



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

C.P. (IB) NO. 798/MB/2024

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

Indian Bank, erstwhile Allahabad Bank

...Applicant/Financial Creditor

Versus

Anoop Kumar Wadhera

...Respondent/Personal Guarantor

Order pronounced on 09.03.2026

Coram:

Sh. Prabhat Kumar
Hon'ble Member (Technical)

Sh. Sushil Mahadeorao Kochey
Hon'ble Member (Judicial)

Appearances:

For the Financial Creditor
For the Personal Guarantor

: Adv. Vaishali Bhilare
: Adv. Feroze Patel a/w Adv.
Ruchi Kakkad



Brief Facts: -

1. The present Petition is filed on 18.3.2024 u/s 95(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “**IBC**”) r/w Rule 7 (2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rules, 2019 by **Indian Bank** (hereinafter referred to as “**Financial Creditor**”) for the purpose for initiating Insolvency Resolution Process against **Anoop Kumar Wadhera** (hereinafter referred to as “**Personal Guarantor**”) for default of Rs. 285,77,12,041/- (Rupees Two Hundred Eighty Five Crore Seventy Seven Lakhs Twelve Thousand Forty One only). The Date of Default as specified in Part III of the present Petition is 10.03.2019 for the Personal Guarantor. The present Petition is filed on 18.03.2024.
2. The Financial Creditor, Indian Bank having its office at Stressed Asset Management Branch, 1st Floor, Main Branch Hazratganj Lucknow. The present Petition has been filed through its Authorized Signatory Mr. Ratan Anand.
3. The Personal Guarantor, viz. **Anoop Kumar Wadhera** having her address at RIO H. No 9/1 Sarvapriya Vihar New Delhi-110016 is the Personal Guarantor for **Frost International Limited** (hereinafter referred to as the “**Corporate Debtor**”) who stood as Personal Guarantor for the loan facility extended to the Corporate Debtor.
4. The Corporate Debtor Frost International Limited is a public limited company bearing CIN U05001MH1995PLC243081,



incorporated on 17.05.1995 and having its registered office at 709 C wing, One BKC, near Indian Oil Petrol Pump Bandra Kurla Complex, Bandra East Mumbai - 400051. It has authorized share capital of Rs.1,00,00,00,000/- & paid-up share capital of Rs.74,92,62,120/-.

5. This Tribunal, vide order dated 15.10.2025 passed in IA (I.B.C.)/3676/2025, allowed the Financial Creditor to amend the Company Petition, whereby the date of default was amended from 10.03.2019, as mentioned in Part III of the application, to 04.07.2018. The said order was challenged before the Hon'ble NCLAT and was upheld vide order dated 05.01.2026 passed in Company Appeal No. 2043/2025, wherein the amendment to the Company Petition was allowed; however, this Tribunal was directed not to consider the issuance of the letter dated 04.07.2018 as a notice invoking the guarantee. The relevant portion of the Hon'ble NCLAT Order is as follow:

“Adjudicating Authority after hearing the parties observed that it is open for the parties to bring additional material on record and on that ground the application was allowed. In so far as the order allowing the application permitting the bank to amend the petition; we do not find any error. However, in view of the submission of the appellant which is supported from the material that appellant never admitted the issuance of notice dated 04.07.2018, the Adjudicating Authority shall not treat issuance of notice on 04.07.2018 admitted by the appellant and on the question of limitation it shall be open for the parties to address their submission.”

Submission by the Financial Creditor.

6. The Financial Creditor had sanctioned packing credit facilities of



Rs. 9 Crore and FCL Credit Limits of Rs. 290 Crores and exposure for forward contract @ 5% of the assessed forward credit facility limit of Rs 580 crores where in the share of Financial creditor is Rs 29 crores. Thus, a total limit of Rs 328 crores against the total exposure of Rs 4047 crores under the Consortium with other banks against hypothecation of stocks and on the terms and conditions contained, in the Sanction Letter dated 15.12.2016 and on execution of relevant Security Documents under Consortium.

7. The repayment of the aforesaid facilities was secured *inter alia* amongst other securities by the Personal Guarantor(s), including the Respondent herein, who had jointly executed the deed of guarantee ("**Deed of Guarantee**") dated 12.05.2014.
8. Since, the principal borrower failed to repay the credit facilities in accordance with terms of sanction, the account was classified as NPA on 30.06.2018. Consequently, a notice dated 4.7.2018 under Section 13 (2) of the Securitization & Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002 ("**SARFAESI**") was issued upon the guarantor(s), including respondent herein, calling upon each one of them to pay in terms of Para 7 thereof the loan amount due under the facilities from the Corporate Debtor within 60 days of the date of notice. Thereafter, another notice dated 19.11.2018 was issued under Section 13 (2) of the Securitization & Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002. Further, a letter dated 10.03.2019 was issued by the Advocate on behalf of the applicant creditor calling upon the Principal Borrower and Guarantor(s), including respondent herein, to pay the amount



due from Corporate Debtor within 7 days from the date of notice.

9. A statutory demand notice dated 22.11.2023 in form B was issued by the Financial Creditor upon the Personal Guarantor(s) under the provisions of the Code, read with Rule 7 (1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rule, 2019.
10. Since the Personal Guarantor has not repaid the default amount within fourteen days of receipt of the demand notice, the present Petition is being filed by the Financial Creditor seeking the initiation of insolvency resolution process against the Personal Guarantor.

Submission of the Resolution Professional:

11. The Tribunal appointed the Resolution Professional Mr. Anuj Kumar Tiwari vide order dated 18.11.2024 and directed him to file his report under Section 99 of the Code within 10 days. The Resolution Professional filed IA (I.B.C)/1408/MB/2025 thereby placing his report cum application on record recommending the admission of the present application.
12. Prior to filing of said report, the Resolution Professional had sent an email dated 28.11.2024 to the Personal Guarantor seeking information/documents for any repayment made for the debt claimed as unpaid by the creditor, however, the Personal Guarantor didn't response to the said the notice for the information under section 99 of Insolvency and Bankruptcy Act 2016 till the date of submission of RP report i.e. 20th January



2025.

13. The relevant portion of the RP report is reproduced as under:

Recommendation:

After examination of the application under sub section (6) of section 99, I hereby recommend for acceptance of the application filed U/S 95 of the Insolvency & Bankruptcy Code, 2016 for commencement of Insolvency Resolution Process against Mr. Anoop Kumar Wadhera Personal Guarantor of Corporate Debtor frost International Limited (Under CIRP).

Submission by the Personal Guarantor/Resolution Professional:

14. The Personal Guarantor has filed a reply wherein he has disputed and denied all the allegations, submissions, averments, contentions, and legal inferences made by the Applicant Bank in the Company Petition, except those specifically admitted. It has been contended that the Petition is replete with inaccuracies, unilateral assertions, omissions of material facts, and untenable legal assumptions. The Personal Guarantor has further denied all liabilities, debts, and obligations alleged to arise out of or in connection with the purported Deeds of Guarantee, sanctions, credit arrangements, or invocations relied upon by the Petitioner Bank. Further, the Personal Guarantor has submitted that the alleged invocation of the guarantee was issued on or after 10.03.2019, followed by a purported demand notice dated 22.11.2023 under Rule 7(1) of the IBC.

Findings and Analysis

15. We have heard the learned counsel for both the parties and have duly perused the documents on record as well as the report of the Resolution Professional.



16. The present petition was initially filed on the basis of default having taken place on 10.3.2019 pursuant to notice issued by the Advocate on behalf of the applicant creditor calling upon the Principal Borrower and Guarantor(s), including respondent herein, to pay the amount due from Corporate Debtor within 7 days from the date of notice. Prior to this, the Applicant creditor claimed to have issued a notice dated 04.07.2018 and notice dated 19.11.2018 u/s 13(2) of the SARFAESI Act, 2002 requiring the guarantors, including the respondent herein, to pay the amounts due from Corporate Debtor within 60 days from date of notice. On basis of this, the Applicant Financial Creditor sought amendment of the Company Petition for change of the date of default from 10.03.2019 to 04.07.2018, which was allowed by this Tribunal vide order dated 15.10.2025 passed in IA (I.B.C.) No. 3676/2025. The said order was challenged before the Hon'ble NCLAT and was partially upheld vide order dated 05.01.2026 passed in Company Appeal No. 2043/2025, while specifically directing this Tribunal not to consider the notice dated 04.07.2018 as a notice invoking the guarantee. In view of the said direction of the Hon'ble NCLAT, the present petition is proceeded on proposition that the guarantee executed by personal guarantor was not invoked pursuant to notice dated 04.07.2018.
17. It is noted that the petitioner has not placed on record the proof of service of notice dated 18.11.2018 issued under SARFAESI Act, whereby also the principal borrower as well as Guarantors were called upon to pay the outstanding amounts within 60 days from date of notice. However, it is relevant to note para 15 of reply dated 10th June, 2025 filed by Personal Guarantor, which



reads as follows *“Furthermore, the Bank appears to have acted under SARFAESI on 19.11.2018, which constitutes an alternative and parallel remedy, and it is unclear what portion, if any, of the alleged outstanding amount stands recovered. No disclosure has been made by the Bank as to the outcome of SARFAESI proceedings, enforcement of security, or recovery from hypothecated or charged assets. In the absence of such disclosure, the invocation of a personal guarantee is premature, oppressive, and inequitable.”* It is noted that the Respondent has not denied the service of said notice, thus rendering presumption of valid service there upon the Respondent. Nonetheless, there is no dispute in relation to service of letter dated 10.03.2019 whereby this Guarantee also stands invoked. Both of these invocations are prior to the issuance of Statutory Demand Notice. has been proceeded with on the basis of the original date of default, i.e., 10.03.2019, as mentioned in the petition prior to amendment.

18. The Respondent has submitted that he was not involved in the financial or operational management of the Corporate Debtor, and that his role was limited to legal and liaison matters. He has contended that he signed the personal guarantee under pressure linked to family property, without fully understanding the nature or extent of liability, and has denied knowledge of sanction, enhancement, or restructuring of the Bank’s facilities. However, the Tribunal observes that mere ignorance of law or lack of involvement in company affairs does not absolve a personal guarantor of liability, and the allegations of mismanagement or fraudulent conduct against the Bank are not supported by any credible or admissible evidence. Accordingly, these submissions



cannot, by themselves, provide a legally sustainable defence to the claims of the Financial Creditor.

19. The Respondent has also contended that the Audited Financial Statements for the year ended 31.3.2020 placed on record by the Applicant vide its additional affidavit cannot be considered for determination of limitation issue. It is trite that the parties can not be barred from placing any additional document to substantiate their case during the course of proceedings. Indubitably, the said additional affidavit was placed on record before the arguments in the matter were concluded and the Respondent was also allowed to file its additional reply to the amendment to the RP's Report drawn on basis of the additional evidence(s) brought on record. Accordingly, we do not find any merit in this contention as well.

20. The clause 1 of the Deed of Guarantee dated 12.05.2014 as under:-

.....

1. If at any time default shall be made by the Borrower in payment of the principal sum (not exceeding Rs 3236 crores. (Rupees Three thousand two hundred and thirty six crores only) together with interest, costs, charges, expenses and/or other money for the time being due to the Lead Bank in respect of of under the abovementioned credit facilities or any of them the Guarantors shall forthwith on demand pay to the Lead Bank the whole of such principal sum (not exceeding Rs 3236 crores. (Rupees three thousand two hundred and thirty six crores only) together with interest, cost, charges, expenses and/or any other money as may be then due to the Lead Bank in respect of the abovementioned credit



facilities and shall indemnify and keep Indemnified the Lead Bank against all losses of the said principal sum, interest or other money due and all costs, charges and expenses whatsoever which the Lead Bank may incur by reason of any default on the part of the Borrower.

.....

21. In terms of the aforesaid clause, the said guarantee(s) is an on-demand guarantee and the obligation of guarantor arises on demand from the lender calling upon the Guarantor to pay. As noted above, the said guarantee stood invoked pursuant to notice dated 18.11.2018, if the earlier notice dated 4.7.2018 is not taken into consideration as ordered by Hon'ble NCLAT.
22. Further, the Financial Creditor, vide Letter dated 10.03.2019 issued by advocate Mr. Kush Saxena, required the Corporate Debtor and the Personal Guarantor(s), including the Personal Guarantor herein, to pay the outstanding dues within 7 days from the date of receiving said notice, which is acknowledged having received by the Personal Guarantor in his affidavit in reply dated 10th June, 2025 at para 14. Accordingly, the said letter also constitutes a valid invocation.
23. It is well settled that an invocation of an on-demand guarantee, once made in accordance with the terms therefore, imposes an immediate and binding liability on the guarantor to pay the outstanding dues on demand.
24. It is not in dispute that the amount in default as stated in these notice(s) was not paid by the noticee(s) and the amount stated in the present Petition is still due from the Corporate Debtor as well as the Personal Guarantor(s).
25. Further, the audited financial statements for the year ended on



- 31.3.2020 signed by the directors of the Corporate Debtor on 19.11.2022 acknowledges the loans due to the Applicant creditor in terms of Note No. 17 and Note No. 21 read with Note 1 below Note No. 21 where the name of the Applicant creditor is stated as lender.
26. It is trite law that the liability of guarantor is co-extensive with the liability of the principal borrower, and any liability acknowledged in the Books of Account of the Corporate Debtor constitute valid acknowledgement for extending the limitation as held in case of *Asset Reconstruction Company (India) Ltd. v. Tulip Star Hotels Ltd. & Ors.*, (2022) *ibclaw.in* 94 SC. Accordingly, the acknowledgement in financial statement of corporate debtor binds the personal guarantor, and the limitation period shall stand extended.
27. Now, in the present case the Guarantee stood invoked pursuant to notice dated 18.11.2018 and thereafter on 04.02.2019. Though there is no express denial of service of notice dated 18.11.2018 from the Respondent, however we consider it appropriate to deal with the limitation aspect in both the scenario.
28. The period from 15.03.2020 to 28.02.2022 is to be excluded in view of decision in the case of *Suo Moto WP (Civil) No. 3 of 2020*, as further explained in the decision in case of *M/s Arif Azim Co. Ltd. Vs M/s Aptech Ltd. (2004) 3 S.c.R. 73: 2004 INSC 155, holding at Para 84 that* “the effect of the above-referred order of this Court in the fact of the present case is that the balance limitation left on 15.03.2020 would become available w.e.f. 01.03.2022. The balance period of limitation remaining on 15.03.2020 can be calculated by computing the number of days between 15.03.2020 and 27.03.2021, which is the day when the limitation period would have come to an end under ordinary circumstances. The balance period thus comes to 1 year to 13 days. This period of 1 year 13 days become available to the Petitioner from



01.03.2022, thereby meaning that the limitation period available to the petitioner for invoking arbitration proceedings would have come to an end on 13.03.2023”.

29. As the Debt is acknowledged in the Financial Statement of Corporate Debtor for the year ended 31st March 2020, the limitation qua both the date of default shall get further extended from 31st March, 2020 as the date of acknowledgements falls within period of 3 years from each date of default.
30. In view of decision in Suo-moto Petition (Supra), the limitation period would stop to run from 15.3.2020 and shall again start running from 1.3.2022. Accordingly, the period from 31.3.2020 to 28.2.2022 shall stand excluded, consequently, the whole of three years shall be available afresh from 1.3.2022, which takes the limitation expiry to 28.2.2025. Accordingly, the present petition filed on 18.03.2024 is within Limitation.
31. The Financial Creditor issued a Demand notice dated 22.11.2023 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(s) to pay the unpaid debt in default.
32. Upon perusal of the documents on record, it is clearly established that the Corporate Debtor has committed default in repayment of loan amount granted by the Financial Creditor. Personal Guarantor(s) of Frost International Limited has also committed default in repayment of the loan demanded by the Financial Creditor after invocation of Personal Guarantee. The Petition filed by the Financial Creditor satisfies the requirement as set out



in Section 95 of the Code.

Order

33. Considering the above facts and circumstances and upon perusal of the documents on record, the C.P. (IB) / 798 / MB /2024 filed under Section 95 of the Code, hereby **Admitted** and the Insolvency Resolution Process stands initiated against Anoop Kumar Wadhera viz. the Personal Guarantor herein. We hereby direct as hereinafter:

- I. Initiate Insolvency Resolution Process against the Respondent/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 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. Having considered the submissions and upon perusing the above documents, this Bench is of the considered view that the present Company Petition is complete in all aspects as required by law and thus hereby appoints **Mr. Pramod Kumar Ramesh Ladda** having IBBI Registration No. **IBBI/IPA-02/IP-N00694/2018-2019/12148**, having address at 106, B wing Sr. No. 55 Sukhniwas 15th August Chowk Mangalwar Peth Pune 411011, Maharashtra E-Mail: info@csladda.com , csladdaji@gmail.com , mobile no. 9595271145, to act as the Resolution Professional in the matter of **Anoop Kumar Wadhera**, as the name of the Insolvency Professional has been suggested by the Petitioner herein.
- III. The Resolution Professional viz. Mr. Pramod Kumar Ramesh Ladda Insolvency Professional, having Registration No. IBBI/IPA-02/IP-N00694/2018-2019/12148, having address at 106, B wing Sr. No. 55 Sukhniwas 15th August Chowk Mangalwar Peth Pune 411011, Maharashtra E-Mail: info@csladda.com , csladdaji@gmail.com , mobile no. 9595271145, 7972422151 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 casted 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.



- IV. The Resolution Professional shall submit his periodic reports before this Tribunal as required under the IB Code or Regulations made thereunder.
- V. The Applicant is directed to deposit **INR 75,000/-** (Indian Rupees Seventy-Five Thousand) to the bank account of the Resolution Professional within **one 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.
- VI. 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 **seven** working days after the pronouncement of order.
34. It is further noted that a company petition C.P. (IB) 206 of 2025 is filed by another financial creditor, namely Central Bank of India, on 8.11.2024 seeking commencement of insolvency resolution process against the same personal guarantor in terms of section 95 read section 100 of the IBC. Since, this petition was filed after filing of present petition i.e. C.P. (IB) 798 & 2024, the C.P. (IB) 206 of 2025 is not maintainable as having been filed after commencement of moratorium in terms of section 96 of IBC, which bars initiation of any proceedings in relation to same debt. **Accordingly, the said company petition C.P. (IB) 206 of**



2025 is dismissed as not maintainable in view of bar in terms of section 96 of IBC by way of this order after having found that the insolvency resolution process is required to be commenced in terms of C.P. (IB) 798 & 2024 as noted in preceding paras. However, it is made clear that C.P. (IB) 206 of 2025 shall stand restored in case the insolvency resolution process in terms of C.P. (IB) 798 & 2024 initiated vide this order is set aside by the appellate authorities.

35. Ordered accordingly.

Sd/-

Prabhat Kumar

Member (Technical)

Ujwal

Sd/-

Sushil Mahadeorao Kochey

Member (Judicial)