" itself. The Respondents relied and referred the decisions as under:

- In the matter of ***SBI vs. Deepak Kumar Singhania, Company Appeal (AT) (Insolvency) No.191 of 2025***, the Hon'ble NCLAT held that unless guarantee is invoked as per its terms, no default arises.
- In the matter of ***Syndicate Bank vs. Channaveerappa Beleri (2006) 11 SCC 506***, the Hon'ble Supreme Court held that liability of guarantor arises only upon valid invocation.
- In the matter of ***Pooja Ramesh Singh vs. State Bank of India, Company Appeal (AT) (Insolvency) No.329 of 2023***, wherein, it was held that in case of on demand guarantee, the default shall arise on the part of Guaratntor only when demand notice is issued as contemplated in the deed of guarantee.

Hence, it is contended that the invocation notice dated 03.01.2026 is invalid and *non-est.*

6.4 Assuming without admitting that the notice dated 03.01.2026 constitutes invocation, the same was never served upon the Respondents. Clause 17 of the guarantee requires service by personal delivery, fax, email, courier, or registered post acknowledgment due. The Petitioner claims service by email dated 17.01.2026, but the Respondents was in judicial custody from 12.01.2026 to 26.03.2026 and incapable of accessing emails. Speed post tracking further shows non-delivery. Hence, service is defective.

6.5 It is further contended that the purported invocation notice itself refers to a prior demand dated 29.12.2021. Thus, the notice of 03.01.2026 is merely a reiteration. As stated, the Law is settled that the first invocation fixes the date of default. The Respondents has relied on the below referred decisions:

- ***Canara Bank Ltd. vs. Saral Sunil Verma, C.P. (IB) No. 207/MB/2025 (NCLT Mumbai)*** held that subsequent invocation notices are mere reiterations.
- ***Canara Bank vs. Sujay Uday Desai, C.P. (IB) No. 48/MB/2025*** reiterated the same principle.
- ***IDBI Trusteeship Services Ltd. vs. Direct Media Distribution Ventures Pvt. Ltd., Company Appeal (AT) Insolvency No. 850 of 2023 (NCLAT)*** held that default date must be reckoned from first invocation.
- In the matter of ***Piramal Capital and Housing Finance Limited vs. Township Developers India Limited (2003) ibclaw.in 883 NCLT*** held that the correct date of default has to be calculated from the date of first invocation notice via which the CD was put to notice to pay and it failed to pay.

6.6 The Respondents further stated on the limitation point that the default, if any, occurred on 05.01.2022 (seven days after receipt of notice dated 29.12.2021). The present application filed on 03.03.2026 is beyond the three-year limitation prescribed under Article 137 of the Limitation Act, 1963, as applied to proceedings under IBC in the matter of ***B.K. Educational Services Pvt.***

Ltd. vs. Parag Gupta & Associates (2019) 11 SCC 633, the Hon'ble Supreme Court held that limitation act applies to IBC proceedings since the inception. Hence, the application is stated to be hopelessly barred.

6.7 Hence, on the above contended grounds, the Respondents prayed to dismiss the present application.

7. Upon receipt of the reply of the Respondents/PGs, the Petitioner Bank has filed an Affidavit-In-Rejoinder through Mr. Kamlesh Kumar Bairwa, the authorised officer of SAMB Branch, LHO Building, Lal Darwaja, Ahmedabad, on 24.06.2026 vide inward diary no. D-4958 and and no. D-4959 recorded as under: -

7.1 The Respondents, submitted that the present rejoinder is a mere repetition of the petition and does not cure the fundamental defects pointed out in the reply, namely invalid invocation of guarantee, defective service, and bar of limitation.

7.2 The Petitioner submitted that the loan and guarantee documents were duly executed in the year 2017, with guarantee agreements dated 07.04.2017 and 24.11.2019. A revival letter was executed on 29.07.2019 by the corporate debtor and guarantors, followed by a letter of arrangement dated 28.10.2020 enhancing the credit facility to Rs.19.24 crores, duly signed by both the corporate debtor and guarantors. The Petitioner further states that the last payment was made by the corporate debtor on 28.02.2022, and thereafter a settlement proposal dated 31.07.2023 and a fresh One-Time Settlement ("OTS") letter dated 21.08.2025 were issued. On this basis, the Petitioner contends that the matter is well within limitation.

7.3 The Petitioner has placed reliance on the decision of the Hon'ble NCLAT, Chennai Bench in the matter of ***E.M. Najeeb Ellias Mohammed v. Union Bank of India, Company Appeal (AT)(CH)(Ins) No. 08 of 2024***, wherein it was held that an acknowledgment of liability by the principal borrower operates as acknowledgment on behalf of the guarantor, and that revival letters executed by the borrower bind the guarantor.

7.4 As stated, the Petitioner has duly served the notice for invocation of guarantee and notice as per form B of IBC, 2016 on the Respondents.

7.5 The Petitioner stated that pendency of appeal before the Hon'ble NCLAT against the commencement of CIRP of the principal borrower has no bearing, as liability of guarantor is co-extensive under Section 128 of the Contract Act, 1872 and proceedings can be initiated against guarantor independently. To substantiate the same the Petitioner placed reliance on the decision of ***BRS Ventures Investment Ltd. Vs. SREI Infrastructure Finance Ltd. (2024 ibclaw.in 170***

SC). A copy of the decision is placed on record as Exhibit-A2.

7.6 The Petitioner submitted that the Respondent was not deprived of opportunity, as he filed reply after release from custody on 26.03.2026 with sufficient time and seek recourse of the application. For the same, the Petitioner placed reliance on the decision of Hon'ble Supreme Court in the matter of ***Dilip B. Jiwrajka v. Union of India, Writ Petition (Civil) No.1281 and 2021 & Ors. (SC, 2023)***, wherein, it is held that Sections 95–100 IBC are constitutional and do not violate natural justice.

7.7 The Respondents stated that Section 99 requires meaningful opportunity at the stage of RP's examination. Being in judicial custody, he was incapable of responding to requisitions. Filing reply later does not cure denial of opportunity at the statutory stage.

7.8 The Petitioner submitted that the invocation notice dated 03.01.2026 was validly issued by its empanelled Advocate duly authorized by the Bank. There is no prohibition under the IBC or the Guarantee Agreement against issuance of invocation notice through an Advocate acting on instructions of the Bank. Reliance is placed on the decision in the matter of ***J.B. Tiwari v. Biostadt India Ltd. (NCLAT, 2018)***, wherein it was held that notices issued by counsel on instructions of the client cannot be disregarded. Clause 16 of the Guarantee Agreement expressly permits service of notice by physical delivery, fax, email, courier, or registered post. Hence, invocation is valid.

7.9 The Petitioner submitted that the invocation notice was duly served upon the Respondents by speed post, affixation at the last known address, and email. Under Clause 16 of the Guarantee Agreement, service at the last known address constitutes deemed service. The Hon'ble NCLAT in the matter of ***Paresh Rastogi v. Omkara Assets Reconstruction Pvt. Ltd. (2025)*** held that notices sent to the last known address are deemed valid service. The burden of updating address lies with the guarantor. Hence, service is complete and valid.

7.10 The Petitioner stated that the legal notice dated 29.12.2021 was a final recall notice addressed to the principal borrower and designated partner, not an invocation of guarantee. The only invocation of guarantee was made vide notice dated 03.01.2026. The Petitioner placed reliance on the decision in the matter of ***Siemens Financial Services Pvt. Ltd. v. Ravi Kumar Jain (2026 ibclaw.in 49 NCLAT)***, wherein it was held that contents and substance of notice determine whether it constitutes invocation. The notice dated 29.12.2021 did not contain any demand upon the Respondents in his capacity as guarantor. Hence, Respondent's reliance on the said notice is misconceived.

7.11 The Petitioner Bank submitted that the present petition has been filed well within the period of limitation prescribed under law. It is contended that the default date is 27.01.2026, being the date on which the guarantor failed to comply with the demand raised under the invocation notice dated 03.01.2026. The petition having been instituted on 03.03.2026 (physically filed on 06.03.2026) is therefore within three years from the said date of default, as contemplated under Article-137 of the Limitation Act, 1963, which applies to proceedings under the Insolvency and Bankruptcy Code, 2016.

8. The Petitioner further submits that the reliance placed by the Respondents on the legal notice dated 29.12.2021 for computation of limitation is wholly misconceived. The said notice was a recall notice addressed to the principal borrower and designated partner, and did not constitute invocation of the personal guarantee. The Respondent's contention that limitation commenced from 05.01.2022 is therefore untenable. The Petitioner emphasizes that only the invocation notice dated 03.01.2026, duly issued and served, constitutes valid invocation of the guarantee, and limitation must be reckoned from that date. Hence, the Petitioner asserts that the petition is filed within the statutory period of limitation and is liable to be admitted.

9. The Financial Creditor has relied upon the following documents to establish the existence of debt and default, which are as under: -

Sr. No.	Document / Particulars	Dates	Parties / Signatories	Purpose /Legal Effect
(a)	Sanction Letter with State Bank of India, along with Board Resolution of Corporate Debtor	07.04.2017	State Bank of India; Corporate Debtor (Board Resolution)	Sanction of credit facilities; authorization by Corporate Debtor's Board.
(b)	Guarantee Agreement, Agreement of Hypothecation-cum-Loan, and Memorandum of Title Deeds	07.04.2017 (Guarantee); subsequent execution dates	Mrs. Rupal Patel (Guarantor); Corporate Debtor	Creation of personal guarantee; hypothecation of assets; deposit of title deeds as security.
(c)	Revival Letter executed	24.11.2019	Mr. Manish Patel and Mrs. Rupal Patel	Acknowledgment of debt; extension of limitation period under Section 18 of Limitation Act.
(d)	Letter of Arrangement for increase in credit facilities to Rs.19.24 Crore	28.10.2020	Corporate Debtor and Guarantors	Enhancement of credit limits; continuation of guarantee obligations.
(e)	Statement of Accounts and Statement of Assets & Liabilities	Accounts as on 28.01.2026; Assets & Liabilities as on 31.07.2020	Corporate Debtor	Evidence of outstanding dues and financial position of borrower.

(f)	Loan Recall Notice and Demand Notice under SARFAESI Act, 2002 (Section 13(2))	Recall Notice: 29.12.2021; Demand Notice: 29.03.2022	Issued by SBI	Formal recall of loan; statutory demand under SARFAESI.
(g)	Notice of Invocation of Guarantee and OTS Letter	Invocation Notice: 03.01.2026; OTS Letter: 21.08.2025	Issued by SBI; Corporate Debtor	Invocation of personal guarantee; proposal for one-time settlement.
(h)	Demand Notice in Form B under Rule 7(1) of PG Insolvency Rules, 2019, with proof of service	30.01.2026	SBI to Personal Guarantor	Statutory demand notice initiating PG insolvency proceedings.
(i)	Public Notice declaring Personal Guarantors as wilful defaulters	25.03.2026	SBI	Public declaration of wilful default status.

10. The Respondents/Personal Guarantors also filed written submissions on 15.07.2026 vide inward diary no. D-5748 and no. D-5749, the submissions and judgment relied on by the Corporate Debtor are as follows: -

10.1 The Respondents/Personal Guarantors submitted that the application filed under Section 95 of the Insolvency and Bankruptcy Code, 2016 is not maintainable as it is barred by limitation. It was contended that the first demand notice invoking the personal guarantee was issued on 29.12.2021, granting 7 days for payment, and the alleged default arose on 05.01.2022. The application filed on 03.03.2026 was therefore stated to be beyond the prescribed period of limitation.

10.2 It was submitted that the subsequent notice dated 03.01.2026 could not create a fresh cause of action or extend the limitation period. According to the Respondents, the Financial Creditor had itself referred to the earlier notice dated 29.12.2021 and the SARFAESI demand notice dated 29.03.2022, showing that the guarantee had already been invoked and the liability had already arisen.

10.3 The Respondents contended that the notice dated 29.12.2021 contained all the essential elements of invocation of the personal guarantee, including reference to the loan and guarantee, demand upon the guarantor, and the decision of the Bank to initiate legal proceedings. It was submitted that the nature and contents of the notice determine its legal effect and not the title given to the document.

10.4 It was further submitted that there was no application for condonation of delay and no acknowledgement under Section 18 of the Limitation Act by the Personal Guarantor to extend the period of limitation. The Respondents stated that any settlement proposal made by the Corporate Debtor could not be treated as an acknowledgement on behalf of the Personal Guarantor.

10.5 The Respondents submitted that the Report under Section 99 of the Code did not examine the issues relating to debt, default, invocation of guarantee and limitation. It was contended that the Resolution Professional only recorded conclusions without considering the effect of the first demand notice dated

29.12.2021 and, therefore, the report did not satisfy the requirement of Section 99(6) of the Code.

10.6 It was further submitted that the alleged invocation notice dated 03.01.2026 was issued by an advocate and not by the Bank. According to the Respondents, no Board Resolution, Power of Attorney, Letter of Authority or other contemporaneous document authorising the advocate to invoke the guarantee on behalf of the Bank was placed on record.

10.7 The Respondents contended that the plea of the Financial Creditor that the advocate was empanelled and authorised was not supported by any documentary evidence. It was submitted that while the Bank had produced authorisation for filing the application under Section 95 of the Code, no similar authority existed for issuance of the demand notice dated 03.01.2026.

10.8 The Respondents submitted that the Resolution Professional also failed to verify whether the advocate issuing the notice was duly authorised. It was contended that the recommendation made in the report is only recommendatory in nature and the Adjudicating Authority is required to independently determine the existence of a legally enforceable debt and default under Section 100 of the Code.

10.9 The Respondents relied upon **Canara Bank Ltd. v. Saral Sunil Verma**, C.P. (IB) No. 207/MB/2025, decided by the National Company Law Tribunal, Mumbai Bench on **07.10.2025**, wherein it was held that in the case of an on-demand guarantee, limitation begins from the first valid invocation of the guarantee and a subsequent demand notice does not create a fresh cause of action or extend the limitation period.

10.10 The Respondents also relied upon **IDBI Trusteeship Services Ltd. v. Direct Media Distribution Ventures Pvt. Ltd.**, Company Appeal (AT) (Insolvency) No. 850 of 2023, National Company Law Appellate Tribunal, Principal Bench, New Delhi, wherein it was held that the date of default for a guarantor is governed by the terms of the guarantee and the relevant invocation of the guarantee, while considering the maintainability of insolvency proceedings.

10.11 The Respondents further relied upon **Piramal Capital and Housing Finance Ltd. v. Township Developers India Ltd., 2023 ibclaw.in 883 NCLT**, in support of the contention that compliance with the contractual requirements for invocation of the guarantee and proof of proper authorisation are relevant for determining the existence of a legally enforceable debt and default before admission of proceedings under the Code.

10.12 In view of the above submissions, the Respondents sought rejection of the application under Section 95 of the Insolvency and Bankruptcy Code, 2016 under Section 100 of the Code, disregard of the recommendation made in the Section 99 Report, and discharge of the Personal Guarantor from the insolvency resolution process.

11. We have heard the Ld. Counsel for the Petitioner–Financial Creditor, the Ld. Sr. Counsel for the Respondents/Personal Guarantors and the Ld. Counsel for the Interim Resolution Professional. We have also perused the Company Petition, Reply, Rejoinder, Report submitted under Section 99 of the Insolvency and Bankruptcy Code, 2016, the written submissions and the documents placed on record. Upon consideration of the rival pleadings and submissions, the following **issues** arise for determination: -

(i) **Issue No.1;** Whether the application under Section 95 of the Insolvency and Bankruptcy Code, 2016 is maintainable?

(ii) **Issue No.2;** Whether the invocation of the Personal Guarantee dated 03.01.2026 is valid and in accordance with law?

(iii) **Issue No.3;** Whether the present application is within the prescribed period of limitation?

(iv) **Issue No.4;** Whether the Report of the Interim Resolution Professional under Section 99 of the Insolvency and Bankruptcy Code, 2016 suffers from any infirmity affecting the present proceedings?

(v) **Issue No.5;** Whether the Financial Creditor has established debt and default warranting admission of the application under Section 100 of the Insolvency and Bankruptcy Code, 2016?

12. Findings on Issue No. (1): Whether the application under Section 95 of the Insolvency and Bankruptcy Code, 2016 is maintainable?

10.1 Tribunal has thoroughly analysed the Company Petition filed on 06.03.2026, the IRP report filed through I.A. No.546/NCLT/AHM/2026, the Reply filed by Respondents on 07.07.2026, the Rejoinder filed by Financial Creditor on 24.06.2026, and written submission. The application is filed in the prescribed form under Section 95(1) of IBC read with Rule 7(2) of the Personal Guarantor Rules, 2019. It contains all necessary particulars and documents as required under the IBC, 2016 and NCLT Rules, 2016.

10.2 The Deed of Guarantee dated 07.04.2017 (Annexure-A to CP) and the further Deed of Guarantee dated 24.11.2019 (Annexure-B to CP) establish the Respondent's personal guarantee for the credit facilities granted to the Corporate Debtor. The Financial Creditor is duly authorised vide letter dated 02.01.2026 (Annexure to CP). The application satisfies the basic requirements of Section 95 IBC and is not barred at the threshold.

10.3 The IRP report dated 28.03.2026 (Annexure to I.A. No.546) recommends admission after due examination under Section 99 IBC. The Respondents raised procedural objections regarding opportunity of hearing.

These objections have been analysed in light of the fact that the Respondents filed a detailed Reply and was fully heard. The process under Sections 95 to 100 IBC is constitutional and does not violate principles of natural justice as held by the Hon'ble Supreme Court in *Dilip B. Jiwrajka v. Union of India*, Writ Petition (Civil) No.1281 of 2021 (decided in 2023).

10.4 The Respondent's contentions regarding maintainability based on alleged defects in invocation and limitation have been considered in detail. The pleadings and annexures of both sides show sufficient material for adjudication on merits. Pendency of appeal before Hon'ble NCLAT against CIRP of the Corporate Debtor does not affect maintainability of proceedings against the Personal Guarantor.

10.5 The Financial Creditor has placed on record the sanction letter dated 07.04.2017 (Annexure-C to CP) and supplemental arrangement letter dated 28.10.2020 (Annexure-E to CP). These documents support the existence of underlying debt. After comprehensive analysis of all pleadings, annexures, provisions of IBC 2016, Rules and Regulations, the application is found maintainable.

10.6 In view of the above detailed analysis, this Tribunal holds that the Company Petition under Section 95 of the IBC is maintainable and deserves consideration on merits. No ground exists to reject the application at the threshold stage.

13. **Findings on Issue No. (2):** Whether the invocation of the Personal Guarantee dated 03.01.2026 is valid and in accordance with law?

11.1 Tribunal has carefully examined the pleadings of both sides, including the Company Petition filed on 06.03.2026, Reply dated 07.07.2026, Rejoinder dated 24.06.2026, and written submission. The invocation notice dated 03.01.2026 was issued by the empanelled Advocate on instructions of the State Bank of India. The Deed of Guarantee dated 07.04.2017 (Annexure-A to CP) does not prohibit issuance of notice through authorised counsel.

11.2 Notices issued by counsel on behalf of the Bank are legally valid as held by the Hon'ble NCLAT in *J.B. Tiwari v. Biostadt India Ltd.* (NCLAT, 2018) that notices by counsel on client instructions cannot be disregarded. The Respondent's objection regarding lack of specific authorisation for the Advocate has been analysed and found untenable in view of the Bank's empanelment and overall authorisation letter dated 02.01.2026 (Annexure to CP).

11.3 Issuance of a demand notice through an Advocate acting on instructions of the Bank is a recognized mode of communication in law. Unless the contract expressly prohibits such mode or the notice is shown to have been issued without authority, the mere fact that the notice bears the signature of the Advocate does not invalidate invocation.

11.4 Service of the invocation notice was effected by email on 17.01.2026 and by speed post to the last known address. This constitutes valid service as per Clause 17 of the Deed of Guarantee dated 07.04.2017 (Annexure-A to CP). The Hon'ble NCLAT in *Paresh Rastogi v. Omkara Assets Reconstruction Pvt. Ltd.* (NCLAT, 2025) held that service at the last known address amounts to deemed service and the burden to update address lies on the guarantor.

11.5 The Respondent's claim of being in judicial custody from 12.01.2026 to 26.03.2026 was considered. However, service by multiple modes to the address provided in the guarantee deed remains valid. The notice dated 29.12.2021 (Annexure to Rejoinder) was a recall notice addressed to the Corporate Debtor and did not constitute invocation of the personal guarantee.

11.6 The contents and substance of the notice dated 03.01.2026 clearly invoke the guarantee and demand payment from the Respondents. This satisfies the requirements of the guarantee deed and provisions of the IBC, 2016. The Respondent's reliance on decisions such as *SBI vs. Deepak Kumar Singhania,* Company Appeal (AT) (Insolvency) No.191 of 2025 and *Pooja*

Ramesh Singh vs. State Bank of India, Company Appeal (AT) (Insolvency) No.329 of 2023 have been analysed and distinguished on facts.

11.7 After elaborate consideration of all pleadings, annexures, applicable provisions of IBC 2016, Indian Contract Act, 1872, and cited precedents, this Tribunal holds that the invocation of the personal guarantee vide notice dated 03.01.2026 is valid and in accordance with law.

14. Findings on Issue No. (3): Whether the present application is within the prescribed period of limitation?

12.1 This Tribunal has meticulously analysed the pleadings of the Financial Creditor, the Reply of the Respondents dated 07.07.2026, the Rejoinder dated 24.06.2026, and written submissions filed on 12.07.2026. The default by the Personal Guarantor occurred on 27.01.2026 upon failure to comply with the invocation notice dated 03.01.2026. The Company Petition was filed on 06.03.2026 which is well within the period of three years prescribed under Article 137 of the Limitation Act, 1963.

12.2 The revival letter dated 29.07.2019 executed by the guarantors (Annexure-D to CP) and the letter of arrangement dated 28.10.2020 (Annexure-E to CP) constitute valid acknowledgments of liability under Section 18 of the Limitation Act. These acknowledgments extend the period of limitation. The last payment made on 28.02.2022 further supports extension of limitation.

12.3 The Hon'ble NCLAT in E.M. Najeeb Ellias Mohammed v. Union Bank of India, Company Appeal (AT)(CH)(Ins) No.08 of 2024 held that an acknowledgment of liability by the principal borrower operates as acknowledgment on behalf of the guarantor. The Respondent's contention that limitation started from 05.01.2022 based on the notice dated 29.12.2021 (Annexure to Rejoinder) is not sustainable.

12.4 The notice dated 29.12.2021 was a recall notice addressed to the Corporate Debtor and did not invoke the personal guarantee of the Respondents. The valid invocation occurred only on 03.01.2026. The decisions relied upon by the Respondents such as Canara Bank Ltd. vs. Saral Sunil Verma, C.P. (IB) No. 207/MB/2025 and IDBI Trusteeship Services Ltd. vs. Direct Media Distribution Ventures Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 850 of 2023 have been considered and distinguished on facts.

12.5 The Financial Creditor has placed on record the statement of accounts as on 28.01.2026 (Annexure-G to CP) and OTS correspondence which demonstrate continuing acknowledgment. After detailed analysis of all annexures, pleadings, provisions of IBC 2016, Limitation Act, 1963 and the precedents cited by both sides, the application is found to be filed within the prescribed period of limitation.

12.6 In view of the comprehensive reasoning and analysis, this Tribunal holds that the present application under Section 95 of the IBC is not barred by limitation.

15. Findings on Issue No. (4): Whether the Report of the Interim Resolution Professional under Section 99 of the Insolvency and Bankruptcy Code, 2016 suffers from any infirmity affecting the present proceedings?

13.1 This Tribunal has carefully analysed the IRP report dated 28.03.2026 filed through I.A. No.546/NCLT/AHM/2026, the Reply of the Respondents dated 07.07.2026, the Rejoinder dated 24.06.2026, and written submissions of all parties. The IRP examined the application under Section 99 of the IBC after considering the Company Petition and its annexures. The report contains specific findings on debt, default, guarantee and invocation.

13.2 The Respondents contended that he was deprived of meaningful opportunity due to judicial custody from 12.01.2026 to 26.03.2026. This grievance has been considered. The Respondents was able to file a detailed Reply on 07.07.2026 after release and was granted full opportunity of hearing. The statutory process under Section 99 IBC was duly followed.

13.3 The Hon'ble Supreme Court in Dilip B. Jiwrajka v. Union of India, Writ Petition (Civil) No.1281 of 2021 (decided in 2023) held that the mechanism under Sections 95 to 100 of the IBC is constitutional and does not violate principles of natural justice. The IRP report is recommendatory in nature and this Tribunal has independently evaluated all issues on merits.

13.4 It is settled that the Report under Section 99 is recommendatory in nature and does not bind the Adjudicating Authority. The Adjudicating Authority is required to independently examine the existence of debt, default and compliance with the statutory requirements before passing an order under Section 100.

13.5 The Form-B demand notice dated 30.01.2026 (Annexure-F to CP) and other documents were examined by the IRP. The Respondent's objections regarding the report have been analysed in light of the pleadings and annexures on record. No procedural violation that vitiates the report is found.

13.6 The IRP's recommendation for admission is supported by verification of documents including the Deed of Guarantee dated 07.04.2017 (Annexure-A to CP) and Deed dated 24.11.2019 (Annexure-B to CP). After elaborate consideration of all sides, the report does not suffer from any material infirmity affecting the proceedings.

13.7 In view of the detailed analysis of pleadings, annexures, provisions of IBC 2016 and relevant precedents, this Tribunal holds that the Report of the Interim Resolution Professional under Section 99 of the IBC is valid and does not suffer from any infirmity.

16. Findings on Issue No. (5): Whether the Financial Creditor has established debt and default warranting admission of the application under Section 100 of the Insolvency and Bankruptcy Code, 2016?

14.1 This Tribunal has thoroughly examined the Company Petition filed on 06.03.2026, IRP report in I.A. No.546/NCLT/AHM/2026, Reply dated 07.07.2026, Rejoinder dated 24.06.2026, and written submissions of all parties. The Financial Creditor has proved the outstanding debt of Rs.41,50,71,913.02 as on 28.01.2026 through the statement of accounts (Annexure-G to CP) and NeSL authentication (Annexure-H to CP). The debt is duly registered with the Information Utility.

14.2 The Deed of Guarantee dated 07.04.2017 (Annexure-A to CP) and Deed dated 24.11.2019 (Annexure-B to CP) establish the Respondent's personal guarantee liability. Default occurred on 27.01.2026 after non-compliance with the valid invocation notice dated 03.01.2026 and Form-B demand notice dated 30.01.2026 (Annexure-F to CP). No evidence of repayment was provided despite requisitions under Section 99(2) IBC.

14.3 The Respondent's objections regarding invocation, service and limitation have been analysed in detail in the preceding issues and found not sustainable. The Financial Creditor has established a legally enforceable debt and occurrence of default as required under Section 100 of the IBC.

14.4 The sanction letter dated 07.04.2017 (Annexure-C to CP) and supplemental letter dated 28.10.2020 (Annexure-E to CP) corroborate the underlying credit facilities extended to the Corporate Debtor. After comprehensive consideration of all pleadings and annexures, the existence of debt and default stands proved.

14.5 The decisions relied upon by the Respondents including Canara Bank Ltd. vs. Saral Sunil Verma, C.P. (IB) No. 207/MB/2025 and IDBI Trusteeship Services Ltd. vs. Direct Media Distribution Ventures Pvt. Ltd., Company Appeal (AT) (Insolvency) No. 850 of 2023 have been considered and distinguished on facts. The precedents cited by the Financial Creditor support admission of the application.

14.6 In view of the elaborate analysis of all pleadings, annexures, provisions of the IBC 2016, Rules and Regulations, and applicable precedents, this Tribunal holds that the Financial Creditor has successfully established debt and default warranting admission of the application under Section 100 of the IBC.

17. Based on findings on all issues, this Tribunal is satisfied that the Financial Creditor has made out a case for admission of the Company Petition. All objections raised by the Respondents are either procedural in nature or relate to collateral disputes and do not affect the existence of debt, default or enforceability of guarantee.

18. Thus, the Tribunal is satisfied that the Petitions under Section 95 of the Code are complete, the debt and default are established, the guarantee has been validly invoked, and the statutory requirements under Sections 95 to 99 of the Code and the relevant Rules have been duly complied with. Further, the application is also found to be within the period of limitation as prescribed under Article 137 of the Limitation Act, 1963.

19. Further, the default exceeds Rs.1,00,00,000 as required under Section 4(1) read with Section 78 of the Insolvency and Bankruptcy Code 2016 as held in ***Mudraksh Investfin Pvt. Ltd. v. Gursev Singh (2025) ibclaw.in 323 NCLAT***, wherein it was clarified that the threshold limit for initiating proceedings against a Personal Guarantors is Rs. 1 Crore.

20. Accordingly, in exercise of powers under Section 100 of the Insolvency and Bankruptcy Code, 2016, the Company Petitions filed by the Financial Creditor under Section 95 of the Insolvency and Bankruptcy Code, 2016 are hereby admitted under Section 100 of the Code for initiation of Insolvency Resolution Process against the Respondents/Personal Guarantors.

21. In terms of Section 101 of the Code, a moratorium shall commence from the date of this order and shall cease to have effect at the end of the period of 180 days or upon approval of the repayment plan under Section 114, whichever is earlier.

22. During the moratorium period, the following provisions shall be in effect: -

(i) pending legal actions in respect of any debt are stayed;

(ii) creditors shall not initiate legal actions in respect of any debt;

(iii) the debtor shall not transfer, alienate, encumber, or dispose of assets or rights;

(iv) provisions do not apply to notified transactions by the Central Government

23. Upon admission of the Petitions, **CA Rahul Shah** (IBBI Reg. No. IBBI/IPA-001/IP-P-02170/2020-21/13367), (**E-mail ID**: carahulnshah@gmail.com) who was appointed as Interim Resolution Professional under Section 97 of the Code, shall continue to act as the Resolution Professional for conducting the insolvency resolution process of the Personal Guarantors in accordance with the provisions of Chapter III of Part III of the Code. The Resolution Professional shall: -

(i) cause a public notice of the commencement of insolvency resolution process to be published in accordance with Section 102 of the Code;

(ii) publish in one English and one vernacular newspaper with wide circulation in the state where the debtor resides, affix the notice in the premises of the Adjudicating Authority;

(iii) ensure the public notice is also affixed in the premises of this Adjudicating Authority as per Section 102(3)(b);

(iv) prepare a list of creditors under Section 104 within 30 days from the date of admission;

(v) assist debtor in preparing repayment plan under Section 105, including justifications, RP fees, etc.;

(vi) submit a repayment plan and report under Section 106 within 21 days from claim submission;

(vii) if a meeting is recommended, specify details under Section 106(3), including the date and time of such meeting, which shall not be less than 14 days or more than 28 days from the date of submission of the report under Section 106(1), with at least 14 days' notice under Section 107(2)

(viii) conduct a meeting under Sections 108-111;

(ix) prepare a meeting report under Section 112 and submit to the Tribunal with copies;

(x) perform duties under Section 208;

24. The Registry is directed to communicate a copy of this order to the Petitioner/FC, Respondents/Personal Guarantors and the Resolution Professional within three working days. The order shall be uploaded on the website of this Tribunal forthwith.

25. In terms of the above, CP(IB) No. 96/NCLT/(AHM)/2026, CP(IB) No. 98/NCLT/(AHM)/2026 filed under Section 95(1) of the IBC, 2016 are ***admitted*** and the Insolvency Resolution Process stands initiated against the Respondents/Personal Guarantors. Accordingly, IA/546(AHM) 2026 & IA/545(AHM) 2026, stand disposed of in the above terms.

-Sd-

SANJEEV SHARMA
MEMBER (TECHNICAL)
Alpesh (PS)

-Sd-

SHAMMI KHAN
MEMBER (JUDICIAL)