

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

ITEM No.304
C.P.(IB)/231(AHM)2024

Under Section 95 IB Code, 2016

IN THE MATTER OF:

The Sarvodaya Sahakari Bank Limited
V/s
Dineshbhai Premjibhai Lathidadia

.....Applicant

.....Respondent

ITEM No.305
IA/883(AHM)2026
in
C.P.(IB)/231(AHM)2024

Under Section 60(5) IB Code, 2016 r/w Regulation 19 IBBI Reg, 2016 r/w Rule 11 and 15 of NCLT Rules, 2016

IN THE MATTER OF:

Mr. Kailash T Shah RP of Mr. Dinesh Lathidadia PG to M/s
Palav Synthetics Pvt. Ltd

.....Applicant

ITEM No.306
IA/1270(AHM)2024
in
C.P.(IB)/231(AHM)2024

Under Section 99 IB Code, 2016

IN THE MATTER OF:

Mr. Kailash T Shah RP of Dinesh Lathidadia PG to M/s Palav
Synthetics Pvt. Ltd
V/s
Mr. Dinesh Lathidadia PG to M/s Palav Synthetics Pvt. Ltd

.....Applicant

.....Respondent

ITEM No.307
C.P.(IB)/249(AHM)2024

Under Section 95 IB Code, 2016

IN THE MATTER OF:

The Sarvodaya Sahakari Bank Limited through RP Mr.
Kailash Shah
V/s
Rashmiben Dineshbhai Lathidadia

.....Applicant

.....Respondent

ITEM No.308

IA/886(AHM)2026

in

C.P.(IB)/249(AHM)2024

Under Section 60(5) IB Code, 2016 r/w Regulation 19 IBBI Reg, 2016 r/w Rule 11 and 15 of NCLT Rules, 2016

IN THE MATTER OF:

Mr. Kailash T Shah RP of Mrs Rashmi Lathidadia PG to M/s
Palav Synthetics Pvt. Ltd

.....Applicant

ITEM No.309

IA/1563(AHM)2024

in C.P.(IB)/249(AHM)2024

Under Section 99 IB Code, 2016 r/w Rule 11 NCLT Rules, 2016

IN THE MATTER OF:

Mr. Kailash T Shah RP of Mrs. Rashmiben Dineshbhai
Lathidadia PG to M/s Palav synthetics Pvt. Ltd
v/s

.....Applicant

Mrs. Rashmiben Dineshbhai Lathidadia PG to M/s Palav
Synthetics Pvt. Ltd

.....Respondent

Order delivered on: 30/06/2026

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)

MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

C O M M O N O R D E R

(Hybrid Mode)

The case is fixed for pronouncement of order. The common 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)/231(AHM)2024

With

IA/883(AHM)2026

With

IA/1270(AHM)2024

[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 Debtor) Rules, 2019]

In the matter of: Mr. Dinesh Lathidadia

C.P.(IB)/231(AHM)2024

The Sarvodaya Sahakari Bank Ltd.

Having Address at:

"Shree Nidhi", Khand Bazar,
Varacha Road, Surat-395006

Through RP Mr. Kailash Shah

Having address at:

505, 21st, Century Business Centre,
Ring Road, Beside World Trade Centre,
Surat, Gujarat, 395002

...Applicant

Versus

Dineshbhai Premjibhai Lathidadia

Having Address at:

203, Abhushan Apartment,
Athwalines, Ghoddod Road,
Parle Point, Surat-395001

...Respondent

IA/883(AHM)2026

Mr. Kailash T Shah

Resolution Professional of
Mr. Dinesh Lathidadia
Personal Guarantor to
M/s. Palav Synthetics Pvt. Ltd.
(CD Dissolved vide order dated 13.07.2022)
IBBI Regn. No.: IBBI/IPA-001/IP-P00267/2017-2018/10511
Having Address at:
505, 21st, Century Business Centre,
Ring Road, Beside World Trade Centre,
Surat, Gujarat – 395002

...Applicant

IA/ 1270(AHM)2024

Mr. Kailash T Shah
Resolution Professional of
Mr. Dinesh Lathidadia
Personal Guarantor to
M/s. Palav Synthetics Pvt. Ltd.
(CD Dissolved vide order dated 13.07.2022)
IBBI Regn. No.: IBBI/IPA-001/IP-P00267/2017-2018/10511
Having Address at:
505, 21st, Century Business Centre,
Ring Road, Beside World Trade Centre,
Surat, Gujarat – 395002

...Applicant

Versus

1. Mr. Dinesh Lathidadia

Personal Guarantor of
M/s. Palav Synthetics Private Limited
Having address at:
203, Abhushan Apartment,
Athwalines, Ghoddod Road,
Parle Point, Surat-395001

2. The Sarvodaya Sahakari Bank Limited

Having office at:
"Shree Nidhi", Khand Bazar,
Varacha Road, Surat-395006

...Respondent

WITH
C.P.(IB)/249(AHM)2024
With
IA/886(AHM)2026
With
IA/1563(AHM)2024

In the matter of: Ms. Rashmiben Dineshbhai Lathidadia

C.P.(IB)/249(AHM)2024

The Sarvodaya Sahakari Bank Ltd.

Having Address at:

"Shree Nidhi", Khand Bazar.
Varacha Road, Surat-395006

Through RP Mr. Kailash Shah

Having address at:

505, 21st, Century Business Centre,
Ring Road, Beside World Trade Centre,
Surat, Gujarat, 395002

...Applicant

Versus

Rashmiben Dineshbhai Lathidadia

Having Address at:

203, Abhushan Apartment,
Athwalines, Ghoddod Road,
Parle Point, Surat-395001

...Respondent

IA/886(AHM)2026

Mr. Kailash T Shah

Resolution Professional of

Mrs. Rashmi Lathidadia

Personal Guarantor to

M/s. Palav Synthetics Pvt. Ltd.

(CD Dissolved vide order dated 13.07.2022)

IBBI Regn. No.: IBBI/IPA-001/IP-P00267/2017-2018/10511

Having Address at:

505, 21st, Century Business Centre,

Ring Road, Beside World Trade Centre,
Surat, Gujarat – 395002

...Applicant

IA/ 1563(AHM)2024

Mr. Kailash T Shah

Resolution Professional of

Mrs. Rashmi Lathidadia

Personal Guarantor to

M/s. Palav Synthetics Pvt. Ltd.

(CD Dissolved vide order dated 13.07.2022)

IBBI Regn. No.: IBBI/IPA-001/IP-P00267/2017-2018/10511

Having Address at:

505, 21st, Century Business Centre,
Ring Road, Beside World Trade Centre,
Surat, Gujarat – 395002

...Applicant

Versus

1. Mrs. Rashmiben Dineshbhai Lathidadia

Personal Guarantor of

M/s. Palav Synthetics Private Limited

Having address at:

- (i) 203, Abhushan Apartment,
Athwalines, Ghoddod Road,
Parle Point, Surat-395001
and
- (ii) D 23, Trikamnagar, Nr. Mithi Khadi,
Varaccha Road, Surat-395010

2. The Sarvoday Sahakari Bank Limited

Having office at:

"Shree Nidhi", Khand Bazar,
Varacha Road, Surat-395006

...Respondents

Order Pronounced On: 30.06.2026

C O R A M :

SH. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)

SH. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

CP (IB) No.231/NCLT/AHM/2024 with I.A. No.1270(AHM)2024 with IA/883(AHM)2026
The Sarvodaya Sahakari Bank Limited Vs Dineshbhai Premjibhai Lathidadia

AND

CP (IB) No.249/NCLT/AHM/2024 with IA/ 1563(AHM)2024 with IA/ 886(AHM)2026
The Sarvodaya Sahakari Bank Limited Vs Rashmiben Dineshbhai Lathidadia

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APPEARANCE:

For the Applicant/FC & : Mr. Nipun Singhvi, Adv. a. w. Ms.
RP Pragati Tiwari, Adv. & Mr. Rahul
Bhavsar, Adv.

For PG : Mr. Priyank Dave, Adv.

COMMON ORDER
(Per Bench)

1. This common order is being passed in C.P.(IB)/231(AHM)2024 and C.P.(IB)/249(AHM)2024 filed by the Sarvodaya Sahakari Bank Limited under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 seeking initiation of insolvency resolution process against the Personal Guarantors to the Corporate Debtor, namely **M/s. Palav Synthetics Private Limited**. Since the issues involved in all the petitions are common and arise out of the same set of facts, they are being disposed of by this common order.
2. C.P.(IB)/231(AHM)2024 and C.P.(IB)/249(AHM)2024 have been filed on 18.06.2024 and 30.07.2024 respectively by **the Sarvodaya Sahakari Bank Limited** (the Petitioner - Financial Creditor) under Section 95(1) of the Insolvency and Bankruptcy Code 2016 read with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules 2019 seeking initiation of Insolvency Resolution Process against **Mr. Dinesh Lathidadia and Mrs. Rashmiben Dineshbhai**

Lathidadia (the Respondents- Personal Guarantors to the Corporate Debtor **M/s. Palav Synthetics Private Limited.**) for a default amount of **Rs. 6,18,27,349.35** arising from breach of obligations under the Deeds of Guarantee dated 05.09.2012, 21.02.2013, 21.10.2013 and 23.04.2015 executed by them in favour of the Petitioner/FC.

3. On presentation of the Company Petition by the Petitioner/FC, this Tribunal vide order dated 05.07.2024 read with Corrigendum Order dated 09.07.2024 in CP (IB) No.231/NCLT/AHM/2024 and 17.09.2024 in CP (IB) No.249/NCLT/AHM/2024, appointed Interim Resolution Professional (hereinafter referred to as "IRP") as proposed by the Petitioner/FC viz. **Mr. Kailash Shah having Registration No. IBBI/IPA-001/IP-P00267/2017-2018/10511**, to examine the application and submit a report under Section 99 of the Insolvency and Bankruptcy Code, 2016 in compliance with Section 97(3) of the Code, with a direction to submit the report under Section 99 of the IB Code, 2016, within ten days. The IRP was also directed to file its report through a separate IA.

IA/1270(AHM)2024 and IA/1563(AHM)2024

4. The Interim Resolution Professional has filed the report through IA/1270(AHM)2024 (on 31.07.2024 vide Inward Diary No. E-2023) and IA/1563(AHM)2024 (on 01.10.2024 vide Inward Diary No. E-2504) recommending the

*CP (IB) No.231/NCLT/AHM/2024 with I.A. No.1270(AHM)2024 with IA/883(AHM)2026
The Sarvodaya Sahakari Bank Limited Vs Dineshbhai Premjibhai Lathidadia*

AND

*CP (IB) No.249/NCLT/AHM/2024 with IA/1563(AHM)2024 with IA/886(AHM)2026
The Sarvodaya Sahakari Bank Limited Vs Rashmiben Dineshbhai Lathidadia*

admission of the Company Petition filed under Section 95 of IBC, 2016. The IRP submitted an observation and recommendation as regards the admission of the Company Petition in his Reports dated 22.07.2024 [IA/1270(AHM)2024] and 27.09.2024 [IA/1563(AHM)2024].

5. This Tribunal vide order dated 12.08.2024 [IA/1270(AHM)2024] and 09.10.2024 [IA/1563(AHM)2024], issued notice to the Respondents/Personal Guarantors and directed to file its reply, if any, within Fourteen and Seven Days respectively and thereafter rejoinder within seven days. The Respondents/Personal Guarantors filed their replies in IA/1270(AHM)2024 and IA/1563(AHM)2024 on 30.08.2024, vide inward no. D-6579 and on 05.12.2024 vide Inward No. D-8769 respectively. The contentions raised by the Respondents/PGs in their replies are as follows:

5.1. It is submitted that the Respondent has challenged the maintainability of IA No. 1270 of 2024 on the ground that the Resolution Professional's report under Section 99 of the Insolvency and Bankruptcy Code, 2016 was filed beyond the statutory period of ten days from the date of appointment and without seeking condonation of delay, rendering the application time-barred and liable to be rejected.

5.2. It is further submitted that the underlying application under Section 95 of the Code is itself barred by limitation, as the alleged default occurred on

30.07.2016 and the personal guarantee was invoked on 11.08.2016, whereas proceedings against the Personal Guarantor were initiated only in the year 2023. The Respondent contends that the alleged acknowledgment dated 12.07.2022, being beyond the limitation period, cannot extend limitation and that the benefit of the COVID-19 exclusion orders is unavailable.

- 5.3. It is additionally submitted that the Financial Creditor and the Resolution Professional have suppressed material facts regarding parallel proceedings before the authorities under the Gujarat Co-operative Societies Act and other recovery actions, while the Respondent has already repaid substantial amounts towards the outstanding dues, demonstrating bona fides and solvency.

IA/1563(AHM)2024 in C.P.(IB)/249(AHM)2024

- 5.4. It is submitted that the Respondent has challenged the maintainability of the present application on the ground that the Resolution Professional's report under Section 99 of the Insolvency and Bankruptcy Code, 2016 was filed beyond the prescribed statutory period and without due consideration of the objections raised by the Respondent. It is further contended that the Resolution Professional erroneously recommended admission of the Section

95 application despite the same being barred by limitation.

- 5.5. It is submitted that the alleged default occurred on 30.07.2016, when the account of the Corporate Debtor was classified as NPA, and the personal guarantee was invoked on 11.08.2016. Accordingly, the limitation period expired on 30.07.2019 and 11.08.2019 respectively. The Financial Creditor initiated proceedings under the Code only in the year 2023 and sought to rely upon an acknowledgment dated 12.07.2022, which, being subsequent to the expiry of limitation, could not extend the limitation period. It is further contended that the benefit of the Hon'ble Supreme Court's COVID-19 limitation extension orders is inapplicable, as the limitation had already expired prior to 15.03.2020.
- 5.6. It is further submitted that, in view of Section 128 of the Indian Contract Act, 1872 and Section 238A of the Insolvency and Bankruptcy Code, 2016, the liability of the guarantor being co-extensive with that of the principal borrower, the Financial Creditor was required to initiate proceedings within three years from the date of default or invocation of guarantee, which it failed to do. Reliance has been placed on the order dated 07.03.2024 passed by this Tribunal in IA No. 1450 of 2023 in CP(IB) No. 173 of 2023.

5.7. It is additionally submitted that the Financial Creditor has suppressed material facts regarding parallel proceedings initiated before the Board of Nominees under the Gujarat Co-operative Societies Act, 1961 and recovery proceedings concerning the guarantors, one of which is stated to be stayed by the Hon'ble Gujarat High Court. The Respondent has further contended that substantial payments aggregating to Rs. 1.17 crore have already been made towards the outstanding dues, evidencing bona fides and solvency. On these grounds, it is prayed that the report submitted under Section 99 and the underlying Section 95 application be rejected.

6. In compliance with order dated 12.08.2024, the Applicant/RP filed rejoinder in IA/1270(AHM)2024 and IA/1563(AHM)2024 on 26.09.2024, vide inward no. D-7247 and on 13.01.2025 vide Inward No. D-235 respectively. The contentions raised by the Applicant/RP in their replies are as follows:

IA/ 1270(AHM)2024 in C.P.(IB)/231(AHM)2024

6.1. It is submitted that the Applicant/Resolution Professional has denied the allegations regarding delay in filing the report under Section 99 of the Insolvency and Bankruptcy Code, 2016, contending that a specific prayer seeking condonation of the 10-day delay was made in IA No. 1270 of 2024 and that the delay was occasioned due to unavoidable

circumstances beyond his control. It is further submitted that the objections raised by the Respondent on this aspect are misconceived and contrary to the record.

6.2. It is further submitted that the application under Section 95 of the Code is well within limitation. The Applicant has relied upon the decree dated 15.09.2017 passed by the Joint Registrar and Member, Board of Nominees, Surat Division, subsequent CIRP proceedings initiated against the principal borrower on 23.01.2020, and acknowledgments of debt dated 17.03.2022 and 12.07.2022 issued by the Respondent. According to the Applicant, these events extended and renewed the period of limitation, rendering the Section 95 application filed in 2024 maintainable and within the prescribed period. Reliance has also been placed upon judicial precedents to contend that the debt stood duly established and limitation would not defeat the proceedings against the Personal Guarantor.

6.3. It is additionally submitted that the allegation of forum shopping is untenable, as initiation of proceedings under the Insolvency and Bankruptcy Code is not barred merely because proceedings were pursued before other statutory forums. The Applicant has further contended that although certain payments have been made by the Respondent,

substantial outstanding dues, including principal, accrued interest and other charges, remain unpaid, thereby establishing the continued subsistence of debt and default.

IA/1563(AHM)2024 in C.P.(IB)/249(AHM)2024

- 6.4. It is further submitted that the application under Section 95 of the Insolvency and Bankruptcy Code, 2016 is not barred by limitation. According to the Applicant, although the guarantee was invoked on 11.08.2016, the provisions relating to insolvency resolution of Personal Guarantors came into force only on 01.12.2019 and, therefore, proceedings under Section 95 could not have been initiated earlier. It is stated that the Financial Creditor had diligently pursued recovery proceedings before the Board of Nominees, Surat, resulting in a decree dated 15.09.2017 directing the Personal Guarantor to pay the outstanding dues along with interest.
- 6.5. It is submitted that the decree dated 15.09.2017, being a decree of a Civil Court under Sections 101 and 103 of the Gujarat Co-operative Societies Act, 1961, gave rise to a fresh cause of action upon its non-compliance by the Personal Guarantor. Consequently, Article 136 of the Limitation Act, 1963 prescribing a limitation period of twelve years for execution of a decree, and not Article 137, would govern the present proceedings. Reliance is placed on

the judgment of the Hon'ble Supreme Court in **Tottempudi Salalith v. State Bank of India & Ors.**, CIVIL **APPEAL NO.2348 OF 2021** to contend that the Section 95 application is within limitation.

- 6.6. It is further submitted that CIRP against the Corporate Debtor commenced on 23.01.2020, in which the Financial Creditor actively participated as a member of the Committee of Creditors, and the Corporate Debtor was subsequently ordered into liquidation on 13.04.2021. According to the Applicant, these facts demonstrate that the Financial Creditor had been continuously pursuing its remedies and was not dormant in enforcing its rights. It is lastly contended that even assuming Article 137 of the Limitation Act were applicable, the application would still be maintainable and within the prescribed period of limitation.
7. Furthermore, the Applicant/RP in IA/1563(AHM)2024 in C.P.(IB)/249(AHM)2024 filed Pursis on 05.12.2024 vide Inward No. D-8792 to place on record order dated 21.10.2024 in C.P.(IB) 231 of 2024 passed by this Hon'ble NCLT Ahmedabad Bench initiating insolvency resolution process against the personal guarantor.
8. Additionally, the Applicant/RP in IA/1563(AHM)2024 in C.P.(IB)/249(AHM)2024 filed Pursis on 06.12.2024 vide Inward No. D-8814 to place on record the Deed of

Guarantee dated 05.09.2012, 21.02.2013, 21.10.2013 and 23.04.2015.

9. Subsequently after filing of the said replies and rejoinders, the Company Petitions namely C.P.(IB)/231(AHM)2024 and C.P.(IB)/249(AHM)2024 were admitted by this Tribunal vide order dated 21.10.2024 and 25.02.2025 respectively leading to:
- i. initiation of Personal Insolvency Resolution Process against the said Personal Guarantors and imposition of moratorium.
 - ii. This Tribunal also directed the appointed Resolution Professional i.e. Mr. Kailash Shah to cause Public Notice published within 10 days of passing of this order on behalf of the Tribunal on the website of the NCLT Ahmedabad Bench, inviting claims from all Creditors, within 21 days of such issue which shall be made in two newspapers, one in English and other in Vernacular which have wide circulation in the State where the Corporate Debtor and Personal Guarantor resides.
 - iii. Directed the Resolution Professional to prepare a list of creditors
 - iv. Directed 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.
 - v. Directed the Resolution Professional to 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.

- vi. Directed the Resolution Professional to conduct the meeting of the creditors (if required).
- vii. Directed the Resolution Professional to submit the periodic report before this Tribunal i.e. every 30 days.

CA(AT)(Ins) No. 2147 of 2024 and CA(AT)(Ins) No. 621 of 2025

10. Aggrieved by the orders passed by this Tribunal in C.P.(IB) No. 231(AHM)2024 and C.P.(IB) No. 249(AHM)2024, the Respondents/Personal Guarantors preferred appeals before the Hon'ble National Company Law Appellate Tribunal, namely Company Appeal (AT) (Insolvency) No. 2147 of 2024 against the order dated 21.10.2024 passed in C.P.(IB) No. 231(AHM)2024, and Company Appeal (AT) (Insolvency) No. 621 of 2025 against the order dated 25.02.2025 passed in C.P.(IB) No. 249(AHM)2024, whereby the aforesaid Company Petitions were admitted.
11. That, the Hon'ble NCLAT vide order dated 29.11.2024 in CA(AT)(Ins) No. 2147 of 2024 and order dated 30.04.2025 in CA(AT)(Ins) No. 621 of 2025 granted interim relief directing that while insolvency process against the Appellant (PG) may continue, no repayment plan shall be finalized until further orders.
12. This interim relief has effectively stayed the finalization of the repayment plan, creating a stand-still period from 29.11.2024 to 24.04.2026 [C.P.(IB)/231(AHM)2024] and from 25.02.2025 to 24.04.2026 [CP(IB) No. 249 of 2024] in the resolution process.

13. That the Hon'ble NCLAT, New Delhi in CA(AT)(Ins) No. 2147 of 2024 and CA(AT)(Ins) No. 621 of 2025 dismissed the appeals vide order dated 24.04.2026 and remanded back to this Tribunal for issue of clarity on limitation and listed the matter on 12.05.2026. The relevant extract of the said order is as follows:

“64. Resultantly, the appeals filed by the appellants are allowed. The matter is remanded back to Ld. Adjudicating Authority for deciding it afresh after providing an opportunity by passing a reasoned order. For this purpose, the CP (IB) No. 249/NCLT/AHM/2024 with I.A. No. 1563/NCLT/AHM/2024 and CP (IB) No. 231/NCLT/AHM/2024 with I.A. No. 1270/NCLT/AHM/2024 is revived on the board of the Ld. Adjudicating Authority.

65. The parties shall appear before Ld. Adjudicating Authority on 12.05.2026. There is no order as to costs.”

IA/883(AHM)2026 and IA/886(AHM)2026

14. That, the Applicant/RP filed an Intelrocutory Application IA/883(AHM)2026 in C.P.(IB)/231(AHM)2024 on 02.06.2026 (through e-mode) and IA/886(AHM)2026 in CP(IB) No. 249 of 2024 on 02.06.2026 (through e-mode) under Section 60(5) (c) of the Code r/w Regulation 19 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 a/w Rule 11 of NCLT Rules, 2016 seeking extension for further 90 days in lieu of judgement passed by Hon'ble NCLAT vide order dated

CP (IB) No.231/NCLT/AHM/2024 with I.A. No.1270(AHM)2024 with IA/883(AHM)2026
The Sarvodaya Sahakari Bank Limited Vs Dineshbhai Premjibhai Lathidadia

AND

CP (IB) No.249/NCLT/AHM/2024 with IA/1563(AHM)2024 with IA/886(AHM)2026
The Sarvodaya Sahakari Bank Limited Vs Rashmiben Dineshbhai Lathidadia

24.04.2026 in CA(AT)(Ins) No. 2147 of 2024 and CA(AT)(Ins) No. 621 of 2025. The following were placed by the Applicant in the said Interlocutory Applications:

IA/883(AHM)2026 in C.P.(IB)/231(AHM)2024

14.1.It is submitted that the present application has been preferred by Mr. Kailash T. Shah, Resolution Professional of Mr. Dinesh Lathidadia, Personal Guarantor to M/s. Palav Synthetics Private Limited, under Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016 seeking extension of the Personal Insolvency Resolution Process (“PIRP”) by a further period of 90 days. The Applicant has traced the genesis of the proceedings from the initiation of CIRP against M/s. Palav Synthetics Private Limited on 23.01.2020, its eventual dissolution on 13.07.2022, and the subsequent issuance of demand notices to the Personal Guarantors by the Financial Creditor. It is further stated that the Personal Guarantor acknowledged the outstanding liability on 12.07.2022 and, thereafter, fresh proceedings under Section 95 of the Code were instituted against him.

14.2.It is submitted that after dismissal of the earlier Section 95 application on technical grounds, a fresh application bearing CP(IB) No. 231 of 2024 was filed on 18.06.2024 for initiation of insolvency proceedings against the Personal Guarantor. Pursuant to the corrective order dated 09.07.2024, the Applicant was

appointed as Resolution Professional and, after carrying out the statutory exercise contemplated under Section 99 of the Code, submitted his report recommending admission of the application. Based on the said report, this Tribunal admitted the insolvency application vide order dated 21.10.2024 and commenced the Personal Insolvency Resolution Process, resulting in imposition of moratorium under Section 101 of the Code. Thereafter, a public announcement was issued and the sole Financial Creditor, namely Sarvoday Sahakari Bank Limited, lodged and had admitted its claim amounting to Rs. 6,40,29,202/- holding 100% voting share in the Committee of Creditors.

14.3. It is further submitted that the admission order dated 21.10.2024 was challenged by the Personal Guarantor before the Hon'ble NCLAT in Company Appeal (AT) (Ins.) No. 2147 of 2024. During the pendency of the appeal, the Applicant repeatedly called upon the Personal Guarantor to cooperate in formulation and submission of the repayment plan through various communications. However, vide interim order dated 29.11.2024, the Hon'ble NCLAT permitted continuation of the insolvency process while directing that no repayment plan shall be finalized until further orders. Consequently, although meetings of the creditors were convened and the insolvency process

formally continued, the repayment plan could not attain finality due to the subsisting restraint order. The Applicant has further stated that owing to the Personal Guarantor's initial non-cooperation in furnishing requisite information and documents, IA No. 212 of 2025 was filed seeking appropriate directions, which subsequently came to be withdrawn upon compliance by the Personal Guarantor.

14.4. It is submitted that the statutory period of 120 days prescribed for completion of the PIRP expired on 19.02.2025. In view of the continuing pendency of the appeal before the Hon'ble NCLAT and the consequential inability to finalize the repayment plan, the Committee of Creditors, from time to time, resolved to authorize the Applicant to seek extensions of the PIRP period. Pursuant thereto, this Tribunal successively granted extensions vide orders dated 04.04.2025, 14.05.2025, 26.08.2025 and 30.03.2026, taking into consideration the subsisting interim directions of the Hon'ble NCLAT and the inability of the Resolution Professional to progress the process to its logical conclusion despite diligent efforts.

14.5. It is further submitted that the appeal before the Hon'ble NCLAT was finally heard on 11.03.2026 and culminated in judgment dated 24.04.2026 whereby the matter was remanded to this Tribunal for fresh consideration on the issue of limitation with a

direction for expeditious disposal. According to the Applicant, the restraint imposed by the Hon'ble NCLAT remained operative from 29.11.2024 till 24.04.2026, thereby causing substantial delay and effectively stalling finalization of the repayment plan. Following the pronouncement of the judgment, the Applicant convened the 7th Meeting of Creditors on 18.05.2026, wherein the sole Financial Creditor unanimously approved filing of the present application. It is in these circumstances that the Applicant seeks a further extension of 90 days to enable completion of the Personal Insolvency Resolution Process and consideration of the repayment plan in accordance with law.

IA/886(AHM)2026 in CP(IB) No. 249 of 2024

14.6. It is submitted that the present application has been filed by Mr. Kailash T. Shah, Resolution Professional of Mrs. Rashmiben Dineshbhai Lathidadia, Personal Guarantor to M/s. Palav Synthetics Private Limited, seeking extension of the Personal Insolvency Resolution Process ("PIRP") by a further period of 90 days under Section 60(5)(c) of the Insolvency and Bankruptcy Code, 2016. The Applicant has stated that the Corporate Debtor, M/s. Palav Synthetics Private Limited, was admitted into CIRP on 23.01.2020 and was subsequently dissolved on 13.07.2022, following which the Financial Creditor

issued demand notices to the Personal Guarantors and initiated proceedings under Section 95 of the Code for recovery of the outstanding debt.

14.7. It is submitted that the Financial Creditor initially filed CP(IB) No. 11 of 2023, which came to be dismissed as defective with liberty to file afresh. Thereafter, CP(IB) No. 249 of 2024 was instituted against the Personal Guarantor for a default amount of Rs. 6,18,27,349.35/-. Pursuant to the order dated 17.09.2024, the Applicant was appointed as Resolution Professional and, based on the report submitted by him, this Tribunal admitted the application vide order dated 25.02.2025, thereby commencing the Personal Insolvency Resolution Process and imposing moratorium under Section 101 of the Code. Following admission, the Applicant issued the public announcement, prepared the list of creditors and constituted the Committee of Creditors, wherein Sarvodaya Sahakari Bank Limited emerged as the sole Financial Creditor holding 100% voting share.

14.8. It is further submitted that the admission order dated 25.02.2025 was challenged by the Personal Guarantor before the Hon'ble NCLAT in CA(AT)(Ins.) No. 621 of 2025. Vide interim order dated 30.04.2025, the Hon'ble NCLAT permitted continuation of the insolvency process but restrained finalisation of the repayment plan until further orders. Consequently,

although the Resolution Professional continued with the procedural requirements of the process and convened meetings of the Committee of Creditors, the repayment plan submitted by the Personal Guarantor on 24.07.2025 could not be placed for consideration and voting due to the subsisting restraint order.

14.9. It is submitted that in view of the pendency of the appeal and the consequent inability to conclude the process within the prescribed timeline, the Committee of Creditors, in its meetings held from time to time, resolved to seek extension of the PIRP period. Pursuant thereto, IA No. 750 of 2025 and IA No. 1116 of 2025 were filed and allowed by this Tribunal vide orders dated 02.07.2025 and 29.09.2025 respectively, granting successive extensions of 90 days each. Thereafter, upon expiry of the extended period and continued pendency of the appeal, the Committee of Creditors, in its 3rd Meeting held on 13.03.2026, approved a further extension, pursuant to which IA No. 470(AHM) of 2026 was allowed by this Tribunal vide order dated 30.03.2026 granting extension of the PIRP period by 150 days.

14.10. It is further submitted that the Hon'ble NCLAT, vide judgment dated 24.04.2026, remanded the matter to this Tribunal for fresh adjudication on the issue of limitation and directed expeditious disposal within two months. According to the Applicant, the pendency

of the appeal and the interim restraint on finalisation of the repayment plan effectively stalled the resolution process for a substantial period, preventing completion of the PIRP. Following the remand order, the Applicant convened the 4th Meeting of Creditors on 18.05.2026, wherein the sole Financial Creditor, after considering the impending expiry of the extended PIRP period and the status of the proceedings, unanimously approved filing of the present application. In these circumstances, the Applicant seeks a further extension of 90 days to enable completion of the Personal Insolvency Resolution Process in accordance with the provisions of the Code.

- 15.** That, pursuant to the order dated 09.06.2026, the Respondent/PG in I.A. No.1270(AHM)2024 in CP (IB) No.231/NCLT/AHM/2024 and Respondent/PG in I.A. No.1563(AHM)2024 in CP (IB) No.249/NCLT/AHM/2024 filed its written submission on 16.06.2026 vide Inward No. D-4874 and on 16.06.2025 vide Inward No. D-4875 respectively wherein the following case law has been relied upon by the Respondent:
- i. Anjani Technoplast Ltd. v. Shubh Gautam, dated 23.04.2026, reported in 2026 SCC Online SC 668.
- 16.** That, pursuant to the order dated 09.06.2026, the Applicant/RP filed its written submission on 18.06.2026 vide Inward No. D- 5005.

17. We have heard the Learned Counsel appearing for the Applicant/Financial Creditor, the Learned Resolution Professional and the Learned Counsel appearing for the Respondents/Personal Guarantors. We have also carefully perused the pleadings, the report submitted by the Resolution Professional under Section 99 of the Insolvency and Bankruptcy Code, 2016, the replies and rejoinders filed by the parties, the documents placed on record and the written submissions advanced on their behalf.
18. The principal issue that arises for consideration before this Adjudicating Authority, pursuant to the remand order dated 24.04.2026 passed by the Hon'ble NCLAT, is confined to the question of limitation alone. The Hon'ble NCLAT having remanded the matter for fresh consideration on the said aspect, this Adjudicating Authority does not propose to re-examine any other issue and shall restrict its adjudication strictly to the issue of limitation. In light of the rival submissions advanced by the parties, the following issue arises for consideration of this Tribunal:

“Whether the Company Petitions filed under Section 95 of the Insolvency and Bankruptcy Code, 2016 against the Personal Guarantors are barred by limitation as contended by the Respondents/Personal Guarantors, or whether the same are maintainable in law having regard to the decree dated 15.09.2017 passed by the Board of Nominees, Surat under the Gujarat Co-operative

Societies Act, 1961, the subsequent proceedings undertaken by the Financial Creditor, the CIRP/Liquidation proceedings of the Corporate Debtor and the applicable provisions of the Limitation Act, 1963?”

19. Having heard the Learned Counsel appearing for the Financial Creditor, the Resolution Professional and the Respondents/Personal Guarantors, and upon perusal of the pleadings, documents placed on record, the Report submitted under Section 99 of the Code and the judicial precedents relied upon by the parties, this Adjudicating Authority proceeds to examine the objection relating to limitation, which constitutes the principal defence raised by the Respondents.
20. The Respondents have primarily contended that the account of the Corporate Debtor was classified as NPA on 30.07.2016 and the Personal Guarantees were invoked on 11.08.2016. According to the Respondents, the right to apply accrued on the said dates and therefore the period prescribed under Article 137 of the Limitation Act expired in July/August 2019. It is further contended that the acknowledgements dated 17.03.2022 and 12.07.2022 cannot extend limitation since they were made after expiry of the original limitation period. The Respondents have thus argued that the earlier petition filed in the year 2023 as well as the present petitions filed in the year 2024 are hopelessly barred by limitation.

21. Per contra, the Financial Creditor and the Resolution Professional have submitted that the objection is misconceived both on facts and in law. It is submitted that subsequent to the declaration of NPA, the Financial Creditor instituted recovery proceedings under the Gujarat Co-operative Societies Act, 1961 and obtained a decree/order dated 15.09.2017 in Summary Suit No.144 of 2016 from the Joint Registrar and Member, Board of Nominees, Surat. It is further submitted that the said decree gave rise to a fresh and independent cause of action and consequently the limitation would be governed by Article 136 of the Limitation Act. Alternatively, it is argued that even if Article 137 is assumed to be applicable, the proceedings remain within limitation after giving effect to the period spent in CIRP and the exclusion granted by the Hon'ble Supreme Court in the suo motu limitation proceedings.
22. Upon consideration of the rival submissions, this Adjudicating Authority finds substantial force in the contentions advanced on behalf of the Financial Creditor.

A. Effect of Decree dated 15.09.2017 and Applicability of Article 136

23. The material placed on record demonstrates that after occurrence of default and invocation of guarantees, the Financial Creditor did not remain inactive. On the contrary, the Financial Creditor initiated recovery proceedings under Section 99(4) of the Gujarat Co-operative Societies Act,

1961 by filing Summary Suit No.144 of 2016 against the Corporate Debtor and the guarantors.

- 24.** The said proceedings culminated in an order/decreed dated 15.09.2017 passed by the Joint Registrar and Member, Board of Nominees, Surat directing payment of the outstanding dues together with contractual interest. It is further pertinent to note that every order passed by the Learned Joint Registrar and Member, Board of Nominees, Surat under Section 101 of the Gujarat Co-operative Societies Act, 1961 is statutorily recognized as having the force and effect of a decree of a Civil Court by virtue of Section 103 of the said Act. The relevant extract of Section 101 and 103 of Gujarat Co-operative Societies Act, 1961 is as follows:

Section 101 of Gujarat Co-operative Societies Act, 1961

“101. Decision of Registrar or his Nominee or Board of Nominees- [(1)] When a dispute is referred to the Registrar for decision, he or his nominee or board of nominees may, after giving a reasonable opportunity to the parties to the dispute to be heard, make an award on the dispute, on the expenses incurred by the parties to the dispute in connection with the proceedings and the fees and expenses payable to the Registrar or his nominee or, as the case may be, board of nominees. Such an award shall not be invalid merely on the ground that it was made after the expiry of the period fixed by the Registrar, for deciding the dispute and shall, subject to appeal or review or revision, be binding on the parties to the dispute”

Section 103 of Gujarat Co-operative Societies Act, 1961

“103. Money how recovered- Every order passed by the Registrar or a person authorised by him under section 93, or by the Registrar, his nominee or board of nominees under section 100 or 101, every order passed in appeal under section 102, every order

passed by a Liquidator under section 110, every order passed by the State Government in appeal against orders passed under section 110, and every order passed in revision under section 155, shall, if not carried out, -

(a) on a certificate signed by the Registrar or a Liquidator, be deemed to be a decree of a Civil Court, as defined in clause (2) of section 2 of the Code of Civil Procedure, 1908 and shall be executed in the same manner as a decree of such Court, or”

- 25.** This legal fiction is not merely procedural in nature but confers substantive enforceability upon such orders, enabling the decree-holder to execute the same in the manner prescribed for execution of civil court decrees. Consequently, the adjudication rendered by the Board of Nominees is not to be treated as a mere administrative or summary determination, but as a binding judicial determination of liability, carrying with it all incidents of a civil decree, including enforceability, finality (subject to appeal), and recognition under the law of limitation.
- 26.** Additionally, the decree dated 15.09.2017 has not been disputed by the Respondents. Once a competent authority adjudicates the liability and passes a decree determining the amount payable, the character of the debt undergoes a material change. The liability thereafter is not merely founded upon the original loan transaction but also upon the adjudicated decree which remains executable in law.
- 27.** In the considered view of this Adjudicating Authority, the decree dated 15.09.2017 constitutes a fresh and independent cause of action in favour of the Financial Creditor. The decree crystallized the liability of the

borrowers and guarantors and furnished an independent enforceable right. Consequently, for enforcement of such adjudicated liability, the period prescribed under Article 136 of the Limitation Act assumes significance. The same has also been affirmed by the Hon'ble Supreme Court in the case of **Tottempudi Salalith vs. State Bank of India & Ors., (2024) 1 SCC 24**, wherein similar issue was dealt by the Hon'ble Apex Court.

28. The argument of the Respondents that limitation must necessarily be reckoned only from the date of NPA or invocation of guarantee ignores the subsequent adjudication of rights by the competent authority under the Gujarat Co-operative Societies Act. The decree cannot be treated as an inconsequential event for purposes of limitation. If such a contention were accepted, the decree itself would be rendered legally redundant despite remaining valid and executable.
29. Accordingly, this Adjudicating Authority is of the considered opinion that the decree dated 15.09.2017 provided a fresh enforceable cause of action and the objection that limitation stood conclusively exhausted in the year 2019 cannot be accepted.

B. Alternative Finding- Even Assuming Article 137 Applies

30. Even assuming, without admitting, that Article 137 of the Limitation Act is applicable to proceedings under Section

95 of the Code, this Adjudicating Authority finds that the petitions would still survive the challenge of limitation.

31. The record reveals that the Corporate Debtor was admitted into CIRP by order dated 23.01.2020 passed in CP(IB) No.225 of 2019. The claim of the present Financial Creditor was admitted in the CIRP on 02.03.2020 and the Financial Creditor actively participated in the insolvency process as a member of the Committee of Creditors. Thereafter, liquidation was ordered on 13.04.2021 and eventually the Corporate Debtor came to be dissolved on 13.07.2022.
32. The chronology demonstrates that the Financial Creditor was continuously pursuing its remedies in relation to the same debt and default. The Financial Creditor was not sleeping over its rights. The proceedings against the Corporate Debtor under the Code remained actively pending from January 2020 till dissolution in July 2022.
33. It is also relevant that even if the limitation period is computed by applying Article 137 and reckoned from the decree dated 15.09.2017, the chronology of relevant events is as under:

Date	Event
15.09.2017	Decree passed by the Board of Nominees, Surat, giving rise to a fresh cause of action.
14.09.2020	Ordinary expiry of three-year limitation period under Article 137 (without exclusion).
15.03.2020	Commencement of exclusion period pursuant to the orders of the Hon'ble Supreme Court in the Suo Moto Writ Petition (C) No.3 of 2020 In Re: Cognizance for Extension of Limitation ; 183 days

	of limitation remained available as on this date.
28.02.2022	End of the exclusion period directed by the Hon'ble Supreme Court.
17.03.2022	Acknowledgement of debt executed by the Respondents/Personal Guarantors.
01.07.2022 & 14.07.2022	Form-B Demand Notice issued by the Financial Creditor to both PGs.
12.07.2022	Further acknowledgement of debt executed by the Respondents/Personal Guarantors.
30.08.2022	Expiry of the balance period of 183 days available after exclusion of the COVID-19 period.

34. From the above chronology, it is evident that the decree was passed on 15.09.2017. Computing limitation under Article 137 from the said date, the initial period of three years would have expired on 14.09.2020. The period of 15.03.2020 to 28.02.2022 is not considered for working out the limitation period due to the decision of the Hon'ble Supreme Court regarding cognisance for extension of limitation. A period of 183 days was remaining as on 15.03.2020 considering a period of three years limitation from 15.09.2017. Thus, as on 28.02.2022, about 183 days of the original limitation period still remained available to the Financial Creditor. The limitation period was available until about 28.08.2022. Consequently, the Financial Creditor continued to have the unexpired balance period of 183 days available for pursuing remedies against the Personal Guarantors. The Form-B Demand Notices dated 01.07.2022 and 14.07.2022 as well as the acknowledgements of debt dated 17.03.2022 and 12.07.2022 were issued during the subsistence of the

proceedings and within the period during which the Financial Creditor had balance days of 183 days. Accordingly, even on the assumption that Article 137 governs the proceedings, the claim cannot be said to be barred by limitation.

- 35.** Therefore, it is evident that the Form-B Demand Notice dated 01.07.2022 and 14.07.2022 as well as the acknowledgements of debt dated 17.03.2022 and 12.07.2022 were all within the subsisting period of limitation. Accordingly, the acknowledgements constitute valid acknowledgements under Section 18 of the Limitation Act.
- 36.** The Financial Creditor thereafter invoked the personal guarantees, issued Form-B demand notice and filed proceedings under Section 95. The earlier petition bearing CP(IB) No.13 of 2023 was filed within the subsisting period and came to be dismissed on technical defects with liberty to file afresh. The present petitions have thereafter been instituted pursuant to such liberty.
- 37.** Therefore, even if Article 137 is applied, the objection of limitation is unsustainable.

C. Financial Creditor Was Continuously Pursuing Recovery and Did Not Sleep Over Its Rights

- 38.** A significant submission advanced by the Respondents is that no action was taken against the Personal Guarantors

till the year 2023. The record, however, belies such contention.

- 39.** Immediately after default, the Financial Creditor instituted proceedings before the Board of Nominees under the Gujarat Co-operative Societies Act. The Financial Creditor obtained an adjudicated order on 15.09.2017. Subsequently, upon commencement of CIRP of the Corporate Debtor, the Financial Creditor lodged and pursued its claim before the Resolution Professional which was admitted on 02.03.2020, participated in the Committee of Creditors, remained involved in liquidation proceedings and thereafter pursued remedies against the Personal Guarantors.
- 40.** The sequence of events unmistakably indicates continuous assertion of legal rights by the Financial Creditor. The doctrine underlying the law of limitation is intended to discourage stale claims and indolent litigants. It is not intended to penalize a creditor who has consistently pursued recovery through legally recognized forums.
- 41.** The actions undertaken by the Financial Creditor from 2016 onwards reveal uninterrupted pursuit of recovery proceedings and therefore the allegation that the Financial Creditor remained inactive or acquiesced in the default cannot be accepted.

D. Recovery Proceedings under the Co-operative Societies Act Prior to Operationalisation of Personal Guarantor Framework

42. Another important aspect which merits consideration is that the Financial Creditor initially pursued remedies under the Gujarat Co-operative Societies Act.
43. The record reflects that recovery proceedings were initiated in the year 2016 itself and culminated in the decree dated 15.09.2017. At the relevant point of time, the insolvency framework concerning Personal Guarantors had not attained operational effectiveness in the manner in which it presently exists.
44. The notification bringing into force the insolvency provisions relating to Personal Guarantors came subsequently and the legal framework governing such proceedings evolved through subsequent judicial pronouncements, including the judgment of the Hon'ble Supreme Court in ***Lalit Kumar Jain v. Union of India, 2021 SCC Online SC 396***.
45. Therefore, the Financial Creditor cannot be faulted for having initially resorted to the statutory recovery mechanism available under the Gujarat Co-operative Societies Act. The conduct of the Financial Creditor demonstrates bona fide pursuit of available remedies rather than abandonment of rights.

- 46.** This Tribunal is therefore unable to accept the Respondents' contention that initiation of proceedings under the Code at a later stage amount to forum shopping. The remedies pursued by the Financial Creditor were sequential and legally permissible. Merely because the Financial Creditor exhausted remedies under one statute before invoking another statutory remedy would not render the proceedings barred by limitation.
- 47.** The plea of forum shopping advanced by the Respondents also deserves rejection. The existence of recovery proceedings under another statute or even the existence of a decree does not bar invocation of remedies under the Insolvency and Bankruptcy Code.
- 48.** The Code provides an additional statutory mechanism for resolution of insolvency and enforcement of liabilities of personal guarantors. Initiation of proceedings under the Code after obtaining a decree cannot by itself be characterized as forum shopping, particularly when the debt and default remain unpaid.
- 49.** Accordingly, after considering the decree dated 15.09.2017, the continued participation of the Financial Creditor in the CIRP and liquidation process of the Corporate Debtor, the prior proceedings instituted under Section 95 of the Code, the acknowledgments and subsequent events on record, and the exclusion of relevant periods under law, we hold that the present proceedings are not barred by limitation.

50. We further hold that if Article 137 is assumed to apply, the proceedings would nevertheless remain within limitation, there being sufficient balance period available to the Financial Creditor after exclusion of the relevant periods.
51. The issue is therefore answered in favour of the Applicant and against the Respondents. **IA/1270(AHM)2024** and **IA/1563(AHM)2024** are accordingly **liable to be allowed**.
52. In view of the detailed discussions, findings and observations recorded hereinabove, this Adjudicating Authority holds that the objection raised by the Respondents/Personal Guarantors regarding limitation is devoid of merit and is liable to be rejected.
53. This Adjudicating Authority is of the considered view that the decree/order dated 15.09.2017 passed by the Joint Registrar and Member, Board of Nominees, Surat, under the provisions of the Gujarat Co-operative Societies Act, 1961 constitutes an adjudication of liability evidencing continuous enforcement of the debt, though limitation under Section 95 applications continues to be governed by Article 137 of the Limitation Act. Consequently, the proceedings initiated against the Personal Guarantors cannot be held to be barred by limitation.
54. This Adjudicating Authority further holds that even assuming Article 137 of the Limitation Act, 1963 to be applicable, the proceedings would nevertheless remain within limitation considering the continuous pursuit of

recovery remedies by the Financial Creditor, its active participation in the CIRP and liquidation proceedings of the Corporate Debtor, the earlier proceedings initiated under Section 95 of the Code, the period excluded pursuant to the orders of the Hon'ble Supreme Court and the balance period of limitation available to the Financial Creditor.

- 55.** Accordingly, IA/1270(AHM)2024 and IA/1563(AHM)2024 are hereby allowed.
- 56.** The objections raised by the Respondents/Personal Guarantors challenging the maintainability of the proceedings on the ground of limitation stand rejected.
- 57.** Consequently, the reports submitted by the Resolution Professional under Section 99 of the Insolvency and Bankruptcy Code, 2016 are accepted.
- 58.** In view of the findings recorded hereinabove and in compliance with the directions contained in the judgment of the Hon'ble NCLAT remanding the matter for reconsideration of the issue of limitation, this Adjudicating Authority holds that the applications under Section 95 of the Insolvency and Bankruptcy Code, 2016 were maintainable and were not barred by limitation.
- 59.** Accordingly, the orders dated 21.10.2024 and 25.02.2025 passed in C.P.(IB)/231(AHM)2024 and C.P.(IB)/249(AHM)2024 are reaffirmed/stand restored insofar as the findings relating to admission of the

applications are concerned, subject to and in terms of the present findings on limitation.

60. The interim protection, moratorium and all consequential actions undertaken pursuant to the orders passed in the insolvency resolution process shall be governed in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the orders already passed in the proceedings.
61. So far as IA/883(AHM)2026 C.P.(IB)/231(AHM)2024 and IA/886(AHM)2026 C.P.(IB)/249(AHM)2024 are concerned, this Adjudicating Authority notes that the delay of 22 days in filing the said applications has been sufficiently explained. The delay does not appear to be deliberate, intentional or attributable to any negligence on the part of the Applicant/Resolution Professional. In the interest of justice and for effective completion of the insolvency resolution process of the Personal Guarantors, the delay of 22 days in filing IA/883(AHM)2026 and IA/886(AHM)2026 is hereby **condoned**.
62. Further, considering the pendency of the proceedings before the Hon'ble NCLAT, the remand of the matter for adjudication on the issue of limitation, and the fact that the Resolution Professional could not proceed with the process during the intervening period for reasons beyond his control, this Adjudicating Authority is satisfied that sufficient cause has been made out for extension of time for submission of the Repayment Plan.

63. Accordingly, the period for submission of the Repayment Plan under Regulation 19 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 read with Rule 11 of the National Company Law Tribunal Rules, 2016 is extended by a further period of 90 days from 11.05.2026 or till submission of the Repayment Plan by the Resolution Professional, whichever is earlier.
64. The Resolution Professional is directed to take all necessary steps for completion of the Personal Insolvency Resolution Process strictly in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the Regulations framed thereunder and shall file appropriate progress reports every 30 days before this Adjudicating Authority.
65. IA/1270(AHM)2024 and IA/883(AHM)2026 in C.P.(IB)/231(AHM)2024 and IA/1563(AHM)2024 and IA/886(AHM)2026 in C.P.(IB)/249(AHM)2024 stand **disposed of** accordingly. No order as to cost.
66. The Registry is directed to communicate a copy of this order to the Resolution Professional, the Financial Creditor, the Personal Guarantors and all concerned stakeholders forthwith.

—SD—

SANJEEV SHARMA
MEMBER (TECHNICAL)
Jeel Pathak/LRA

—SD—

SHAMMI KHAN
MEMBER (JUDICIAL)