

NATIONAL COMPANY LAW TRIBUNAL
COURT-V, MUMBAI BENCH

15. IA/2145/2025C.P. (IB)/1041(MB)2021

IN THE MATTER OF

STCI Finance Limited (through
Resolution Professional Mr. Rajendra R. Agrawal)
VS
Mr. Sanjay Laxmichand Karani

U/s 95(1) of the Insolvency and Bankruptcy Code, 2016

Order Delivered on 16.10.2026

CORAM:
SH. VINAY GOEL
MEMBER (J)

SH. CHARANJEET SINGH GULATI
MEMBER (T)

Appearance through VC/Physical/Hybrid Mode:

For the Petitioner:

For the Respondent:

ORDER

IA/2145/2025: The above IA is listed for pronouncement of the order. The same is pronounced in open court, vide a separate order.

Sd/-
VINAY GOEL
Member (Judicial)

//Rahul//

Sd/-
CHARANJEET SINGH GULATI
Member (Technical)

**NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH, V**

IA 2145 of 2025

&

CP (IB)/1041 (MB) OF 2021

Order under Section 100 of the Insolvency
and Bankruptcy Code, 2016

IN THE MATTER OF:

Mr. Hari Kishan Bhoklay

Having its address at:

905 E Raheja Residency,
Off General A. K. Vaidya Marg,
Malad East Mumbai – 400097

...Resolution Professional/ Applicant

AND IN THE MATTER OF:

STCI Finance Limited

Having its office at:

A/B1 – 802, A-Wing, 8th Floor,
Marathon Innova, Marathon Next Gen
Compound, Off Ganpatrao Kadam Marg,
Lower Parel(W), Mumbai – 400 013.

... Petitioner

Versus

Mr. Sanjay Laxmichand Karani

Having its Registered Address at:

Plot No.172, Anupam Building, 4th Floor,
Nathalal Parekh Road, Wadala (W),
Mumbai – 400 031.

...Respondent

Order Delivered on: 16.10.2026

Coram:

Sh. Vinay Goel
Member (Judicial)

Sh. Charanjeet Singh Gulati
Member (Technical)

Appearance through VC/Physical/Hybrid Mode:

For the Petitioner – Adv. Ayush Rajani a/w Adv. Mitali Bhatt i/b
AKR Legal (PH)

For the RP: Adv. Manish Jha (PH)

CP (IB). 1041 OF 2021

1. The present Petition is filed by **STCI Finance Limited** (Petitioner/Financial Creditor) under Section 95 of the Insolvency and Bankruptcy Code, 2016, (hereinafter referred to as "IBC, 2016") read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, seeking initiation of the Insolvency Resolution Process against Mr. Sanjay Laxmichand Karani (Respondent/Personal Guarantor), being the Personal Guarantor of M/s. Himadri Foods Limited (Corporate Debtor) for a default of a debt amounting to Rs. Rs.22,74,77,780/- [Rupees Twenty-Two Crore Seventy-Four Lakhs Seventy-Seven Thousand Seven Hundred and Eighty only] being sum due up to 20.07.2021 (including interest / additional interest). The date of default as specified in Part III of the present petition is on 06.07.2021.
2. It is submitted that the Corporate Debtor applied for a Corporate Term Loan on 27.10.2017, pursuant to which STCI Finance Limited, Petitioner, sanctioned a loan of Rs. 25 Crores vide Sanction Letter No.

STCI/CL/HFL/17-18/1207 dated 06.12.2017, as amended by the letter of Intent/Sanction Letter bearing Ref. No. STCI/CL/HFL/17-18/1207A dated 29.01.2018. A Loan Agreement was executed between the Petitioner and the Corporate Debtor on 02.02.2018. On the same date, Mr. Sanjay Laxmichand Karani and Ms. Hina Sanjay Karani executed Deed of Personal Guarantee in favour of STCI Finance Limited, Petitioner, to secure the financial assistance granted to the Corporate Debtor.

3. It is submitted that the Petition under Section 9 of the IBC, 2016, filed by the Operational Creditor, Pentaaleon Packaging LLP, before the NCLT, Mumbai Bench, Court-II, against the Corporate Debtor, M/s. Himadri Foods Limited, was admitted vide Order dated 09.12.2020, pursuant to which the Corporate Insolvency Resolution Process (CIRP) was initiated against the Corporate Debtor.
4. The account of the Corporate Debtor was classified as a Non-Performing Asset (NPA) on 05.01.2021.
5. It is submitted that the Petitioner, vide Notice No. STCI/CL/HFL/2021-22/96 dated 29.06.2021, invoked the guarantee and called upon the Respondent/Personal Guarantor, along with the other guarantor, to repay the outstanding amount of Rs. 22,40,48,753/- (Rupees Twenty-Two Crore Forty Lakh Forty-Eight Thousand Seven Hundred and Fifty-Three Only), due and payable as on 11.06.2021, within five (5) business days from the date of receipt of the said notice, pursuant to the recall of the loan and invocation of the personal guarantee.
6. Thereafter, the Petitioner issued a Demand Notice dated 23.07.2021 in Form B to the Respondent/Personal Guarantor under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate

Debtors) Rules, 2019 (“Rules, 2019”). The said notice was dispatched by Speed Post on 28.07.2021 and delivered to the Respondent/Personal Guarantor on 29.07.2021. In response thereto, the Respondent/Personal Guarantor, through his Advocate, submitted replies dated 03.08.2021 and 13.08.2021.

7. The Corporate Debtor as well as the Respondent/Personal Guarantor failed to repay the outstanding dues arising out of interest payments and loan repayments. Consequently, the present Petition has been filed seeking initiation of the insolvency resolution process against the Personal Guarantor of the Corporate Debtor.
8. The Petitioner filed an Additional Affidavit dated 19.07.2024 seeking a change of Resolution Professional and proposed Mr. Rajendra R. Agrawal (IBBI Registration No. IBBI/IPA-001/IP-P01209/2018-19/11923), who had initially consented to act as Resolution Professional. However, vide letter dated 09.07.2024, Mr. Rajendra R. Agrawal withdrew his consent due to health and personal issues. Accordingly, the Petitioner/Financial Creditor proposed Mr. Hari Kishan Bhoklay (IBBI Registration No. IBBI/IPA-003/IP-N00228/2019-2020/12696) as the Resolution Professional.

Report of the Resolution Professional

9. This Tribunal, vide order dated 24.01.2025, appointed Mr. Hari Kishan Bhoklay, having Insolvency Registration No. IBBI/IPA-003/IP-N00228/2019-2020/12696 as Resolution Professional in the matter and directed him to submit a report under Section 99 of the Code. The RP filed his report dated 14.02.2025 under Section 99 of the Code vide IA No. 2145 of 2025 wherein the RP in his report recommends the admission of the Petition on the following grounds:

No.	Requirements under Section 99 of IBC	Submissions of the Resolution Professional	Compliance with the requirements under Section 99 of IBC
1.	Sec 99 (1) The resolution professional shall examine application the referred to in section 94 section 95, as the case may be, within ten days of his appointment, and submit report to the Adjudicating Authority recommending for approval or rejection of the application.	The Resolution Professional examined the Application under Section 95 of IBC, along with the documents annexed thereto. The order dated 24th January, 2025 was uploaded on 04th February, 2025. Further, the Resolution Professional has received the statement of outstanding debt from the Financial Creditor on 14th February, 2025. Accordingly, the present report has been filed.	The Resolution Professional has received the statement of outstanding debt from the financial Creditor on 14th February, 2025. Accordingly, the present report has been filed.
2.	Section 99(2) Where the application has been filed under section 95, the resolution professional may require the debtor to prove repayment of the debt claimed as unpaid by the creditor by furnishing (a) evidence of electronic transfer of the unpaid amount from the bank account of the debtor; (b) evidence of encashment of a cheque issued by the debtor; or (c) a signed acknowledgment by the	The Resolution Professional had sent intimation under Section 99 (2) of IBC to the Personal Guarantor in hard copy by way of speed post on 10th February, 2025 and also by way of email on 13th February, 2025, to prove repayment of the debt as mentioned in the captioned Application. The copy of the tracking details is attached as (Annexure II colly)	YES The Resolution Professional had sent intimation to the Personal Guarantor, requiring to prove the repayment of the debt claimed. The intimation so sent sent by hard copy has been delivered successfully to personal guarantor. The Resolution Professional has been provided a copy of email dated 05th January, 2023, wherein the Financial Creditor has confirmed receipt of Rs. 15,46,76,924.91/-by way of

No.	Requirements under Section 99 of IBC	Submissions of the Resolution Professional	Compliance with the requirements under Section 99 of IBC
	creditor accepting receipt of dues.		approval of resolution plan of the Corporate Debtor. Further, vide an email dated 14th February, 2025, the Resolution Professional received a statement of outstanding debt from the financial creditor as on 10th February, 2025 amounts to Rs. 18,76,01,473/-including interest and other charges.
3.	Section 99 (3) Where the debt for which an application has been filed by a creditor 15 registered with the information utility, the debtor shall not be entitled to dispute the validity of such debt.	Yes. The Creditor vide email dated 10th February, 2025 has confirmed that the creditor has registered its claim with the information utility. (Annexure VI)	
4.	Section 99(4) For the purposes of examining an application, resolution the professional may seek such further information or explanation 172 connection with the application as may be required from the debtor or the creditor or any other person who, in the opinion of the resolution	The Resolution Professional sent the intimation through Speed Post on 10th February, 2025 to the Personal Guarantor seeking information about repayment to the Applicant. The same has been successfully delivered to the personal guarantor on 11th February, 2025.	YES The Resolution Professional has sought information from the applicant regarding repayment vide email dated 15th June, 2022 which was duly responded by the financial creditor on 06th February, 2025, 10th February, 2025 and 13th February, 2025. Copy of the email communications is enclosed as Annexure VII (Colly).

No.	Requirements under Section 99 of IBC	Submissions of the Resolution Professional	Compliance with the requirements under Section 99 of IBC
	professional, may provide such information.	The tracking details of Post Office is attached as (Annexure II Colly.) The Resolution Professional also sent an email to the financial creditor on 05th February, 2025 to seek additional documents which was duly responded by the financial creditor on 06th February, 2025, 10th February, 2025 and 13th February, 2025. Copy of the email communications is enclosed as Annexure VII (Colly).	
5.	Section 99(5) The person from whom information or is explanation sought under sub-section (4) shall furnish such information explanation or within seven days of receipt of the request.	The Financial Creditor has provided the required information to the Resolution Professional. The Intimation sent to the Personal Guarantor has been delivered to the guarantor on 11th February, 2025. The intimation has also been sent vide email dated 13th February, 2025 on the email addresses provided by the financial creditor and the email has not bounced back.	YES The Financial Creditor provided the requisite information within 7 days of the receipt of the request. The Intimation sent to the Personal Guarantor has been delivered to the guarantor on 11th September, 2025. The intimation has also been sent vide email dated 13th February 2025 on the email addresses provided by the financial creditor and the email has not bounced back.

No.	Requirements under Section 99 of IBC	Submissions of the Resolution Professional	Compliance with the requirements under Section 99 of IBC
6.	Section 99(6) The resolution professional shall examine the application and ascertain that- (a) the application satisfies the requirements set out in section 94 or 95; (6) the applicant has provided information and given explanation sought by the resolution professional under sub-section (4).	(a) The Resolution Professional has examined the Application and ascertained that the application satisfies the requirements set out in section 95 of the IBC. (b) The Applicant has provided information via email dated 06th February, 2025, 10th February, 2025 and 13th February, 2025 respectively as sought by the Resolution Professional.	YES The Resolution Professional has examined the application and ascertained that the Application satisfies the requirements set out in Section 95 of the IBC. The Applicant provided the requisite information sought by the Resolution Professional under Section 99(4) of IBC.
7.	Section 99(7) After of examination the application under sub-section (6), he may recommend acceptance or rejection of the application in his report.	Upon examination of the Application and annexures by the Resolution Professional, it is recommended that the Application may be accepted.	YES The Resolution Professional recommends that the Application may be accepted.
8.	Section 99(8) Where the resolution professional finds that the debtor is eligible for a fresh start under Chapter II, the resolution professional shall submit a report recommending that the application by the debtor under section 94 be treated as an application	The Application has not been filed under Section 94 of IBC.	NOT APPLICABLE

No.	Requirements under Section 99 of IBC	Submissions of the Resolution Professional	Compliance with the requirements under Section 99 of IBC
	under section 81 by the Adjudicating Authority.		
9.	Section 99(9) The resolution professional shall record the reasons recommending for the acceptance or rejection of the application in the report under sub-section (7).	The Resolution Professional examined the application, supporting documents thereto and the replies received from the applicant and record the Reasons for acceptance of the application: a) The Personal Guarantor has executed the Deed of Guarantee in favor of the Applicant. b) The Corporate Debtor and Personal Guarantors have defaulted in repayment of the outstanding debt, and CIRP was initiated and concluded against the Corporate Debtor. c) Demand Notice dated 23rd July, 2021 was issued to PG on 29th July, 2021. a d) As per the reply by the Applicant, the Applicant has received payment of Rs. 15,46,76,924.91/-as per the approved Resolution Plan of the Corporate Debtor against its total	YES Based on the reasons recorded in the application and report, the Resolution Professional recommends for the acceptance of the application.

No.	Requirements under Section 99 of IBC	Submissions of the Resolution Professional	Compliance with the requirements under Section 99 of IBC
		outstanding debt of Rs. 22,74,77,780/-(Rupees Twenty-Two Crore Seventy-Four Lakh Seventy-Seven Thousand Seven Hundred and Eighty Only) as on 20th July, 2021. Hence, an amount of Rs. 18,76,01,473/as on 10th February, 2025 remains unpaid by the Personal Guarantor. e) The Applicant has furnished all the relevant evidence in the application of such default and non-payment of the debt.	
10.	Section 99(10) The resolution professional shall give a copy of the report under sub-section (7) to the debtor or the creditor, as the case may be.	The Resolution Professional shall provide a copy of the Report to the Applicant and Personal Guarantor.	YES The Resolution Professional hereby undertakes to provide a copy of the Report to the Financial Creditor. The Resolution Professional also undertakes to send a copy of the report to the Personal Guarantor by Speed Post on the last known address.

10. Vide order dated 29.05.2025, the RP was directed to serve a copy of the said report upon the Financial Creditor as well as the Personal Guarantor and to file an affidavit of service. The affidavit of service has been filed,

evidencing service upon the Personal Guarantor on 06.06.2025. However, no reply/objections have been filed by the Personal Guarantor.

Analysis and Findings

11. We have heard the learned counsel for petitioner and perused the material on record, including the Report of the Resolution Professional.
12. In his report dated 14.02.2025, the Resolution Professional, has confirmed compliance with the provisions of Sections 95 and 99 of the Code and has recommended admission of the Petition and initiation of the Insolvency Resolution Process against the Personal Guarantor. Thereafter, The RP filed his report under Section 99 by way of I.A. No 2145 of 2025. Accordingly, the report is taken on record and the aforesaid Interlocutory Application stands **disposed** of.
13. It is pertinent to note that, vide order dated 21.08.2026, this Adjudicating Authority had granted one last and final opportunity to the Personal Guarantor to file his reply within a period of one week, failing which his right to file the reply was to stand forfeited and the matter was to proceed without consideration of any reply. Admittedly, despite the aforesaid opportunity, no reply has been filed by the Personal Guarantor. In view of the foregoing, the right of the Personal Guarantor to file a reply stand forfeited in terms of the order dated 21.08.2026.
14. We note that the Respondent/Personal Guarantor executed a Deed of Personal Guarantee dated 02.02.2018 in favour of the Petitioner/Financial Creditor. The Petitioner issued a Guarantee Invocation Notice dated 29.06.2021 to the Respondent, Mr. Sanjay Laxmichand Karani, and the co-

guarantor, Ms. Hina Sanjay Karani, recalling the loan and invoking their respective personal guarantees. Subsequently, a Demand Notice dated 23.07.2021 in Form B was served on the Respondent on 29.07.2021. In response to the abovementioned notice, replies dated 03.08.2021 and 13.08.2021 were issued through their respective advocates on behalf of the Respondent and the co-guarantor.

15. It is submitted that the liability of the Personal Guarantor is co-extensive with that of the Corporate Debtor and survives notwithstanding the conclusion of the CIRP of the Corporate Debtor.

16. In this regard, it is pertinent to refer to Section 128 of the Indian Contract Act, which provides that the liability of a surety is co-extensive with that of the principle debtor, unless otherwise provided by the contract. Accordingly, upon default by the principal debtor, the creditor may proceed against the surety in accordance with the law, subject to the terms of the guarantee. For sake of ready reference, Section 128 of the Indian Contract Act, 1872, is reproduced hereinbelow:

128. Surety's Liability: -

“The liability of the surety is co-extensive with that of the principal debtor, unless it is otherwise provided by the contract.”

17. In view of the aforesaid statutory position, the liability of the Personal Guarantor arising out of the Deed of Personal Guarantee dated 02.02.2018 is co-extensive with that of the principal debtor. In our considered view, the initiation of CIRP against the borrower company would not absolve the Personal Guarantor from its liability and obligation under the guarantee agreement. Accordingly, there is no legal impediment to proceeding

against the Respondent under Section 95 of the IBC, 2016. Hence, the present petition is maintainable.

18. It is observed that that the Authorisation for Assignment (AFA) issued to Mr. Hari Kishan Bhoklay, the Resolution Professional proposed by the Petitioner/Financial Creditor, was valid up to 31.12.2025. No material has been placed on record to establish that the AFA has been renewed thereafter. In the absence of a valid AFA as on the date of this Order, Mr. Hari Kishan Bhoklay is ineligible for appointment as the Resolution Professional in the insolvency resolution process of the Respondent.
19. We are satisfied that the petition filed by the Financial Creditor under Section 95 of the Code is complete and merits admission. The debt and default stand established, and the RP has recommended acceptance of the petition. Consequently, we admit the present petition and order the initiation of the Insolvency Resolution Process against the Respondent/Personal Guarantor, Mr. Sanjay Laxmichand Karani, in terms of the directions set out hereunder.

ORDER

- I. Initiate the Insolvency Resolution Process against the Personal Guarantor and moratorium in relation to all the debts is declared from today i.e., the date of admission of the Petition 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 Sec 101 of IBC, 2016. During the moratorium period;
- a) Any pending legal action of 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. As discussed in Paragraph 18 of the order, we deem it appropriate to appoint an insolvency professional from the panel of IBBI, **Mr. Mayank Rameshchandra Jain**, having registration no.: IBBI/IPA-001/IP-P01055/2017-2018/11748, residing at A 1001, Samarpan, Near Spectra Motors, Western Express Highway, Borivli (West) ,Mumbai City ,Maharashtra ,400066. Having email address: jainmayankr[at]gmail[dot]com, having AFA valid upto 31st Dec 2026 as the Resolution Professional. He is directed to cause a public notice to be published on behalf of the Adjudicating Authority, within 7 days from the date of passing of this Order, on the website of the NCLT, Mumbai Bench, inviting claims from all Creditors within 21 days from the date of such publication. The notice under sub-section (1) of Section 102(2) shall include:
 - a. Details of the order admitting the application;
 - b. Particulars of the Resolution Professional with whom the claims are to be registered; and
 - c. The last date for submission of claims.
- III. The publication of notice under Section 102(3) shall be made in two newspapers, one in English and the other in Vernacular, which have wide circulation in the State where the Principal Borrower and Personal Guarantor reside. The Resolution Professional shall furnish two spare copies of the notice to the Registry for the record.

- IV. The Resolution Professional, in exercise of the powers conferred under Section 104, shall prepare a list of creditors on the basis of:
- a. the information disclosed in the application filed by the debtor under Sections 94 or 95, as the case may be, and
 - b. claims received by the Resolution Professional under Section 102 within 30 days from the date of the notice.
- V. The debtor shall prepare a repayment plan under Section 105, in consultation with the Resolution Professional, containing a proposal to the Creditors for restructuring of his debts or affairs. The repayment plan may authorize or require the Resolution Professional to:
- a. carry on the debtor's business or trade on his behalf or in his name; or
 - b. realise the assets of the debtor; or
 - c. administers or dispose of any funds of the debtor.
- VI. The repayment plan shall include the following, namely;
- a. justification for preparation of such repayment plan and reasons based on which the creditors may agree upon the plan;
 - b. provision for payment of fee to the Resolution Professional;
 - c. such other matters as may be specified.
- VII. The Resolution Professional shall submit the repayment plan along with his report on the plan to this Authority within a period of 21 days from the last date of submission of claims, as provided under Section 106.
- VIII. In case the Resolution Professional recommends that a meeting of the creditors is not required to be called, he shall record the reasons thereof. If the Resolution Professional is of the opinion that a meeting of the creditors should be summoned, he shall specify the details as provided

under Section 106(3) of IBC, 2016. The date of meeting should not be less than 14 days or more than 28 days from the date of submission of the Report under sub- section (1) of Section 106 of IBC, 2016, for which at least 14 days' notice to the creditors (as per the list prepared) shall be issued by all modes. Such notice must contain the details as provided under the provisions of Section 107 of IBC, 2016.

- IX. The meeting of the creditors shall be conducted in accordance with Sections 108, 109, 110 & 111 of IBC, 2016. The Resolution Professional shall prepare a report of the meeting of the creditors on the repayment plan with all details as provided under Section 112 of IBC, 2016 and submit the same to this Tribunal, copies of which shall be provided to the Debtor and the Creditors. It is made clear that the Resolution Professional shall perform his functions and duties in compliance with the Code of Conduct provided under Section 208 of IBC, 2016. The Resolution Professional shall submit his periodic reports before this Tribunal every 30 days.
- X. The Registry is directed to communicate a copy of the Order to the Resolution Professional immediately after the pronouncement of the Order, and upload the same on the website within seven working days after the pronouncement of the Order.

20. In terms of the above, Company Petition (IB) 1041 of 2021 is **admitted**, and the Insolvency Resolution Process stands initiated against the Personal Guarantor.

Sd/-

VINAY GOEL
Member (Judicial)

Sd/-

CHARANJEET SINGH GULATI
Member (Technical)

JL/Steno