

IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH - I

C.P. (IB) NO. 353/MB/2026

*Under Section 94 of the Insolvency and Bankruptcy Code, 2016 r/w rule 6 of the Insolvency & Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules 2019.*

*In the matter of;*

***Shivaji Pandurang Ghatage***

*Personal Guarantor to*

*Abhiraj Papers Private Limited.*

*[CIN: U74999MH2018PTC305557]*

.....Personal Guarantor/ Petitioner

**Order pronounced on 02.07.2026**

***Coram:***

**Sh. Prabhat Kumar**

Hon'ble Member (Technical)

**Sh. Sushil Mahadeorao Kochey**

Hon'ble Member (Judicial)

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***Appearances:***

For the Resolution Professional

: Mr. Devarajan Raman

For the Personal Guarantor

: Adv. Jenil Shah

**ORDER**

**Brief facts:**

1. The present Company Petition dated 14.02.2026 has been filed by **Shivaji Pandurang Ghatage** (hereinafter referred to as “Personal Guarantor/Petitioner”), being the Personal Guarantor of **Abhiraj Papers Private Limited** (hereinafter referred to as “Corporate Debtor/Principal Borrower”), under section 94 of the Insolvency and Bankruptcy Code, 2016 (“the Code”) read with Rule 6(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 (“IBBI Rules”) seeking initiation of the Insolvency Resolution Process in respect of himself in his capacity as the Personal Guarantor of the Corporate Debtor.
2. The Petitioner is an Indian resident having his address at Flat No. 302, 3<sup>rd</sup> floor, Amrut Bhavan in Amrut Heaven Bldg No. 3 CHSL, Mauje Barave, Taluka Kalyan
3. The Corporate Debtor/Principal Borrower, having CIN U74999MH2018PTC305557, was incorporated on 24.02.2018 and has its registered office at Gat No-119 Sadguru Packaging, Ozerkhed Colony, Lakhmapur-Nashik, Maharashtra, India, 422202. The authorised share capital of the Corporate Debtor is Rs. 3,60,00,000 and its paid-up share capital is Rs. 25,75,000 The Petitioner is the Directors of the Corporate Debtor and had executed a Personal Guarantee in favour of the Financial Creditor to secure the credit facilities extended to the Corporate Debtor.
4. The Petitioner has stated in Part III of the Petition that the total debt owed to the Financial Creditor is **Rs. 22,09,86,517.18/- (Rupees Twenty Two Crores Nine Lakhs Eighty Six Thousand Five Hundred Seventeen and Eighteen Paise only)** including any interest or penalties, out of which the amount in default is **Rs.**

**22,09,86,517.18/- (Rupees Twenty Two Crores Nine Lakhs Eighty Six Thousand Five Hundred Seventeen and Eighteen Paise only).** The Petitioner has stated that the said debt is secured and is payable to Union Bank of India, Deepali Nagar Branch, the Financial Creditor.

**Submissions of the Petitioner:**

5. Learned Counsel for the Petitioner submits that in the year 2021, the Corporate Debtor had approached Union Bank of India for availing credit facilities of Rs. 22,09,86,517.18/- (Rupees Twenty-Two Crores Nine Lakhs Eighty Six Thousand Five Hundred Seventeen and Eighteen Paise only). Pursuant thereto, Union Bank of India, being the Financial Creditor, issued a Sanction Letter dated **30.01.2021**. The Corporate Debtor had availed Bank Guarantee Limit of Rs. 40 Lakhs, Cash Credit facilities of Rs. 4 Crores and Term Loan of Rs. 14.50 Crore.
6. It is submitted that the Petitioner had given a Personal Guarantee of Rs.18,90,00,000/- (Rupees Eighteen Crores Ninety Lakhs only) by executing a **Guarantee Deed dated 30.03.2021** in favour of Union Bank of India, thereby irrevocably guaranteeing repayment of the credit facilities availed by the Corporate Debtor.
7. Learned Counsel for the Petitioner further submitted that the Corporate Debtor committed default in repayment of the credit facilities availed from Union Bank of India. Consequently, the loan account was classified as a **Non-Performing Asset (NPA)** with effect from **31.03.2025**. Pursuant thereto, the Financial Creditor issued NPA Certificate on **17.10.2025**.
8. The Financial Creditor issued a **Demand Notice dated 07.04.2025** under Section 13(2) of the SARFAESI Act, 2002, calling upon the Corporate Debtor and the Petitioner to discharge the outstanding dues of Rs. 22,09,86,517.18/- (Rupees Eighty-Six Twenty-Two

Crores Nine Lakhs Thousand Five Hundred Seventeen and Eighteen Paise only).

9. Learned Counsel for the Petitioner further submitted that the Petitioner, being a Personal Guarantor in default and unable to discharge his liability arising under the Personal Guarantee in favour of the Financial Creditor, has filed the present Petition under Section 94 of the Insolvency and Bankruptcy Code, 2016 seeking initiation of the Insolvency Resolution Process in respect of himself.

**Submissions of Resolution Professional:**

10. Vide order dated 06.04.2026, this bench appointed **Mr. Hemant J Mehta**, having Insolvency Registration No. IBBI/IPA-001/IP-P00027/2016-2017/10060, to act as the Resolution Professional(“RP”) in the present matter & directed RP to file report under Section 99 of Insolvency and Bankruptcy Code, 2016. Accordingly, the RP vide **IA (I.B.C)/2347 (MB)2026** has placed on record his report dated 30.05.2026 recommending the admission of the application filed under section 94 of IBC, 2016. The grounds for admission of the application recorded in the Report are as follows: -  
*“Pursuant to the above the RP has examined the requirements to be complied with for admission of the petition for commencement of Insolvency Resolution Process in respect of the Respondent and report as follows:-*

<b><i>Requirements under Section 99 of IBC</i></b>	<b><i>Comments by the Applicant</i></b>	<b><i>Compliance with the requirements under Section 99 of IBC</i></b>
<i>Section 99 (1) The resolution professional shall examine the application referred to in section 94 or section 95, as the case may be,</i>	<i>On examination of the petition in detail the following are the observations: 1. The CD defaulted on 31- 03-2025. 2. The guarantee was</i>	<i>YES, subject to any qualification in column 2.</i>

<p><i>within ten days of his appointment, and submit a report to the Adjudicating Authority recommending for approval or rejection of the application.</i></p>	<p><i>invoked on 07.04.2025 in the case of CD and the PG vide, demand notice u/s 13(2) of SARFAESI Act.</i></p> <p><i>3. The petition under Section 94(1) was filed on 13.02.2026.</i></p> <p><i>4. The supporting documents submitted by the petitioner are adequate to establish the existence of default.</i></p> <p><i>5. CIRP of the CD is not yet initiated by the creditor.</i></p> <p><i>6. The PG also has provisions vide Article 3 — Obligation of Guarantor - in the Deed of guarantee agreement Guarantor's waiver of rights under section 133, 134, 135, 139 and 141 the Law of Contract.</i></p> <p><i>7. As per Article 4 clause e, the creditor has right to debit the bank account of the guarantor after 2 days of invocation.</i></p>	
<p><i>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 –</i></p>	<p><i>Not Applicable since application is made under Section 94. However, as a matter of abundant caution the applicant set a notice to the debtor to ascertain the correct position.</i></p>	<p><i>Not Applicable since application is made under Section 94.</i></p>

<p>(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 creditor accepting receipt of dues</p>		
<p>Section 99 (3) Where the debt for which an application has been filed by a creditor is registered with the information utility, the debtor shall not be entitled to dispute the validity of such debt.</p>	<p>Nothing on record in the documents made available.</p>	<p>There is no violation.</p>
<p>Section 99 (4) For the purposes of examining an application, the resolution professional may seek such further information or explanation in 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 professional, may provide such information.</p>	<p>As the petition was comprehensive the email sent to the creditor and debtor was restricted to ascertain whether any payment was made by the debtor.</p>	<p>YES</p>
<p>Section 99 (5) The person from whom information or explanation is sought under sub-section (4)</p>	<p>No information/ explanation was sought. While the creditor did not respond, the debtor</p>	<p>YES</p>

<p><i>shall furnish such information or explanation within seven days of receipt of the request.</i></p>	<p><i>confirmed that no payment has been made.</i></p>	
<p><i>Section 99(6)</i></p> <p><i>The resolution professional shall examine the application and ascertain that – the application satisfies the requirements set out in section 94 or 95; the applicant has provided information and given explanation sought by the resolution professional under sub-section (4).</i></p>	<p><i>The applicant confirms that the requirements of section 94 is the   complied with in the petition Also, no information was sought from the creditor/debtor except ascertaining whether any payment has been received/paid subsequent to the filing of the petition.</i></p>	<p><i>YES</i> <i>As per Column 2.</i></p>
<p><i>Section 99(7)</i></p> <p><i>After examination of the application under sub-section (6), he may recommend acceptance or rejection of the application in his report.</i></p>	<p><i>Upon examination of the captioned Application and the information, Documents and material available it is found that the application complies with all the requirements of Section 94 of the Code and may be considered for admission.</i></p>	<p><i>Yes</i> <i>The Resolution Professional recommends the admission of the captioned Petition and recommends that the Hon'ble Tribunal may consider passing appropriate orders under Section 100 of the Code.</i></p>
<p><i>Section 99(8)</i></p> <p><i>Where the resolution</i></p>	<p><i>The petitioner is not eligible for a fresh</i></p>	<p><i>YES</i></p>

<p><i>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 under section 81 by the Adjudicating Authority.</i></p>	<p><i>start process as per Section 80 of the Code.</i></p>	
<p><i>Section 99(9) The resolution professional shall record the reasons for recommending the acceptance or rejection of the application in the report under sub-section (7).</i></p>	<p><i>The Resolution Professional submits that, from the documents annexed to the captioned Application along with what has been stated above, there is a debt and default. The guarantee has been invoked by issuing proper notice and action has been initiated within the period of limitation. The requirements under Section 94 &amp; Section 99 have been fulfilled, thus rendering the petition eligible for admission. Therefore, the applicant recommends the admission of the captioned petition filed by the Personal Guarantor.</i></p>	<p><i>YES. All the reasons recorded for approving the application.</i></p>
<p><i>Section 99(10) The resolution professional shall give</i></p>	<p><i>The Resolution Professional shall submit a copy of the</i></p>	<p><i>Complied.</i></p>

<i>a copy of the report under sub-section (7) to the debtor or the creditor, as the case may be.</i>	<i>report to the Creditor and the PG on submission of the same to Hon'ble NCLT..</i>	
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*In the view of the aforesaid, I hereby recommend the **admission** of the captioned Application filed by the Creditor (sic) under Section 100(1) of IBC as the requirement under Section 99 of the IBC is fulfilled.”*

**Recommendation of the Resolution Professional:**

*The Resolution Professional submits that, from the documents annexed to the captioned Application along with what has been stated above, there is a debt and default. The guarantee has been invoked by issuing proper notice and action has been initiated within the period of limitation. The requirements under Section 94 & Section 99 have been fulfilled, thus rendering the petition eligible for **admission**.*

**Findings:**

11. Heard the Learned Counsel appearing for the Petitioner and the Resolution Professional. We have also perused the material available on record, including the Application filed under Section 94 of the Insolvency and Bankruptcy Code, 2016, the documents annexed thereto and the Report submitted by the Resolution Professional under Section 99 of the Code.
12. It is observed from the record that the Corporate Debtor had availed various credit facilities pursuant to the **Sanction Letter dated 30.01.2021** issued by the Financial Creditor. The Petitioner executed a **Deed of Personal Guarantee dated 30.03.2021** in favour of the Financial Creditor securing the said credit facilities. The Corporate Debtor committed default in repayment of its dues and its loan

account was classified as **Non-Performing Asset (NPA)** on **31.03.2025**. Thereafter, the Financial Creditor issued a **Demand Notice dated 07.04.2025** under Section 13(2) of the SARFAESI Act, 2002, invoking the liability of the Personal Guarantor. Despite such invocation, the outstanding dues remained unpaid.

13. Pursuant to the Order of this Tribunal dated 06.04.2026, the Resolution Professional examined the Application in accordance with Section 99 of the Insolvency and Bankruptcy Code, 2016 and submitted his Report dated **30.05.2026**, recommending **admission** of the present Application. The Resolution Professional has recorded that there exists a debt and default, the Personal Guarantee has been validly invoked, the Application satisfies the requirements of Section 94 of the Code, the action is within limitation and the Applicant is not eligible for a fresh start process under Chapter II of the Code.
14. In view of the foregoing discussion, the material placed on record, and the Report submitted by the Resolution Professional under Section 99 of the Insolvency and Bankruptcy Code, 2016 recommending **admission** of the Application, we are satisfied that the present Application fulfils the requirements of the Code. Accordingly, this is a fit case for **admission** under Section 100 of the Insolvency and Bankruptcy Code, 2016. Hence, the Application filed under Section 94 of the Insolvency and Bankruptcy Code, 2016 is **admitted** by the following order:

- I.* Initiate Insolvency Resolution Process against the Petitioner/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 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.** The Resolution Professional *viz.* **Mr. Hemant J Mehta**, having **Insolvency Registration No. IBBI/IPA-001/IP-P00027/2016-2017/10060**, having registered address at D-613, Neelkanth Business Park, Opposite Near Railway Station, Vidyavihar (west) ,Mumbai City, Maharashtra ,400086, [E-Mail: [hemant@apmh.in](mailto:hemant@apmh.in) and contact number **9821261193**] 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 issue. 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.

**III.** The Resolution Professional shall submit such reports before this Tribunal, as may be required under the Code and the

Regulations framed thereunder.

- IV.** The Petitioner is directed to deposit **INR 75,000/-** (Indian Rupees Seventy-Five Thousand only) to the bank account of the Resolution Professional within **one week**, towards his fees & out-of-pocket expenses, which shall be such as is approved by the applicant herein and subsequently confirmed by the Creditors. This shall be subject to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.
- V.** The Registry is directed to communicate a copy of order, report and application within **seven** working days and upload the same on the website immediately after the pronouncement of order.

Sd/-

**Prabhat Kumar**  
**Member (Technical)**  
Akanksha S

Sd/-

**Sushil Mahadeorao Kochey**  
**Member (Judicial)**