NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COURT VI

Item No. P1.

C.P.(IB)/1388(MB)2025

CORAM:

SHRI SAMEER KAKAR
HON'BLE MEMBER (TECHNICAL)

SHRI SUSHIL MAHADEORAO KOCHEY
HON'BLE MEMBER (JUDICIAL)

ORDER SHEET OF HEARING (HYBRID) DATED **15.07.2026**

NAME OF THE PARTIES IN: **UC Inclusive Credit Private Limited**
Vs.
Ganesh Benzoplast Limited

Section 7, 60(5) of IBC

ORDER

1. The case is fixed for pronouncement of the order. The order is pronounced in the open court, *vide* separate order. Detailed order is being uploaded on the NCLT portal today.

Sd/-

SHRI SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)

Sd/-

SAMEER KAKAR
MEMBER (TECHNICAL)

(frk)

IN THE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH-VI

C.P. (IB)/1388/MB/2025

[Under Section 7 of the Insolvency and Bankruptcy Code, 2016 r/w Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016]

UC Inclusive Credit Private Limited

Financial Creditor

99/100, Prestige Towers, Residency Road,

Shanthala Nagar, Ashok Nagar,

Bengaluru - 560 025

…Financial Creditor

V/s

Ganesh Benzoplast Limited,

Corporate Debtor

Dina Building, 1st Floor, M. K. Road,

Marine Lines (East), Mumbai – 400002

...Corporate Debtor

Pronounced: 15.07.2026

CORAM:

HON'BLE SHRI SUSHIL MAHADEORAO KOCHEY, MEMBER (JUDICIAL)

HON'BLE SHRI SAMEER KAKAR, MEMBER (TECHNICAL)

Appearances: Hybrid

For Applicant: Adv. Mr. Rohit Gupta a/w Adv. Mr. Syed Naser Ali Rizvi i/b Vertices Partners.

For Respondent: Adv. Mr. Nausher Kohli a/w Adv. Mr. Parag Khandhar, Adv. Mr. Tapan Radkar & Adv. Ms. Anaheeta Verma i/b DSK Legal

ORDER

[PER: SAMEER KAKAR, MEMBER (TECHNICAL)]

1. BACKGROUND

1.1. CP 1388 (MB)/2025 has been filed by the applicant ***UC Inclusive Credit Private Limited*** (Financial Creditor of FC) against ***Ganesh Benzoplast Limited*** (Corporate Debtor or CD) seeking commencement of CIRP, declaration of moratorium and appointment of IRP.

1.2. It is stated that the FC is a company registered under the Companies Act with **CIN: - U65929KA2016PTC094208**. FC is a NBFC registered with RBI and is in the business of lending.

1.3. The application is affirmed by ***Mr. Shrihari Vasant Kulkarni***, Chief Risk Officer, authorized by a Board Resolution dated 17.07.2024.

1.4. It is stated that the CD herein is a company registered under the Companies Act with ***CIN:-L24200MH1986PLC039836*** having its registered office at Dina Building, 1st Floor, M. K. Road, Marine Lines (East), Mumbai – 400002.

1.5. Applicant has named ***Mr. S. Gopalakrishnan, Reg. No. IBBI/IPA-002/IP-N00151/2017-2018/10398*** to act as IRP in case the application is admitted.

1.6. It is stated that the FC has sanctioned a secured term loan facility of ***Rs. 5,00,00,000/-*** in favour of Agarwal Bulkactives Private Limited (hereinafter referred to as "the Principal Borrower") by way of a duly executed Sanction Letter dated 30th January 2024. A copy of the said Sanction Letter is annexed and marked as Annexure 1.

1.7. Pursuant thereto, a Facility Agreement dated 31 st January 2024 was executed between the Financial Creditor and the Principal Borrower. A copy of the said Facility Agreement is hereto annexed and marked as Annexure 2.

1.8. In furtherance of the Facility Agreement, Ganesh Benzoplast Limited (referred to as "the Corporate Guarantor") executed a Corporate Guarantee dated 31't January 2024 in favour of the Financial Creditor, thereby guaranteeing the due repayment of all amounts due from the Principal Borrower under the Facility Agreement. A copy of the Deed of Corporate Guarantee dated 31st January 2024 is annexed hereto as Annexure 3.

1.9. The date of disbursement is mentioned as 31.01.2024 in single tranche.

1.10. It is stated that the Corporate Debtor is engaged in the business of providing independent Liquid Storage Tank (LST) facilities for the storage and handling of liquid chemicals and oil products, with storage terminals located at Jawaharlal Nehru Port Trust (Navi Mumbai), Cochin Port Trust (Cochin), and Mormugao Port Trust (Goa). The Corporate Debtor is also engaged in the business of manufacturing speciality chemicals, food preservatives, and oil additives, having two factories situated at MIDC, Tarapur, Maharashtra.

1.11. It is stated that in January 2024, the Principal Borrower approached the Financial Creditor for a term loan to fund business expansion and meet its working capital requirements, pursuant to which a sum of Rs. 5,00,00,000 was sanctioned and disbursed on 31st January 2024, as evidenced by the duly executed Sanction Letter dated 30th January 2024 and Facility Agreement dated 31st January 2024.

1.12. It is stated that in furtherance of the Facility Agreement and as a condition precedent to the disbursement, Ganesh Benzoplast Limited irrevocably and unconditionally guaranteed the due repayment of all amounts payable by the Principal Borrower by executing a Deed of Corporate Guarantee dated 31st January 2024 in favour of the Financial Creditor.

1.13. It is stated that the execution of the said Corporate Guarantee was duly authorised by a resolution passed by the Board of Directors of Ganesh Benzoplast Limited at their meeting held on 31st January 2024, a copy of which is annexed hereto and marked as Annexure 4.

1.14. It is stated that the facility was further secured by a Deed of Hypothecation dated 31 st January 2024, creating a first pari passu charge over the assets of the Principal Borrower, and Personal Guarantees dated 31 st January 2024 from its directors, Mr. Ramakant Shankarmal Pilani and Mr. Deepak Kailashchandra Chhaparia.

1.15. It is stated that in compliance with the said facility, the entire sanctioned sum was disbursed by the Financial Creditor in a single tranche on 31 January 2024 into the Principal Borrower's designated account with RBL Bank, Bandra Number 409833323363, West Branch, Account IFSC RATN0000252. Evidence of such disbursement, including the bank credit confirmation is hereto annexed and marked as Annexure 8 respectively.

1.16. It is stated that as per the Repayment Schedule annexed to the Facility Agreement, a copy of which is annexed hereto and marked as Annexure 9, the Principal Borrower undertook to repay the facility by way of fifteen

(15) equal monthly instalments (EMIs) falling due on the 8th of each month, commencing from February 2024. Each instalment comprises apportioned principal and interest at a fixed rate of 17.5% per annum (exclusive of taxes).

1.17. It is stated that the Principal Borrower had formally accepted and confirmed these repayment terms in writing. The Principal Borrower persistently failed to adhere to its repayment obligations from April 2024 onwards. The Cheques furnished towards repayment were dishonoured upon presentation, as evidenced by the return memo dated 1st June 2024. Consequently, a statutory notice dated 5th June 2024 under Section 138 of the Negotiable Instruments Act, 1881, was duly served. A copy of the said notice is annexed hereto and marked as Annexure 10.

1.18. It is stated that despite numerous reminders, the defaults continued, constraining the Financial Creditor to issue a Recall Notice dated 2nd July 2025 to the Principal Borrower, thereby demanding immediate payment of the entire outstanding amount. A copy of the said Recall Notice is annexed hereto and marked as Annexure 11.

1.19. It is stated that consequent to the uncured default by the Principal Borrower, the Financial Creditor was compelled to invoke the said Corporate Guarantee. A formal Invocation Notice dated 1 st August 2025 was served upon the Corporate Guarantor, calling upon it to forthwith discharge the total liability within three days, in accordance with the terms of the guarantee. A copy of the said Invocation Notice is annexed hereto and marked as Annexure 12. The Corporate Debtor has failed to respond to the Invocation Notice thus far.

1.20. It is stated that as of the date of the invocation of the guarantee, the total outstanding financial debt due and payable is INR 6,25,20,537/- (Rupees Six Crore Twenty-Five Lakhs Twenty Thousand Five Hundred and Thirty-Seven only). The outstanding amount comprises of the following:

Component	Amount Rs.
Principal Outstanding	4,69,93,817
Interest	47,70,965
Late Payment charge	1,07,54,575
Bounce/Penal Charges	1,180
Total Outstanding	6,25,20,537

1.21. It is stated that the said Statement of account is issued under the applicable provisions of the Indian Evidence Act, 1872 and the Bankers' Books Evidence Act, 1891, and is binding proof of liability.

1.22. It is stated that the failure of Ganesh Benzoplast Limited to honour the said invocation notice and remit the outstanding dues constitutes an unequivocal default under the terms of the irrevocable and unconditional guarantee, rendering it fully liable as the principal obligor for the entire financial debt owed by the Principal Borrower.

1.23. The date of default is mentioned as 07.08.2025. It is stated that the Financial Creditor issued an Invocation Notice dated 1 st August 2025, calling upon the Corporate Guarantor to pay the outstanding amount within three (3) days of its receipt. As no payment was made within this stipulated period, the date of default for the Corporate Guarantor is 7th

August 2025, which is the day immediately following the expiry of the three-day notice period.

2. **Applicant has attached the following documents: -**

A. Copy of the Certificate of Incorporation of the Financial Creditor.

B. Copy of authorization/Power of Attorney (Board Resolution) authorising Mr. Shrihari Vasant Kulkarni for filing this application on behalf of the Financial Creditor.

C. Copy of the Company master data of the Corporate Debtor reflecting the registered office address, as available on official website of Ministry of Corporate Affairs.

D. Copy of Sanction Letter dated 30th January 2024 under which the Financial Creditor disbursed a secured term loan facility to the Principal Borrower.

E. Copy of the Facility Agreement dated 31st January 2024 executed between the Financial Creditor and the Principal Borrower.

F. Copy of the deed of Corporate Guarantee dated 31st January 2024 executed by the Corporate Debtor in favor of the Financial Creditor, guaranteeing due repayment of all amounts payable by the Principal Borrower under the Facility Agreement.

G. Copy of the Resolution dated 31st January 2024 passed by the Board of Directors of the Corporate Debtor authorizing the execution of the Corporate Guarantee.

H. Copy of Deed of Hypothecation dated 31st January 2024 creating charge over the assets of the Principal Borrower, executed by Mr. Ramakant Shankarmal Pilani and Mr. Deepak Kailashchandra

Chhaparia, Directors of the Corporate Debtor in favour of the Financial Creditor.

I. Copy of the Personal Guarantee dated 31st January 2024 executed by Mr. Deepak Kailashchandra Chhaparia, Director of the Corporate Debtor in favour of the Financial Creditor.

J. Copy of Bank Credit Confirmation dated 31st January 2024 reflecting disbursement of the sanctioned sum by the financial Creditor to the Principal Borrower.

K. Copy of Repayment Schedule annexed to the Facility Agreement, undertaken and accepted by the Principal Borrower for repayment of the facility commencing February 2024.

L. Copy of the statutory notice dated 5th June 2024 under section 138 of the Negotiable Instruments Act, 1881 served upon the Principal Borrower demanding immediate payment of the entire outstanding amount.

M. Copy of Invocation Notice dated 1st August 2025 issued by the Financial Creditor to the Corporate Debtor for discharge of liability under the terms of the Corporate Guarantee.

N. Copy of detailed computation of overdue amounts, after adjustment of partial payments received, payable by the Corporate Debtor, supported by the Repayment schedule and extracts from the Facility Agreement.

O. Copy of Form D issued by the information Utility (NESL), reflecting the record of default of the Corporate Debtor.

P. Copy of Bank Account statement of Financial Creditor.

Q. Copy of IBBI Certificate in Form IA (1AAA).

3. Reply

3.1. Affidavit in reply was filed by the Corporate Debtor duly affirmed by one Mr. Mahendra Kadam, the authorized representative duly authorized by Board Resolution dated April 02, 2024.

3.2. The present Petition is not maintainable as it is an abuse of the process of law and has been filed by the Petitioner with oblique motives and for extraneous purposes in a desperate attempt to coerce the Respondent to pay sums demanded which are otherwise neither due nor payable.

3.3. It is stated that the present Petition is not maintainable as it is an abuse of the process of law and has been filed by the Petitioner with oblique motives and for extraneous purposes in a desperate attempt to coerce the Respondent to pay sums demanded which are otherwise neither due nor payable.

3.4. It is stated at the outset, that the present dispute involves serious questions of fraud and fabrication of documents, that require a full-fledged trial to be carried out, and hence, the proceedings under the Insolvency and Bankruptcy Code, 2016, being summary proceedings in nature, cannot be proceeded with by this Hon'ble Tribunal, particularly when questions of fraud and fabrication are involved in the present case.

3.5. It is stated that prior to filing the Petition on December 16, 2025 the Respondent on July 22, 2025 preferred a Commercial Suit against the Petitioner before the Hon'ble Bombay City Civil Court at Bombay, being Commercial Suit No. 414 of 2025 ("Suit"), under Sections 31 and 34 of the Specific Relief Act, 1963, challenging and seeking declaration and cancellation of the purported Deed of Corporate Guarantee dated January 31, 2024 ("Purported Corporate Guarantee") purportedly executed between the Petitioner and the Respondent, which is pending adjudication. A copy of the Suit filed by the Respondent (without exhibits) is annexed herewith as Exhibit — B. It is most humbly submitted that entire matter in relation to validity of so called Corporate Guarantee is sub judice before Hon'ble High Court and this Hon'ble Tribunal will allow Hon'ble High Court to rule on the same before said instrument is acted upon.

3.6. It is pertinent to note that the Writ of Summons has been lodged in relation to service in the Suit. In addition, the Petitioner has also entered appearance in the Suit through its Advocates, and has, inter alia, filed a Reply to the Notice of Motion filed by the Respondent seeking ad-interim and interim reliefs against the Petitioner. Thus, despite being well aware of the Suit, the Petitioner has, with mala fide intention, not disclosed the same, and has proceeded to file the present Petition. Further, the Petition is completely silent on the fact that the Suit has been filed and thus the Petitioner has intentionally suppressed a material fact. I say that on this ground alone the Petition is liable to be dismissed. I say that the Suit has been filed by the Respondent even before the purported Corporate Guarantee was invoked by the Petitioner. Hence, the invocation of the Purported Corporate Guarantee is an afterthought on the part of the Petitioner, and as a counterblast to the Suit.

3.7. It is stated that the Purported Corporate Guarantee, purportedly executed between the Petitioner and the Respondent, and which forms the basis of the present petition is a forged, fabricated and got-up document, which the Respondent nor its authorized representative have ever executed. Further, the Petitioner is claiming that under the Purported Corporate Guarantee, the Respondent agreed to stand as guarantor for the obligations of Agarwal Bulkactives Private Limited ("ABPL") under the purported Facility Agreement dated January 31, 2024 ("Purported Facility Agreement") executed between the Petitioner and ABPL. The Respondent is not a party to the Purported Facility Agreement and is not concerned with the Purported Facility Agreement, however, a copy of the same was provided by the Petitioner to the Respondent as is given in more detail hereinbelow.

3.8. It is stated that Mr. Ramakant Pilani, the former Chief Executive Officer of the Respondent, has purportedly signed the Purported Corporate Guarantee on behalf of the Respondent, which he had no authority to do. I say that in the Suit, the Respondent has inter alia challenged the very existence and validity of the Purported Corporate Guarantee.

3.9. It is stated that the Respondent learned of the Purported Corporate Guarantee vide an email dated May 3, 2024, received by them on the email addressees viz. cs@gblinfra.com and compliance@gblinfra.com from the Petitioner ("said Email"). In this email, the Petitioner inter alia alleged that an alleged transaction was entered into between the Petitioner, ABPL and the Respondent, to which Mr. Ramakant Pilani and Mr. Deepak Chapparia, the directors of ABPL, were the alleged personal guarantors. Further, the said Email mentioned that the Petitioner has tried to contact Mr. Ramakant Pilani in respect of the alleged dues owed to them, but there was no response from Mr. Ramakant Pilani in that regard. This email was also marked to an email address account.head@ganeshgroup.com. Attached to the said Email was an alleged repayment schedule which gave the dates of the alleged repayments to be made by ABPL (the borrower) in relation to the Purported Facility Agreement. The said Email also contained a trail email of reminders dated April 5, 2024, April 11, 2024, April 24, 2024, April 26, 2024, April 30, 2024 and May 3, 2024, also sent to the email address "account.head@ganeshgroup.com", for the repayment of the alleged outstanding dues to the Petitioner. This email address, viz. account.head@ganeshgroup.com was not an email address belonging to the Respondent. A copy of the said Email, along with the attachments viz. repayment schedule and trailing email containing reminders, is annexed herewith as ***Exhibit — C "colly".***

3.10. It is stated that the Respondent was shocked to receive the notice as it has never entered into any agreement/arrangement to stand as guarantor for any alleged loan availed by ABPL from the Petitioner, nor does the Respondent have any relationship of any nature whatsoever with the Petitioner, nor had the Respondent even heard of the Petitioner prior to receipt of the said Email. Accordingly, the Respondent vide a reply dated May 10, 2024 ("said Notice") replied to the Email dated May 03, 2024 inter alia denied entering into any agreement/arrangement with the Petitioner and stated that any alleged deeds, agreements, documents, allegedly executed in the name of the Respondent in relation thereto are completely forged, fabricated and fraudulent. By the said Notice, the Respondent also called upon Petitioner to furnish copies of the documents referred to in the said Email, as they were completely unaware of the alleged documents, their alleged contents, or anything to do with the alleged transaction. A copy of the said Notice dated May 10, 2024 in annexed herewith as Exhibit — D.

3.11. It is stated that Mr. Ramakant Pilani, along with other co-conspirators have conspired with and connived with each other to perpetrate a large fraud against the Respondent and their wholly owned subsidiary GBL Chemical Limited ("GBL Chemical"), as more particularly detailed hereinafter. In order to further their illegal and unlawful intentions, Mr. Ramakant Pilani misused the domain name "@ganeshgroup.com" and the email addresses having this domain name, which were at the relevant time under the sole control of Mr. Ramakant Pilani ("said Domain Name"). By using the said Domain Name, Mr. Ramakant Pilani carried out various communications with various entities for the purpose of availing loans and credit facilities from these entities by creating fake email addresses, viz. "account.head@ganeshgroup.com" in the name of the Respondent and GBL Chemical and with an intent to defraud the Respondent and GBL Chemical.

3.12. It is stated that owing to the fact that the domain "ganeshgroup.com" was misused by Mr. Ramakant Pilani by creating fake email addresses to orchestrate the fraud upon the Respondent, the Respondent and GBL Chemical Limited, the wholly owned subsidiary of the Respondent have issued a public notice on April 4, 2024 in the New Delhi, Gurgaon and Mumbai editions Economic Times ("said Public Notice") to caution the general public about the fraud being committed against them. By the said Public Notice, the Respondent also informed the general public that no communications should be sent to the said Domain Name. Annexed herewith as Exhibit — E is a copy of the said Public Notice. Hence, I say that the Respondent took all reasonable steps to ensure that the general public that the said Domain Name is being misused.

3.13. It is stated that upon investigation being carried out by the Respondent, the Respondent got access to the fake email addresses made using the said Domain Name. Accordingly, the Respondent received an email dated May 15, 2024, addressed by Petitioner to the fake email address "account.head@ganeshgroup.com", as an alleged reminder with respect to the alleged outstanding dues of ABPL under the Purported Facility Agreement. Annexed herewith as Exhibit — F is a copy of the email dated May 15, 2024.

3.14. It is stated that in the meanwhile, in response to the said Notice, the advocates of Petitioner addressed a letter dated May 22, 2024 ("said Reply") to the advocates of the Respondent, whereby they provided a copy of the Purported Facility Agreement and the Purported Corporate Guarantee to the Respondent's advocates. By the said Reply, Petitioner raised baseless and untenable contentions and called upon the Respondent to pay the alleged outstanding dues of the sum of Rs. 73,97,488/- (Rupees Seventy Three Lakh Ninety-Seven Thousand Four Hundred and Eighty-Eight Only) towards the alleged sums overdue as on May 8, 2024, which is inclusive of Rs. 73,38,081 as well as late payment charges of Rs. 59,407. Further, Petitioner sought to rely upon the familial relationship between the Managing Director of the Respondent (viz. Mr. Rishi Ramesh Pilani) and Petitioner and the fact that the Respondent shares its corporate office with Mr. Ramakant Pilani in a baseless attempt to give legitimacy to the Purported Corporate Guarantee. The Respondent submits that prior to receipt of the said Reply, the Respondent was completely unaware of the Purported Facility Agreement and the Purported Corporate Guarantee. A copy of the said Reply dated May 22, 2024 is annexed herewith as 74) 6 Exhibit— G.

3.15. It is stated that upon perusing the Purported Corporate Guarantee, the Respondent was shocked to learn that Mr. Ramakant Pilani executed the Purported Corporate Guarantee in a completely fraudulent, mala fide, and illegal manner and without any authority given to him by the Respondent. Mr. Ramakant Pilani has acted on his own accord while executing the Purported Corporate Guarantee in favor of Petitioner, with an intention to cheat and defraud the Respondent and to foist upon the Respondent an unrelated liability which arises out of the Purported Facility Agreement executed between Petitioner and ABPL. The Respondent submits that the Purported Corporate Guarantee has been executed by Mr. Ramakant Pilani and Petitioner, knowing fully well that ABPL would not be able to honor the payments that it was liable to make to Petitioner, and thus, the Respondent has been fraudulently used as a fail-safe mechanism by Mr. Ramakant Pilani and Petitioner.

3.16. It is stated that accordingly, the Respondent's advocates responded to the said Reply by a letter dated June 10, 2024 ("said Rejoinder"), refuting the alleged contention of Petitioner and reiterating that the Purported

Corporate Guarantee is fraudulent. A copy of the said Rejoinder dated June 10, 2024 is annexed herewith as Exhibit — H. It is pertinent to note that the said Notice, the said Reply and the said Rejoinder have also been suppressed by the Petitioner while filing the present petition.

3.17. It is stated that the Respondent has never executed the Purported Corporate Guarantee, and the same is forged and fabricated. The Respondent is a publicly listed company, and therefore, the Respondent is required to seek necessary approvals from its board members as well as shareholders before passing any resolution to provide any guarantee to any corporate entity. In this regard, I say that the Purported Corporate Guarantee has never been tabled before or has ever been approved by the Board of Directors of the Respondent. Further, the Respondent has never passed any Board Resolution authorizing Mr. Ramakant Pilani to provide any purported guarantee to the Petitioner. It would not be out of place to mention that at the relevant time, Mr. Ramakant Pilani was merely an officer of Respondent, and thus had no inherent and/or general powers to provide guarantees, obtain loans and/or any other credit facility or security either under the Memorandum of Association of the Respondent, the Articles of Association of the Respondent or under applicable statutes and regulations. Hence, there is no question of Mr. Ramakant Pilani having authority to execute the Purported Corporate Guarantee on behalf of the Respondent, and the same constitutes a fraud played on the Respondent in connivance with the Petitioner.

3.18. It is stated that the Petitioner has along with the present petition, filed a copy of a fabricated and got up board resolution dated January 31, 2024.

This purported board resolution is dated the same day as the Purported Corporate Guarantee. I say that no meeting of the board of directors of the Respondent was ever held on January 31, 2024, as alleged, and consequently, no purported board resolution was passed by the Respondent, authorizing any person to enter into any transaction with the Petitioner. The falsity in the purported board resolution is further borne out by its contents. In the second paragraph, the purported board resolution labels Mr. Ramakant Pilani as a "director" of Ganesh Benzoplast Limited. However, Mr. Ramakant Pilani only held the position of Chief Executive Officer of the Respondent and was not a director. I say that this clear discrepancy should have alarmed the Petitioner, particularly when Mr. Ramakant Pilani himself has signed the board resolution as a Chief Executive Officer. Hence, two separate designations are given to Mr. Ramakant Pilani in the same document, which has been overlooked by the Petitioner. It is therefore clear that no due diligence has been carried out by the Petitioner prior to entering into the Purported Corporate Guarantee. It would not be out of place to mention that no shareholder approval has been taken in respect of the purported transaction with the Petitioner. Hence, the aforesaid conduct is also contrary to the provisions of the Companies Act, 2013.

3.19. Respondent further submits that the alleged board resolution dated January 31, 2024 has also been printed on a fake letterhead, purportedly shown as that belonging to the Respondent. It is pertinent to note that the address shown thereon is not the registered address of the Respondent, and the telephone number and email are also incorrect. Further, the same also does not contain the Company Identification Number of the Respondent.

3.20. It is further submitted that the Purported Corporate Guarantee also does not bear the signatures of any witnesses, as is standard for any agreement or document.

3.21. It is stated that no meeting of the board of directors of the Respondent was held on January 31, 2024, which is demonstrated by the fact that the directors' report of the Respondent for the Financial Year 2023/24 does not include the alleged meeting dated January 31, 2024, while listing out all the meetings of the board of directors held during the financial year. A copy of the Directors' Report of the Respondent for Financial Year 2023/24 is annexed herewith as Exhibit — I.

3.22. It is stated that respondent is a listed entity, the Respondent is bound by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore, the Respondent is required to adhere to and comply with legal and statutory requirements associated with holding any board meeting, including requiring to disclose the details of the date of the meeting and uploading details of the notice for such meeting. The Petitioner must be aware that details of board meetings for certain material matters, including the issuance or execution of a corporate guarantee, have far more stringent compliance and disclosure requirements for a publicly listed company. I say that the fact that there is no disclosure on behalf of the Respondent pertaining to a Board Resolution authorizing Mr. Ramakant Pilani to execute the Purported

Corporate Guarantee, inter alia, shows that the Purported Corporate Guarantee has not been executed by the Respondent.

3.23. It is stated that the Petitioner could have confirmed whether Mr. Ramakant Pilani is authorized to execute the Purported Corporate Guarantee by undertaking a basic search on the website of the recognised stock exchange or ought to have enquired with the board members of the Respondent, including its Chairman and Managing Director. However, the Petitioner failed to undertake even this basic search prior to executing the Purported Corporate Guarantee, and has instead proceeded to blindly execute the same. I say that the same demonstrates the clear and gross negligence and mala fide on part of the Petitioner in the process followed for execution of the Purported Corporate Guarantee and raises questions on the veracity of the transaction alleged by the Petitioner. It is therefore evident that the very document purporting to give authority to Mr. Ramakant Pilani is non-existent, and consequently, the Purported Corporate Guarantee entered on the basis of a non-existent boar resolution is also fabricated, and does not exist.

3.24. It is pertinent to note that June 5, 2024, addressed a notice under Section 138 of the Negotiable Instruments Act, 1881, to the Respondent, ABPL, Mr. Ramakant Pilani and Mr. Deepak Chhaparia ("Section 138 Notice"). By the Section 138 Notice, the Petitioner alleged that EMI's for the month of April 2024 and May 2024 under the Purported Facility Agreement were not deposited with Petitioner and as such Petitioner 1 allegedly instructed their banker, Jana Small Finance Bank to debit ABPL's designated bank account (viz. RBL Bank Limited account bearing number 409833323363) through security cheque bearing number 000063 on May 31, 2024 for repayment of alleged outstanding sum of Rs. 36,66,817/-. The Petitioner further alleged that the aforesaid security cheque was dishonoured for the reason of 'Funds Insufficient'. Annexed herewith as Exhibit — J is a copy of the Section 138 Notice.

3.25. The Respondent responded to the Section 138 Notice vide a letter dated June 25, 2024, repeating and reiterating the facts and circumstances as stated hereinabove and further states that the Respondent is not aware of the alleged security cheque bearing number 000063 of RBL Limited being issued to the Petitioner by ABPL. Without prejudice to the aforesaid, the Respondent also submitted that the dishonour of the alleged cheque does not concern the Respondent as the same has been issued by ABPL and not by the Respondent. A copy of the letter dated June 25, 2024 is annexed herewith as Exhibit — K.

3.26. It is stated that the Respondent is a public listed company and ABPL is a private limited company. Both entities are separate and distinct companies, and have no common directors and/or shareholders. Further, shareholding, directorship, and the role of Mr. Ramakant Pilani at the inception of the Respondent are no longer relevant to the operation and management of the Respondent. In addition, any past dealing and/or transactions between the Respondent and ABPL were at aim's length and are entirely immaterial to third parties, particularly after a significant passage of time. As stated hereinabove, at the relevant time, Mr. Ramakant Pilani was merely an officer of the Respondent and held no directorship. Further, the similarity of business between the Respondent and the Petitioner is entirely irrelevant to the present issue. Hence, any transactions and/or funds received by ABPL have no bearing on the Respondent, either in terms of benefit received or in terms of liability imposed.

3.27. It is stated that the Purported Corporate Guarantee is part of a larger fraud and conspiracy which has been undertaken by Mr. Ramakant Pilani against the Respondent and its wholly owned subsidiary GBL Chemical Limited in collusion and connivance with other individuals and entities, including the Petitioner and ABPL. In this regard, it is pertinent to know the following:

a. Mr. Ramakant Pilani has fraudulently and with a mala fide intention availed of loans from various non-banking finance companies in the name of the Respondent and GBL Chemical Limited on the basis of forged and fraudulent documents, including but not limited to forging Board Resolutions of the Respondent and GBL Chemical Limited. In this regard, the Respondent has filed appropriate civil and criminal proceedings against Mr. Ramakant Pilani and all others concerned. The Respondent craves leave to refer and rely upon the papers in the civil and criminal proceedings filed by the Respondent against Mr. Ramakant Pilani as and when produced.

b. Mr. Ramakant Pilani along with other co-conspirators have further opened a fraudulent bank account in the name of GBL Chemical Limited with the State Bank of India, Tulsiani Chambers, Backbay Reclamation Branch, Mumbai bearing Current Account Number 41010899634 ("said Fraudulent Account"). Mr. Ramakant Pilani has used the said Fraudulent Account to avail illegal credit facilities and loans, as stated hereinabove.

c. As Mr. Ramakant Pilani had forged and fabricated board resolutions and documents of the Respondent and Petitioner to obtain loans from other Non-Banking Financial Companies as well, these Non-Banking Financial Companies had filed a complaint before the Economic Offences Wing of the Delhi Police against Mr. Ramakant Pilani. In these proceedings, Mr. Ramakant Pilani has been arrested by the. Economic Offences Wing, Delhi Police. By a press release dated February 05, 2025, the Economic Offences Wing of the Delhi Police has also confirmed that its investigation has found that Mr. Ramakant Pilani created forged and fake board resolutions and also created a fake account in the name of GBL Chemical Limited, being the said fraudulent account. A copy of the press release dated February 05, 2025 is annexed herewith as Exhibit — L. Further, vide another press release dated February 25, 2025, the Economic Offences Wing, Delhi Police, has also confirmed that it has now arrested the other accused persons involved in forging documents in the name of the Respondent. A copy of the press release dated February 25, 2025, is annexed herewith as Exhibit — M.

d. Pursuant to his arrest, Mr. Ramakant Pilani had filed an application before the Patiala House Court, New Delhi, seeking bail. By an order dated July 16, 2025, the bail application was also rejected by observing that Mr. Ramakant Pilani had unauthorizedly supplied company credentials and forged signatures of other directors and funds were routed through accounts operated by him. A copy of the order dated July 16, 2025 is annexed herewith as Exhibit — N.

e. Further, Mr. Rishi Pilani and Mr, Ramesh Pilani, whose signatures appear on the account opening documents of the said Fraudulent Account, submitted their original signatures for comparison with their fraudulent and forged signatures, as appearing on the account opening documents of the fraudulent bank account, as well as on the other forged documents that form the part of other fraudulent transaction in the scheme orchestrated by Mr. Ramakant Pilani. The signatures were given for comparison to a well-reputed independent handwriting analysis agency by the name of Helik Advisory Ltd. ("independent agency").

f. After a thorough analysis of the same, the independent agency has given its findings, vide two reports dated April 17, 2024, i.e., one report analysing the signatures of Mr. Rishi Pilani, and one report analysing the signatures of Mr. Ramesh Pilani ("said reports"). In the said reports, it has been very clearly and emphatically concluded that the signatures appearing in the fabricated and forged documents submitted to the independent agency, and the specimen signatures of Mr. Rishi Pilani and Mr. Ramesh Pilani are of a different authorship. The said reports are annexed herewith as Exhibit — 0 and Exhibit — P respectively.

g. Therefore, from the analysis of the independent agency, it has become clear that the signatures of Mr. Rishi Pilani and Mr. Ramesh Pilani appearing on those fraudulent documents, and the account opening documents of the fraudulent bank account are completely forged and fabricated. Therefore, this further goes to show that the fraudulent bank account was never actually validly opened by the authorized representatives of GBL Chemical Limited, and further goes to show that the Respondent, GBL Chemical Limited, and its authorized representatives have been the victims of the fraud perpetrated by the Petitioner in collusion and in connivance with Mr. Ramakant Pilani.

h. Further, in light of the said Fraudulent Account having been opened in the name of GBL Chemical Limited by Mr. Ramakant Pilani and other co-conspirators, and the same having been used to avail illegal credit facilities and loans from various entities in the name of the Respondent and GBL Chemical Limited, a Board Meeting of the board of directors was held on April 2, 2024, at which Mr. Ramakant Pilani tendered his resignation as CEO of the Respondent and also tendered his resignation as the Director of GBL Chemical Limited. The said resignation was forthwith accepted by the Respondent and GBL Chemical Limited and accordingly, the resignation of Mr. Ramakant Pilani as the CEO of the Respondent was also communicated to the Bombay Stock Exchange vide a letter dated April 2, 2024. Annexed herewith as **Exhibit — Q** is a copy of the intimation given by the Respondent to the Bombay Stock Exchange. *"The Hon'ble NCLAT has, in the matter of Shelendra Kumar Sharma v. DSC Limited in Company Appeal (AT) (Ins.) 1459 of 2019, held* *that the question as to whether documents are forged or not cannot be decided by the Adjudicating Authority."*

3.28. It is stated that in view of the aforesaid facts and circumstances, the Purported Corporate Guarantee has been executed by Mr. Ramakant Pilani without any authority and is a product of fraud. Hence, the Purported Corporate Guarantee is void, and there exists no obligation on the Respondent to make any payment to the Petitioner.

3.29. It is stated that the circumstances aforesaid, I say that upon this Hon'ble Tribunal examining the nature of the transactions, it will be borne out that there is no financial debt either due or payable as defined under Section 5(8) of the Code. It is trite that the mere advancement of monies would not ipso facto qualify as a Financial Debt.

3.30. It is stated that a transaction which is a sham or collusive transaction and only creates an illusion that money has been disbursed to a borrower with the object of receiving consideration in the form of time value of money, when in fact the parties have entered into the transaction with a different or an ulterior motive, would not qualify as a Financial Debt. In the facts of the present case, fraud has been evidently played, and the real transaction between the parties is something other than advancing a financial debt.

3.31. It is stated that mere existence of debt and default does not imply that an application under Section 7 of the Code is required to be admitted.

Hon'ble Supreme Court has held in CIVIL APPEAL NO. 4633 OF 2021 in the matter of Vidarbha Industries Power Ltd vs Axis Bank as under:

"88. The Adjudicating Authority (NCLT) has to consider the grounds made out by the Corporate Debtor against admission, on its own merits. For example, when admission is opposed on the ground of existence of an award or a decree in favour of the Corporate Debtor, and the Awarded/ decretal amount exceeds the amount of the debt, the Adjudicating Authority would have to exercise its discretion under Section 7(5)(a) of the IBC to keep the admission of the application of the Financial Creditor in abeyance, unless there is good reason not to do so. The Adjudicating Authority may, for example, admit the application of the Financial Creditor, notwithstanding any award or decree, if the Award/ Decretal amount is incapable of realisation. The example is only illustrative."

"90. We are clearly of the view that the Adjudicating Authority (NCLT) as also the Appellate Tribunal (NCLAT) fell in error in holding that once it was found that a debt existed and a Corporate Debtor was in default in payment of the debt there would be no option to the Adjudicating Authority (NCLT) but to admit the petition under Section 7 of the IBC."

3.32. It is stated that the present case, the Purported Corporate Guarantee being fabricated and fraudulent, the Purported Debt does not fall under the definition of Financial Debt as defined under the Code. Consequently, the Petition ought to be dismissed.

3.33. It is stated that hereinabove, the Respondent has filed a Suit under Sections 31 and 34 of the Specific Relief Act, 1963 against the Petitioner and its co-conspirators, challenging and seeking declarations and cancellation of the forged, fraudulent and illegal Purported Corporate Guarantee, which forms the basis of the purported debt in the present

Petition. Thus, under these circumstances, the Petition ought to be dismissed in *limine*.

3.34. It is stated that separately, another NBFC, viz. Progfin Private Limited filed a Petition under Section 7 of the Code, being Company Petition (I.B.) No. 583 of 2024 before this Hon'ble Tribunal, against the Respondent in relation to false, forged, and fabricated purported documents therein that are similar to the present case. I say that in that petition as well, the Petitioner was relying on a forged and fabricated corporate guarantee deed allegedly executed by the Respondent. I say that in the aforesaid Company Petition, this Hon'ble Tribunal held that the matter involved issues of fraud and forgery, and hence, the same could not be gone into by this Hon'ble Tribunal in an application under Section 7. A copy of the order dated September 01, 2025 is annexed herewith as Exhibit - R.

3.35. Further, It is stated that the Respondent and GBL Chemical Limited have also preferred a Commercial Suit before the Hon'ble City Civil Court, Bombay bearing Commercial Suit No. 1169 of 2024 against one Lok Sewak leasing and Investment Pvt Ltd challenging a fraudulent transaction and the false, forged and fabricated purported documents therein that are of similar nature as the present case, I say thar the Hon'ble City Civil Court vide Order dated July 10, 2025 passed in the Notice of Motion preferred by the Respondent bearing Notice of Motion No. 1503 of 2024 and Notice of Motion No. 1658 of 2024 in Commercial Suit No. 1169 of 2024, observed that the Respondent and GBL Chemical Limited were victims of the alleged fraud and forgery therein and were not the borrowers of the fraudulent loan transaction and further held that the allegations of serious fraud can only be adjudicated by the Hon'ble Civil Courts alone. The Hon'ble Court was pleased to grant the interim reliefs prayed for therein. A copy of the Notice of Motion, along with the Affidavit in Support are annexed herewith as ***Exhibit - S***. A copy of the order dated July 10, 2025 is annexed herewith as ***Exhibit - T***.

3.36. It is stated that in addition to the aforesaid, on August 13, 2024, a First Information Report bearing number 0315 of 2024 has been registered by the Vanrai Police Station, Mumbai ("Vanrai FIR") under Section 34, 406, 419, 465 and 568 of the Indian Penal Code, 1806 ("IPC"), in respect of false forged, and fabricated purported documents executed by Mr. Ramakant Pilani in favor of Progfin Private Limited and which are similar to the present case. Further, in the Varnai FIR, it is recorded that the fake email ID of GBL Chemical is used as ***accounts.head@ganeshgroup.com***, which is an email address with the said Domain Name.

3.37. It is stated that in addition, the Respondent and GBL Chemical Limited have also filed a police complaint before the Cuffe Parade Police Station, Mumbai, in relation to the said Fraudulent Bank Account, the acts of forgery forming part of the opening of the said Fraudulent Bank Account, and the transactions carried out therein. I say, on May 02, 2024, another First Information Report being FIR No. 0103/2024, was registered by the Cuffe Parade Police Station. A copy of the said FIR is annexed herewith as ***Exhibit — U***. It is pertinent to note that Mr. Ramakant Pilani has been named as one of the accused in the aforesaid FIR. In furtherance of the same, the Cuffe Parade Police Station has filed a charge sheet in the matter. Pertinently, the employee of SBI, Mr. Prashant Bhise, has been named as an accused in the charge sheet. I say that this shows the gravity of the situation. A copy of the chargesheet along with the English translation thereof is annexed herewith as ***Exhibit — V***.

3.38. It is stated that ABPL and Mr. Ramakant Pilani, in addition to the fraudulent activities mentioned above, have taken part in several fraudulent activities against the Respondent and GBL Chemical Limited. This includes siphoning of duly owed monies to GBL Chemical Limited into the personal account of Mr. Ramakant Pilani. Further, Mr. Ramakant Pilani has also opened a fake account in the name of the Respondent with HDFC Bank, in relation to which a First Infonriation Report No. 164 of 2025 has been registered with Vanrai Police Station. A copy of FIR No. 164 of 2025 along with the English translation thereof is annexed herewith as Exhibit — W. Additionally, Mr. Ramakant Pilani has issued several cheques on behalf of the Respondent and GBL Chemical Limited without any authority. In relation to the same, Andheri Police Station has also registered an FIR against Mr. Ramakant Pilani bearing FIR No. 581 of 2025, and as on date, a chargesheet has also been filed in the matter. Respondent craves leave to produce the same at the relevant stage.

3.39. It is stated that in respect of the fraudulent transactions entered into by Mr. Ramakant Pilani, several matters are pending before various courts. In respect of the same, observations have been made by various courts and tribunals as regards the fraud perpetrated by Mr. Ramakant Pilani. I crave leave of this Hon'ble Tribunal to refer to and rely upon such orders, at the relevant time.

3.40. Pertinently, as stated hereinabove, the Respondent has also issued public notices in a prominent newspaper, the Economic Times, to caution the general public about such fraud being committed against them. Further, the scam perpetrated by Mr. Ramakant Pilani has also been widely reported in the news. A copy of the news article report on the popular website "Money Control" is annexed herewith as Exhibit - X and the same can be accessed on the following link viz. https://www.moneycontrol.com/news/business/markets/speciality-chemicals-maker-accuses-ex-ceo-of-rs-45-crore-fraud-files-complaintunder-section-420-12677811.html.

3.41. It is stated that petition is a gross and egregious abuse of the process of law and of the provisions of the Code. The Petitioner has acted in a high-handed, mala fide, dishonest, extortionate and unreasonable manner, as set out above, only to try and extract an unfair bargain from the Respondent. Such conduct and litigation strategy ought to be deprecated by this Hon'ble Tribunal, and the Petition ought to be dismissed with costs.

3.42. It is stated that when the Petition itself is not maintainable on various counts as stated above, there is no question of initiating CIRP against the Respondent and appointing an Insolvency Resolution Professional ("IRP") in respect of the Respondent.

3.43. It is stated that the Respondent is neither a commercially unviable asset nor a potentially sick entity. I say that the Respondent is one of the leading entities involved in the liquid storage business and manufacturing of speciality chemicals in the chemical sector in India. The Respondent has a market cap of 500 Crores as on March 31, 2026 The value of the current assets of the Respondent is Rs. 212 Crores as on September 30, 2025. As on date, there are around 500 workers/employees engaged both directly and indirectly, by the Respondent. Any steps taken in pursuance of this Petition would not only impact the said workers/employees engaged by the Respondent, but also their respective families, who are all dependent on the business and operations of the Respondent.

3.44. It is stated that a commercially viable entity cannot be driven to insolvency proceedings at the whims and fancies of any single party. It is submitted that on account of implementation of BIFR scheme, the Respondent has emerged as a healthy and financially solvent entity and therefore, the respondent Company cannot be put to the unwanted / uncalled for rigors of insolvency that too for the alleged attempt to recover the amounts which are not due and payable. Refer: *Shitanshu Bipin Vora Suspended Director of Exclusive Linen Fabrics Pvt. Ltd. vs. Shree Hari Yarns Pvt. Ltd. (Judgment dated 16.04.2025 passed by Hon'ble NCLAT in Company Appeal (AT) (Insolvency) No. 2204 of 2024) (Para 50).*

3.45. It is stated that the Code was enacted to create a comprehensive and robust framework for insolvency and bankruptcy proceedings against entities that are likely to become commercially unviable and perennially sick units with no chance of recovery. However, the Petitioner, by filing the captioned Petition under the garb of a Purported Debt, is antithetical to the objective of the Code and is acting to attic-twist and coerce alleged payments against the spirit of the Code.

Hon'ble NCLAT has by order dated 16.01.2025, in Appeal No.1480/2024 in the matter of **Acute Daily Media Pvt. Ltd thus held:**

"40. While there is no quarrel over the fact that Section 7 vests rights on the financial creditors to initiate CIRP proceedings against the defaulting Corporate Debtor, however, debt and default cannot always be seen in isolation. We cannot be unmindful of the fact that the Adjudicating Authority is also required to take care that the provisions of Section 7 of IBC are not misused or abused in any manner either by the financial creditor or the promoters of the Corporate Debtor to take undue advantage at the cost of insolvency resolution. Present is a case where the promoters of the Corporate Debtor and the Financial Creditors in trying to create a non-existent financial debt out of routine business entries, have ended up unwittingly committing lapses which lapses when seen cumulatively points to a web of conspiracy and collusion on their part to create a contrived situation of debt and default. The mistakes and infirmities committed by the Appellants in the process are not one-off or stand7,alone mistakes or inadvertent errors. These errors are also grave in that it also included violation of other statutes like Companies Act. When we take a comprehensive and holistic view of the entire conspectus of facts and circumstances, we find that there is ample proof to show that the Section 7 application was a motivated attempt to bring the Corporate Debtor into the rigours CIRP proceedings. The bonafide of the Appellants in the filing of the Section 7 application is clearly doubtful. Viewed from the angle of the totality of circumstances, the findings of the Adjudicating Authority that the insolvency proceedings in C.P.(IB)-50(PB)/ 2021 resulting in the order dated 17.05.2022 were initiated fraudulently and with malicious intent for a purpose other than the resolution of the insolvency

of the Corporate Debtor, is neither dehors the records nor unwarranted. When such fraudulent CIRP proceedings are initiated, the Adjudicating Authority has jurisdiction under the IBC to consider the allegations of fraudulent and malicious initiation of CIRP proceedings in terms of Section 65 and recall the CIRP admission order."

3.46. It is stated that time and again, the Hon'ble Supreme Court of India and the Hon'ble Appellate National Company Law Tribunal, including this Hon'ble Tribunal, by their plethora of judgments, have stated that the proceedings under the Code cannot be utilized as a recovery mechanism to ann-twist the Respondent to extort money. If such proceedings are filed with the sole intention to recover money, then such proceedings will be against the spirit of the Code and will be categorized as fraudulent proceedings under Section 65 of the Code for abusing the process of law.

3.47. It is stated that thus, the Code is not a legal avenue for coercion and arm-twisting to recover the Purported Debt. It is clearly the Petitioner's intention to armtwist the Respondent by initiating fraudulent and malicious insolvency proceedings against the Respondent with a sole aim to ensure the dismantling of the Respondent's business. The Petitioner is misusing the process of Code and, in order to achieve its wrongful gains, has filed the present Petition, and the same ought not to be countenanced by this Hon'ble Tribunal.

Hon'ble Kolkata Tribunal in C.P (IB) No. 2011/KB/2019 in the matter of Ashish Vincom Private Limited had rejected section 7 application thus/ holding:

"It would be relevant to refer to the preamble of the Code, 2016, which envisages that the rudementary tenets of the code are maximisation of value of assets by Resolution Process and to promote entrepreneurship and to balance the interests of all the stakeholders including alteration in the order of priority of payment of Government dues. Further, the same has been reiterated by the Apex Court in Swiss Ribbons Private Limited & Another v. Union of India and Others, where the Hon'ble Supreme Court has explicitly opined that the primary focus of the legislation is to ensure revival and continuation of the corporate debtor.The trend of granting unsolicited Inter Corporate Deposit by the Creditors and earning large slab of interest thereon, as compared to the normally charged interest rate and then taking the passage under the Code for recovering the interest and principal dues on default of payment of interest would make the Adjudicating Authority wear the that of a debt-recovery mechanism.

14. Hence, initiating a Corporate Insolvency Resolution Process at the behest of the Creditor whose prima facie intention has always been to generate collosal interest would not only restrain the idea of promoting entrepreneurship but also do injustice to the fundamental objective of the Code.

4. **Rejoinder by the Applicant: -**

4.1. Affidavit in Rejoinder dated 04.05.2026 was filed by the Applicant herein duly affirmed by one ***Mr. Shrihari Vasant Kulkarni*** the Chief Risk Officer and Authorised Signatory of the Financial Creditor.

4.2. It is stated that at the outset, I deny each and every statement, allegation, contention, and averment made in the Reply Affidavit of the Corporate

Debtor, insofar as the same are contrary to and/or inconsistent with what is specifically stated and averred herein below. I further submit that nothing stated in the Reply Affidavit of the Corporate Debtor shall be deemed to be admitted by me or by the Financial Creditor for want of specific traverse, save and except what is expressly admitted herein.

4.3. It is stated that the Reply Affidavit filed by the Corporate Debtor is nothing but a pale repetition of the identical and improvised grounds urged in the Plaint and Affidavit in Support of Notice of Motion filed by the same Corporate Debtor in the connected Commercial Suit bearing No. 414 of 2025 before the Bombay City Civil Court, in which the Financial Creditor has already filed a detailed Affidavit in Reply dated 3rd November,2025. The defenses raised in the Reply Affidavit are identical, and the infirmities identified by the Financial Creditor in the said Affidavit in Reply apply with equal, if not greater, force to the present proceedings. The present Reply Affidavit has been filed solely with the intent of evading and disowning the Corporate Debtor's liability under the Deed of Corporate Guarantee, and of obstructing and wrongfully restricting the Financial Creditor from recovering its legitimate dues. The same is a counterblast and constitutes a blatant abuse of due process. The Financial Creditor craves leave to refer and rely upon its said Affidavit in Reply dated 3rd November, 2025 when produced.

4.4. It is stated that before dealing with the merits of the Reply Affidavit, the Financial Creditor deems it necessary to highlight the inherent flaws in the Corporate Debtor’s case and raise objections to the contentions urged therein, without prejudice to one another and without prejudice to the other rights and contentions of the Financial Creditor on merits.

4.5. It is stated that Corporate Debtor has deliberately suppressed material facts regarding the relationship between itself and the Principal Borrower, Agarwal Bulkactives Private Limited ("ABPL"). The incorporation documents of the Corporate Debtor clearly establish that Defendant No. 3 in the connected suit'- Mr. Ramakant Shankarmal Pilani - was one of the initial subscribers to the Memorandum and Articles of Association and a founder, promoter-director of the Corporate Debtor, and held a key managerial position since its inception. The Memorandum of Association of the Corporate Debtor further evidence that members of the Pilani family have been original promoters of the Corporate Debtor, who also simultaneously controlled and managed ABPL. Similar is the position with respect to other group entities of GBL, such as GBL Chemical Ltd., Ganesh Medicaments Pvt. Ltd. wherein the existing management of GBL and/or family members were and/or are having direct or indirect interests as director, promoter and/or shareholder since decades.

4.6. Further, it is stated that records of directorships obtained from the Ministry of Corporate Affairs demonstrate that the Corporate Debtor and ABPL are closely held, family-controlled companies. The Directorship Information of Mr. Ramakant Shankarmal Pilani, Mr. Ramesh Ramakant Pilani, Mr. Raunak Pilani, Mr. Rishi Pilani and/or Sushila Ramesh Pilani reveals that family members have consistently held key positions in both companies i.e. GBL and ABPL and other group companies like GBL Chemical Ltd., Ganesh Medicaments Pvt. Ltd etc. It is also an undisputed position that as on date of the subject transaction, Mr. Ramakant Shankarmal Pilani has been an ex-director of Corporate Debtor and the Chief Executive Officer of the Corporate Debtor since 2015 and simultaneously served as the Managing Director of ABPL and Director of GBL Chemicals Ltd., Ganesh Meicaments Pvt. Ltd. And other group entities. Hereto annexed and marked as Annexure-'B' is the copy of the memorandum of Association of the Corporate Debtor. Hereto annexed and marked as Annexure-C (Colly.) are the copies of the Directorship information of Mr. Ramakant Shankarmal Pilani, Mr. Ramesh Ramakant Pilani, Mr. Raunak Pilani, Mr. Rishi Pilani and Sushila Ramesh Pilani

4.7. It is stated that the business profiles of ABPL and the Corporate Debtor submiffed whilst ABPL applied for the credit facility indicate that the businesses of both these entities are intricately related. The business profile indicates that ABPL is engaged in the manufacturing of food preservatives and additives, and the Corporate Debtor primarily operates in two segments, i.e., chemicals and infrastructure divisions. It is pertinent to note that the chemicals division of the Corporate Debtor is involved in a wide range of food preservatives, lubricant additives and specialty chemicals. Both the Corporate Debtor and ABPL are engaged in a similar line of business, i.e., supplying a specially formulated product containing food-grade Sodium Benzoate, which is represented to be a basic component of a potent preservative used for effectively preventing the growth of micro-organisms in food and beverages. The aforesaid facts clearly establish that the Corporate Debtor and ABPL were not only related entities but also engaged in similar businesses, and hence the credit facility was availed to further such business for the benefit of the Corporate Debtor's group companies as a whole. Hereto annexed and marked as Annexure-'D' is the copy of the detailed Business Profile of ABPL and the Corporate Debtor submitted to the Financial Creditor.

4.8. It is also pertinent to note that the address of ABPL's registered office is common and same as the address of the Corporate Debtor's corporate office - commonly referred to as "Ganesh House" – at A-1/A-2, Gurudutt CHS Ltd., Ground Floor, J.B. Nagar, Andheri (East), Mumbai - 400059 (for instance refer to Letterhead of GBL @ Exhibit-A & Q of the Petition). Further, the address of the Corporate Debtors Chemical manufacturing unit is common as that of the address of manufacturing unit of the ABPL i.e. Plot D/21122 (Chemical Division) and Plot D/5 (Lube Additive Division) situated at MIDC, Tarapur, Boisar, Dist. Palghar - reflected on the official website of the Corporate Debtor viz. www.ganeshbenzoplast.com. Hereto annexed and marked as Annexure-'E' is the copy of the extract of the Corporate Debtor's official website (www. ganeshbenzoplast. com).

4.9. Further it is stated that the Corporate Debtor's Board Report for F.Y. 2012-13 clearly records that the Corporate Debtor stood as a corporate guarantor for ABPL in respect of credit facility previously availed by it. Moreover, in the Corporate Debtor's own Annual Reports for Financial Years 2017.18, 2023-24, and 2024-25, ABPL is expressly and continuously disclosed as a related party with whom the Corporate Debtor's group companies have carried out transactions, including sale and purchase of goods. This is a statutory admission by the Corporate

Debtor of the nexus. Hereto annexed and marked as Annexure-tF-1', Annexure-'F-2', Annexure-'F-3' and Annexure-'F-4t are the copies of the Annual Reports of the Corporate Debtor for Financial Years 2012-13,2017-18, 2023 -24 and 2024 -25, respectively.

4.10. It is stated that apart from the aforesaid, ABPL has also registered a charge over its assets in favour of the Financial Creditor with the Ministry of Corporate Affairs, which is duly reflected on the official website of the Ministry of Corporate Affairs (www.mca.gov.in). Such charge was created on 3lst January, 2024, i.e., on the very date when the Facility Agreement and Deed of Corporate Guarantee were executed and the loan amount was disbursed. The Corporate Debtor's stand that it was unaware of such transaction is absolutely vague and baseless, particularly in light of the fact that its own CEO and Director of its chemical division entity - GBL Chemicals Ltd. - was the signatory to all such documents. Hereto annexed and marked as Annexure-'G' is the copy of the E-Form CHG-I filed by ABPL evidencing the creation and registration of charge.

4.11. It is stated that in light of the above facts, it is evident that the Corporate Debtor and ABPL have a history of regular business dealings, have been sharing the same premises, have historically been in a corporate guarantor-borrower relationship, and have for years disclosed each other as related parties in statutory filings. The Corporate Debtor has conveniently sought to argue that there is no connection between itself and ABPL; however, the documents filed by the Corporate Debtor with governmental agencies disclose a very different picture. The Corporate

Debtor and ABPL are related parties and their business dealings are deeply intertwined. Hence, the Corporate Debtor's contention that it was unconnected with ABPL or unaware of the present transaction is frivolous, misleading, and contrary to record.

4.12. It is stated that the Corporate Debtor has alleged in its Reply Affidavit that the email address accounthead@ganeshgroup.com does not belong to it. I state that, admittedly, no record has been produced by the Corporate Debtor to show that any action has been initiated against the alleged unauthorised creation or use of the said domain name till date. Further, the facts pertaining to the creation of email addresses on the Corporate Debtor's undisputed domain address are clearly within its express knowledge or technical means; however, the Corporate Debtor has merely created aspersions on the same without bringing any material on record. The Corporate Debtor has blatantly attempted to conceal itself under the corporate veil.

4.13. It is further pertinent to note that the official email address of ABPL, i.e., accounts@ganeshgroup.com, as registered with the Ministry of Corporate Affairs, also uses the said @ganeshgroup.com domain since its incorporation. However, the Corporate Debtor raises no allegation of unauthorised usage of the domain insofar as ABPL is concerned - revealing the selective and mala fide nature of the Corporate Debtor's plea. Hereto annexed and marked as Annexure-'H' is the copy of the company master data of ABPL obtained from the official website of the Ministry of Corporate Affairs (www.mca.gov.in).

4.14. It is stated that the Corporate Debtor continues to be in control of the said domain and maintains several email addresses for its official purposes, registered on the same domain name "@ganeshgroup.com". For instance, info@ganeshgroup.com, export@ganeshgroup.com, etc., as commonly reflected on the official websites of the Corporate Debtor's group, viz. www.ganeshbenzoplast.com and https://ganeshgroup.com/ (Chemical division website- which also find access through hyperlink from Corporate Debtor's infra division website- https://gblinfra.com/). Hereto annexed and marked as Annexure-'1-1', 'I-2' and 'I-3' is the extract of the websites of the Corporate Debtor's group of companies www.ganeshbenzoplast.com, https://ganeshgroup.com/ and https://gbl infra.com/ respectively.

4.15. It is stated that the Corporate Debtor could not plead ignorance with respect to the usage of the email id accounts@ganeshgroup.co in since it has been the admitted email id for its chemical division entity - GBL Chemical Limited (See pg.279 and 344 of the Charge Sheet Document in FIR 0103/2024 - Exhibit-V to Reply Affidavit) as well as another group company namely Ganesh Medicaments Pvt. Ltd wherein family members of the Managing Director of Corporate Debtor, Mr. Rishi Pilani along with i.e. Ramesh Pilani and Sushila Ramesh Pilani were either initial subscriber, promoter, shareholder or held positions as directors and/or shareholder for decades. These companies' business dealings are duly reflected in the related party transaction disclosures made by GBL from time to time. Hereto annexed and marked as Annexure- ‘J-Colly' are the list of shareholders and directors Ganesh Medicaments Pvt. Ltd. as filed with MCA in recent times evidencing above.

4.16. It is pertinent to note here that the Corporate Debtor has sought to porkay as if it was only using email addresses on the @gblinfra.com domain as the only means of official communication. The said stand is taken just as an excuse to plead unawareness of the subject transaction or the guarantee documents; however, there is no iota of truth in the same, as it is evident from various records and documents disclosed on the Corporate Debtor's own website that at least until December 2023, the Corporate Debtor had not even been using the domain @gblinfra.com on its letterhead, but was only using the email I.D. compliance.gblinfra@gmail.com / @gmarl.com domain for all official communication. This inconsistent or sudden change in usage of email address/domain address by the Corporate Debtor shows a lack of bona fide in pleading ignorance of communication addressed to its other email addresses or undisputed domains of its group. Hereto annexed and marked as Annexure-'K' are copies of the few BSE disclosure documents until December 2023 available on the website of the Corporate Debtor.

4.17. It is also pertinent to note that GBL's own official website https://ganeshbenzoplast.com/ under its Chemical Division identifies phone number - 9022908534 as its contract number, which is the number used by Mr. Deepak Chhaparia, the Director of ABPL. The said number is verified during the KYC process of the direction and same was presented to the Petitioner at the time of availing the subject loan transaction and for Aadhar OTP based verification and execution of personal guarantee. Hereto annexed and marked as **Exhibit-'L'** is the copy of the recent printout of the WhatsApp Contact Profile Info and the True caller identification page verifying mobile number of the said Mr. Deepak Chhaparia.

4.18. Furthermore, It is stated that the startling fact revealed from the ROC filing records available on the MCA website, shows that the Annual / ITR Returns of ABPL was also filed using the registered email address accounts@ganeshgroup.com and mobile number – 93212111403 belonging to Mr. Arun Pandey, the Accounts Manger of the Corporate Debtor, employed since 2002 (also referred as witness employee of Corporate Debtor @ page 319, 357 & 365-366 of Exhibit-V to Reply Affidavit viz. the Charge Sheet Document in FIR 0103/2024). Hereto annexed and marked as Annexure-'M1' is the copy of the Annual / ITR Returns for FY 2021-2022 of ABPL as available on the MCA records. Hereto annexed and marked as Annexure -'M2-colly' is the True caller identification page and the Linkedln profile of the said Mr. Arun Pandey, Account Manager of Corporate Debtor. The aforesaid clearly established sharing of resources and infrastructure between and/or for common benefits of the Corporate Debtors group companies. This establishes Shared operational infrastructure between GBL and its chemical entities including ABPL, GBL's active control over the chemical division from which ABPL sourced sodium benzoate and contradiction of GBL's claim of being a distinct, uninvolved entity.

4.19. It is stated that keeping with habit, the Corporate Debtor is attempting to blur the facts in order to claim deniability at the end of it all. The Corporate

Debtor, ABPL, Rishi Ramesh Pilani and Mr. Ramakant Shankarmal Pilani are clearly related parties and are seeking to distance themselves from the loan transaction in order to avoid making payments to the Financial Creditor. The present Reply Affidavit is premised on wrong facts and is attempting to mislead this Hon'ble Tribunal, and therefore the same deserves to be rejected with exemplary and compensatory costs.

4.20. It is stated that the Articles 81, 82 and 152 of the Articles of Association of the Corporate Debtor specifically empower its Directors to raise or borrow sums of money for the purposes of the Company and to secure repayment on such terms and conditions as may be prescribed by the Board and in such manner as the Company thinks fit. In the present case, given the close relationship and nexus of business dealings between the Corporate Debtor and ABPL, the credit facility availed by ABPL was clearly intended for the benefit of the group companies. The Corporate Debtor, acting under its Articles of Association, duly authorised Mr. Ramakant Shankarmal Pilani to execute the Deed of Corporate Guarantee on its behalf. The facility ws thus in furtherance of the group's business interests and a routine commercial transaction. Hereto annexed and marked as Annexure-'N' is the copy of the Articles of Association of the Corporate Debtor

4.21. Further, it is stated that the Article 152 of the Articles of Association of the Corporate Debtor grants powers to its directors without prejudice to the general powers conferred under the Articles of Association. As per Article 152(16), the directors of the Corporate Debtor are empowered to enter into all such negotiations and contracts, rescind and vary all such contracts, and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient. Significantly, Article 152(17) expressly empowers the directors to act jointly or severally in all or any of the powers conferred on them. The perusal of the above Articles makes it crystal clear that Mr. Ramakant Shankarmal Pilani had validly acted on behalf of the Corporate Debtor in furtherance of the powers granted to him under its incorporation documents. Moreover, the Corporate Debtor had also provided its Board Resolution dated 31st January,2024, in favour of Mr. Ramakant Shankarmal Pilani for signing the Deed of Corporate Guarantee, which gave no reason to the Financial Creditor to raise any doubt and/or concern regarding the authenticity or veracity of the loan documents.

4.22. It is stated that The Corporate Debtor had knowledge of the Facility Agreement the Deed of Corporate Guarantee from at least since 3rd April,2024 - well before it claims to have "first become aware" of the guarantee only in May 2024 (averments at Para 8.3 of Reply Affidavit and Para 8 of Suit proceedings). The Corporate Debtor's own CIBIL Report (also annexed to the suit proceedings) shows dated generated on 3rd April, 2024 - which the Corporate Debtor itself has relied upon in the connected Suit proceedings - expressly records the credit facility availed by ABPL under the heading "Credit Facilities Guaranteed by You-" This alone demonstrates that the Corporate Debtor had knowledge of the guarantee prior to the date now alleged by it. Further, the same Report names Mr. Ramakant Shankarmal Pilani as a related party of the Corporate Debtor. A copy of the CIBIL Report annexed by the Corporate

Debtor in the suit proceeding is annexed and marked as **Annexure-"O"** hereto.

4.23. It is stated that even assuming for the sake of argument, but strictly without admitting, that the Deed of Corporate Guarantee was executed by Mr. Ramakant Shankarmal Pilani without due authority, the fact that the Corporate Debtor, despite such knowledge atleast since April 2024, has failed to take any action against him speaks volumes on the dubious nature of the contentions raised as an afterthought. The Suit proceedings is filed more than one year after the Corporate Debtor first became aware of the guarantee. The Corporate Debtor has also failed to report the transaction as fraudulent or fabricated in its Annual Financial Statements or Annual Reports for F.Y. 2023-24 and F.Y. 2024-25, nor has any criminal action been adopted against Mr. Ramakant Shankarmal Pilani or the other directors of ABPL specifically for purportedly having acted fraudulently with respect to the transaction forming the subject matter of the present proceedings. This inaction clearly establishes that the Corporate Debtor was fully aware of the Deed of Corporate Guarantee and has concocted a false case of forgery merely to escape liability.

4.24. It is stated that the Corporate Debtor reliance on the FIR registered at Cuffe Parade Police Station (FIR No. 10312024) is mischievous. I state and submit that the said FIR does not pertain to the present transaction and has no nexus with the sanctioned credit facility or the Deed of Corporate Guarantee. From information gathered from searches conducted in the public domain, it has been revealed that the Corporate Debtor has filed similar complaints in respect of a few other credit facilities. Further, as is evident from the charge sheet filed in the FIR, Mr. Ramakant Shankarmal Pilani was not even arrested during such investigation. The said FIR appears to be a mere cover-up by the management of the Corporate Debtor's group companies, as records available in the public domain show that the Corporate Debtor's FIR is registered only after a few lenders filed complaints with the Economic Offences Wing, Delhi on or about 5th April, 2024. The modus operandi of the Corporate Debtor and its group companies thus appears to be to avail credit facilities by making representations of being a closely held family business and citing common benefit and business objectives, but without any intent of complying with repayment obligations, and thereafter, upon default, to disown liability by alleging forgery or fabrication. Hereto annexed and marked as **Annexure-'P'** is the copy of FIR No. 86/2024 filed, on the Complaint dated 5th April, 2024 filed, with the Economic Offences Wing, Delhi by one such lender against the entire senior management of the Corporate Debtor's Company, including the present Managing Director, Mr. Rishi Ramesh Pilani and other directors.

4.25. It is further pertinent to note that in another similar FIR filed by M/s Progfin Private Limited, a judgment 29th January 2026 is passed by the Delhi High Court rejecting the petition by the present directors and KMPs of Corporate Debtor seeking quashing of the FIR filed again them. The Hon'ble Court while dealing with other contentions, categorically rejects the 'mastermind' theory, which tried to blame Mr. Ramakant Patil for the alleged fraud and upheld the doctrine of indoor management and vicarious liability of the directors of Corporate Debtor and its group entity.

The Corporate Debtor has also made an application for deposit of amounts in court pending investigation and trail against them. Hereto annexed and marked as Annexure-"O-1" & "O-2" are the copies of the judgment dated 29.01.2026 and 25.08.2025 recorded before the Delhi High Court.

4.26. It is a matter of record that the Financial Creditor sanctioned the credit facility based on the documentation submitted by ABPL, which included the Deed of Corporate Guarantee duly executed on behalf of the Corporate Debtor and based on the authority and actions of Mr. Ramakant Shankarmal Pilani on behalf of the Corporate Debtor and ABPL as part of related parties and group entities. The Financial Creditor had no reason to suspect irregularity in the matter of such internal management formalities. The doctrine of indoor management entitles the Financial Creditor to presume that the Corporate Debtor had complied with its internal formalities, unless the transaction itself was patently irregular or beyond the powers vested by the incorporation documents. No such irregularity is apparent from the loan documents. Accordingly, the Financial Creditor cannot be burdened with the responsibility of verifying the Corporate Debtor's internal compliances.

4.27. It is stated that the fact that the Corporate Debtor has failed to report the Board Resolution dated 31st January, 2024 to SEBI or the Stock Exchange does not further the Corporate Debtor's case in any manner, since the Corporate Debtor is liable to comply with such post-transaction statutory formalities, and no fault can be found with the actions of the Financial Creditor if the Corporate Debtor deliberately fails to comply with statutory requirements. Further, the Financial Creditor has conducted an online search of the records on the website of the Ministry of Corporate Affairs ("MCA") and was surprised to find the Corporate Debtor has till date not field the requisite reporting E-forms with respect to the cessation of CEO/directorship position of Mr. Ramakant Shankarmal Pilani (allegedly resigned on 2nd April, 2024) or that of Mr. Raunak Ramakant Pilani (allegedly resigned on 6th May, 2024), despite it being a basic mandatory compliance requirement for listed entities. In the absence of any record of the relevant filing, it is wrong on the part of the Corporate Debtor to assert that Mr. Ramakant Shankarmal Pilani ceased to be its KMP / director as alleged. Such omission demonstrates the Corporate Debtor's habitual non-compliance with statutory obligations.

4.28. It is stated that Corporate Debtor cannot be permitted to take advantage of its own misconduct. The conduct of the Corporate Debtor has been dismal. The Corporate Debtor, ABPL, and Mr. Ramakant Shankarmal Pilani have acted in collusion to defraud the Financial Creditor. The present Reply Affidavit is nothing but a tool to avoid guarantee liability toward the Financial Creditor, and the same deserves to be rejected with exemplary and compensatory costs.

4.29. It is stated that without prejudice to the aforesaid, before dealing with the contents of the Reply Affidavit, it is necessary to put on record the correct facts and events which transpired prior to and after the filing of the Section 7 Petition, as the same are germane to the dispute.

4.30. It is stated that the Financial Creditor is a Reserve Bank of India-licensed Non-Banking Financial Company ("NBFC") registered with the Reserve

Bank of India and is engaged, inter alia, in the business of advancing loans and credit facilities to corporate entities, including providing working capital finance.

4.31. It is stated that in and around December 2023, ABPL approached the Financial Creditor for grant of a credit facility, upon which a thorough due diligence was carried out by the Financial Creditor. Further to which, in January 2024, ABPL, represented by Mr. Ramakant Shankarmal Pilani (as the Managing Director of ABPL and the Director-CEO of the Corporate Debtor) and Mr. Deepak Kailashchandra Chhapparia (Director of ABPL), as the Key Managerial Personnel and as part of the Corporate Debtor's group companies, conducted meetings with the Financial Creditor as the principal borrower for sanction of a term loan to fund business expansion and meet its working capital requirements. During such time, the said Directors/Key Managerial Personnel also introduced one Mr. Manish Chaturvedi as their financial consultant.

4.32. It is stated that the ABPL represented that the loan funding was required by it to expand its business of food preservatives and additives using sodium benzoate, which was in the same line of chemical manufacturing business as that of the Corporate Debtor's related entities, and that the same is closely held, controlled, and run by the family members of the Pilani family.

4.33. It is stated that Pursuant to the above, on 9th January, 2024, Mr. Swarup Bose and Mr. Parth Dattani from the Financial Creditor's team visited the corporate office of the Corporate Debtor at Andheri, Mumbai and met the founder and key personnel and officials of ABPL's management team, consisting of Mr. Ramakant Shankarmal Pilani (as Managing Director of ABPL and Director and CEO of the Corporate Debtor), Mr. Deepak Kailashchandra Chhapparia (Director of ABPL), Mr. Rajendra Gupta (Plant Head, Chemical Business), Mr. Pillai (Head of Quality, Chemical Business) and Mr. Manish Chaturvedi (Finance Consultant Head). Pursuant to such meeting, the Financial Creditor's team also visited the factory premises/manufacturing unit of ABPL located at Plot D/5 (Lube Additive Division) and Plot Dl2Il22 (Chemical Division), situated at MIDC, Tarapur, Boisar, Dist. Palghar. Hereto annexed and marked as Annexure-'R' are the copies of photographs taken by the Financial Creditor's representative during the site visit at the Corporate Debtor's MIDC, Tarapur, Boisar, Plants.

4.34. It is stated that around a week thereafter, Mr. Abhijit Ray, the Managing Director and CEO of the Financial Creditor, also visited the corporate office of ABPL, and another meeting was held with Mr. Ramakant Shankarmal Pilani and Mr. Manish Chaturvedi in respect of the grant of the credit facility. During the meetings, the representatives of the Corporate Debtor and ABPL made several representations on their business model and the loan infusion requirement for expanding the business.

4.35. It is stated that during the course of such discussions, ABPL's team represented to the Financial Creditor that the Company operates in two segments, i.e., the Liquid Storage Terminal ("LST") Division and the Chemical Manufacturing Division. The Chemical Division is involved in a wide range of food preservatives, lubricant additives and Active

Pharmaceutical Ingredient ("API") drugs, contributing roughly 50o/o to overall revenues. It was further represented that the subsidiary has a production capacity of 15 tons, proposed to be enhanced to 40 tons by 2025. The Financial Creditor’s representatives also found ABPL’s board displayed in the plant premises of the Corporate Debtor, which shows that the Corporate Debtor's group entities worked under their common umbrella, and that the Corporate Debtor was always aware of ABPL's business and allowed it to operate from its main chemical business premises.

4.36. It is stated that accordingly, ABPL, being the principal borrower, provided all relevant information, KYC documents, and an executive summary of its business profile as well as the Corporate Debtor's business profile for the Financial Creditor's consideration. It is pertinent to note that the Financial Creditor was represented that both the Corporate Debtor and ABPL operated their chemical division business through the common manufacturing unit at Plot Dl2ll22, MIDC, Tarapur, Boisar, Dist. Palghar, and that the registered address of ABPL operated from the corporate office address of the Corporate Debtor. It was further represented that both these entities used common infrastructure, industrial and technological support in running their day-to-day business affairs and as such shared common business objectives and were intrinsically connected in their chemical business dealings.

4.37. It is stated that based on the representations made by the officials of the Corporate Debtor and ABPL, the Financial Creditor sanctioned the loan facility in terms of the Sanction Letter dated 30th January, 2024.

Subsequently, ABPL and the Financial Creditor executed the Facility Agreement dated 3lst January,2024. On the basis of the Sanction Letter, the Financial Creditor disbursed a sum of Rs. 5,00,00,000/- (Rupees Five Crores only) to ABPL on 3lst January, 2024.lt is pertinent to note that apart from providing a fortified business profile as part of the same promoter/sister concern of the Corporate Debtor's group entities, ABPL also provided the Corporate Debtor's Annual Reports and Income Tax Return details. Further, as per the conditions precedent to disbursement more particularly described in the Sanction Letter dated 30th January,2024, ABPL had also submitted a Letter of Undertaking dated 3lst January, 2024, whereby ABPL undertook to enter into an agreement with the Corporate Debtor regarding the manufacturing and supply of food preservatives and additives using sodium benzoate, to enable ABPL to meet their targeted revenue numbers for F.Y. 2023-24, F.Y.2024-25 and F.Y.2025-26. This condition in the Sanction Letter itself records the GBL-ABPL commercial relationship. Hereto annexed and marked as Annexure- 'S' is the copy of the executed Letter of Undertaking dated 31st January, 2024 executed by ABPL, respectively. Hereto annexed and marked as **Annexure-'T-1', Annexure-'T2' and Annexure 'T-3'** are the copies of the Income Tax Return Acknowledgments of the Corporate Debtor for A.Y. 2021-22, A.Y. 2022-23 and A.Y. 2023-24 as provided, respectively.

4.38. It is stated that in accordance with the terms and conditions of the Sanction Letter and pursuant to the execution of the Facility Agreement, the Corporate Debtor irrevocably and unconditionally guaranteed the due repayment of all amounts payable by ABPL by executing a Deed of Corporate Guarantee dated 31st January, 2024, in favour of the Financial Creditor. The Deed of Corporate Guarantee was e-signed by Mr. Ramakant Shankarmal Pilani as the Authorized Signatory of the Corporate Debtor. The Corporate Debtor had also submitted to the Financial Creditor its Board Resolution dated 31st January, 2024, duly authorizing Mr. Ramakant Shankarmal Pilani as their Authorized Signatory. Hereto annexed and marked as Annexure-'U' is the copy of the said Deed of Corporate Guarantee along with the Audit Trail verifying the e-signatures on the Deed of Corporate Guarantee. Similarly copies of the other Audit trail reports of the transaction documents are collectively marked as Annexure- 'V-Colly' hereto.

4.39. It is stated that the upon due compliance with the documentary requirements, the entire sanctioned sum of Rs. 5,00,00,000/- was disbursed by the Financial Creditor to ABPL on 31st January, 2024, into their designated account with RBL Bank, Bandra West Branch, Account Number 409833323363, IFSC RATN000 0252.

4.40. It is stated that as per the Repayment Schedule annexed to the Facility Agreement, ABPL undertook to repay the facility by way of fifteen (15) equal monthly instalments (EMIs) falling due on the 8th of each month, commencing from February 2024. Each instalment comprised apportioned principal and interest at a fixed rate of 17.5% per annum (exclusive of taxes). ABPL had formally accepted and confirmed these repayment terms in writing. It is pertinent to note that pursuant to such acceptance and confirmation of the Repayment Schedule, ABPL initially made part payment towards EMIs due for the months of February and March 2024, which indicates that ABPL duly acknowledged its debt under the loan facility.

4.41. It is stated that ABPL persistently failed to adhere to its repayment obligations from April 2024 onwards. Reminder emails were sent to ABPL and the copies of such reminder emails were also marked to the Corporate Debtor, being the Corporate Guarantor in respect of the loan transaction. It is stated that as ABPL failed to honour the requests and reminders of the Financial Creditor, the Financial Creditor was constrained to issue a Recall Notice dated 2nd July, 2025 to ABPL, demanding immediate payment of the entire outstanding amount.

4.42. The cheques furnished by ABPL for the purpose of repayment of the instalments of the term loan were dishonoured upon presentation, as evidenced by return memos dated 1st June, 2024 and 12th June, 2024 for the reasons of "Funds Insufficient" and "55, Account blocked - situation covered in 2125", respectively. Hereto annexed and marked as Annexure-'W-Colly' are the copies of the Dishonoured Cheques along with Return Memos dated 1st June, 2024 and l2th June, 2024. Hereto annexed and marked as Annexure-'X' is the copy of the Statutory Notice dated 5th June, 2024 addressed by the Financial Creditor to ABPL under Section 138 of the Negotiable Instruments Act, 1881.

4.43. It is stated that even upon issuance of the Recall Notice dated 2nd July, 2025, the dues of ABPL remained unpaid, consequent to which the Financial Creditor was compelled to invoke the Deed of Corporate Guarantee. A formal Invocation Notice dated 1st August,2025 (delivered through email dated 4th August 2025) was issued by the Financial Creditor to the Corporate Debtor, invoking the terms of the Deed of Corporate Guarantee and calling upon it to forthwith discharge the total liability of Rs. 6,25,20,537l- within three days. The Corporate Debtor failed to respond to the Invocation Notice.

4.44. It is stated that as on the date of the Invocation Notice, the total outstanding financial debt then due and payable was Rs. 6,2512015371- (Rupees Six Crores Twenty-Five Lakhs Twenty Thousand Five Hundred and Thirty-Seven only), along with further interest thereon until payment and/or realisation, the break-up of which is as follows: (a) Principal Outstanding: INR 4,69,93,8171-; (b) Contractual Interest Accrued: INR 47,70,9651-; (c) Late Payment Charges: INR 1,07,54,5751-; (d) Cheque Bounce/Penal Charges: INR 1,180/-. The Corporate Debtor's default is continuing and the days of default continue to accrue.

4.45. It is stated that the aforesaid facts and the loan documents executed by ABPL and the Corporate Debtor indicate that the credit facility was availed by ABPL from the Financial Creditor in the regular course of business, and since Mr. Ramakant Shankarmal Pilani ws the authorised key personnel of both the corporate Debtor and ABPL, and documentary requirements and formalities were duly complied with, the Facility Agreement and Deed of Corporate Guarantee were duly executed and signed in the normal course using the Aadhaar Card-based OTP passwords of Mr. Ramakant Shankarmal Pilani, as the duly authorised personnel and director of ABPL and/or the Corporate Debtor, as the case may be. There was no reason to raise any suspicion in respect of the authenticity of the representations and transactions entered into by them or documents submitted for availing the loan facility. Hereto annexed and marked as Annexure 'Y' is the copy of the Board Resolution of ABPL.

4.46. It is stated that without prejudice to the aforesaid, I shall now deal with the contents of the Reply Affidavit of the Corporate Debtor paragraph-wise:

4.47. *With reference to paragraph I to 4 of the Reply affidavit*, I deny the contention of the Corporate Debtor that the present Petition is not maintainable, constitutes an abuse of process of law, or has been filed with oblique motives. It is denied that the transaction in question is based on forged, fabricated, or fraudulent documents, as alleged. I say and submit that the Petition has been filed by the Financial Creditor - a duly registered NBFC - pursuant to the invocation of an irrevocable and unconditional Deed of Corporate Guarantee executed by the Corporate Debtor, after the Principal Borrower committed a clear and admitted default in repayment. The present Petition is not a coercive mechanism; it is the legitimate exercise of a statutory right conferred under Section 7 of the Code.

4.48. *With reference to paragraphs 5 and 6 of the Reply Affidavit,* I deny the contention that the present dispute involves serious questions of fraud and fabrication requiring a full-fledged trial such that this Hon'ble Tribunal cannot proceed. In this behalf I state and submit as follows:

a. It is settled law that a mere allegation of fraud or fabrication, without more, cannot arrest or stall proceedings under Section 7 of the Code. The Corporate Debtor bears the burden of demonstrating that the allegation of fraud is well-founded and supported by cogent evidence. A bare allegation in an affidavit does not constitute proof.

b. The Financial Creditor has placed on record: (i) the Deed of Corporate Guarantee executed by e-signature with a verifiable Aadhaar-based OTP audit trail; (ii) the Board Resolution dated 31st January, 2024 authorising Mr. Ramakant Pilani to execute the guarantee; and (iii) the Corporate Debtor's own CIBIL Report dated 3rd April, 2024 acknowledging the guarantee. These are documents which cannot be brushed away by a bald allegation of fabrication.

c. The Corporate Debtor has sought to rely upon the order of this Hon'ble Tribunal in C.P. (IB) No. 583 of 2024 (Progfin Private Limited vs. Ganesh Benzoplast Limited). I say that the said order has no application to the present case. The present matter involves entirely distinct documents, a distinct transaction, and distinct sets of facts and evidence. In particular, the present transaction involves an Aadhaar-OTP esignature audit trail, which was not present in the Progfin matter. Each proceeding under Section 7 stands on its own facts and evidence.

The jurisdiction of this Hon'ble Tribunal under Section 7 of the Code is limited to determining: (i) whether a financial debt exists; (ii) whether a default has occurred; and (iii) whether the application is complete. These questions are fairly established beyond reasonable doubt in present proceedings.

4.49. *With reference to paragraphs 7.1 and 7.2 of the Reply Affidavit, it is denied that the Financial Creditor has suppressed the pendency of*

Commercial Suit No. 414 of 2025 before the Bombay City Civil Court. I state and submit as follows:

a. The Financial Creditor has not suppressed the existence of the Suit. The Financial Creditor has, on the contrary, appeared in the said Suit, filed a detailed Affidavit in Reply to the Notice of Motion, and contested the ad interim reliefs sought by the Corporate Debtor. This is evident from the very documents on record before this Hon'ble Tribunal.

b. The pendency of a civil suit or any other proceedings in any other court or forum is no bar to the maintainability of proceedings under Section 7 of the Code. The Code is a complete code in itself, and the adjudicatory framework under the Code operates independently of civil proceedings challenging underlying documents.

c. The Corporate Debtor's own contention that the Suit was belatedly instituted on 22nd July, 2025(more than one year after the so-called discovery of the transaction) but failed to serve the suit proceedings until Late 2l"t August 2025, by which time the invocation of the Corporate Guarantee on 1st August, 2025 had already taken place. This demonstrates that the suit proceedings were filed by Corporate Debtor only to shield itself against the guarantee liability and consequently upon receipt of Guarantee Invocation Notice that the Corporate Debtor was constrained to move the civil court to create a pending proceeding as a pre-emptive litigation shield. Such conduct only strengthens the case against the Corporate Debtor.

d. No court has, as of date, stayed the Deed of Corporate Guarantee or restrained the Financial Creditor from proceeding under the Code.

Thus, the Corporate Debtor is not entitled to setup the alleged fabrication as defence.

4.50. *With reference to paragraph 8 of the Reply Affidavit, it is denied that the Deed of Corporate Guarantee is forged, fabricated, or fraudulent.*

4.51. *With reference to paragraph 8.1 of the Reply Affidavit,* I say and submit that the Deed of Corporate Guarantee dated 31st January, 2024 is a valid, duly _ executed, and enforceable document. The Corporate Debtor agreed to stand as guarantor for the obligations of ABPL under the Facility Agreement - a transaction that is fully documented and bears the e-signature and digital authentication of Mr. Ramakant Pilani, the then CEO and ex-Director of the Corporate Debtor. The Corporate Debtor's own records establish that Mr. Ramakant Pilani was its ex-director and a CEO since 28th September, 2015 and continued to hold such position till at least 2nd April, 2024, as corroborated by by the BSE intimation filed by the Corporate Debtor itself. Surprisingly, Mr. Ramakant Pilani was not terminated from his position of CEO but was asked to resign by the board of the Corporate Debtor, as clear from the document relied in Reply Affidavit. This shows the attempt by the Corporate Debtor to shield the said Mr. Ramakant Pilani, while at the same time distancing itself from the liability incurred by the Corporate Debtors towards other lenders.

4.52. *With reference to paragraph 8.2 of the Reply affidavit,* the contention that Mr. Ramakant Pilani had no authority to execute the Deed of Corporate Guarantee is demolished by the following:

a. The Corporate Debtor itself submitted a Board Resolution dated 3lst January, 2024 specifically authorising Mr. Ramakant Pilani to execute the Deed of Corporate Guarantee on behalf of the Corporate Debtor. This Resolution was furnished to the Financial Creditor as a condition precedent to disbursement and was a duly certified true copy.

b. Mr. Ramakant Pilani's designation as CEO of the Corporate Debtor confirmed by the Corporate Debtor's own BSE filing upon his resignation - conferred upon him broad executive authority to represent the Corporate Debtor. Further the fact that the said Ramakant Pilani resigned and was not terminated andlor removed, in itself is sufficient to show collusion and falsity of claims now made by Corporate Debtor. Further the Corporate Debtor has not brought on record any relevant e-form filing to support its contention that the said Mr. Ramakant Pilani resigned from the position of CEO or directorship of the Company.

c. Articles 81, 82, and 152 of the Articles of Association of the Corporate Debtor specifically empower its Directors / authorised officers to raise monies, create security, and execute guarantees on behalf of the company. Article 152(16) empowers directors to execute all acts, deeds, and things in the name and on behalf of the company as they may consider expedient. Article 152(17) expressly empowers directors to act jointly or severally.

4.53. *With reference to paragraph 8.3 of the Reply* Affidavit, the Corporate Debtor contends that account.head@ganeshgroup.com is not an email address belonging to it. I say and submit that this contention is directly falsified by the following:

a. Firstly, the email dated 3'd May 2024 annexed at Exh-C to the Reply Affidavit is not marked at the email address i.e. cs@sblinfra.com or compliance@gblinfra.com and hence the contention that the Corporate Debtor learned about the Corporate Guarantee vide the said email is clearly falsified on the face of the record.

b. Secondly, the corporate Debtor has attempted to portray a gloomy picture as if it is only using the domain @gblinfra.com and not @ganeshgroup.com. This contention is also falsified by that fact that the email domain @ganeshgroup.com is, and has always been, the domain of the Ganesh Group, of which the Corporate Debtor is the flagship listed entity. The Corporate Debtor's own official website www. ganeshbenzoplast.com and https://ganeshgroup.corn/ - continues to reflect multiple email addresses on this domain, including info@ganeshgroup.com, export@ganeshgroup.com, etc.

c. More critically, ABPL's official contact email address, as consistently registered with the MCA across all Annual Returns from Financial Year 2017 to 2023, is accounts@ganeshgroup.com - on the very same domain, which also is used as registered email address by other group entities. No allegation of unauthorised usage of the domain has been raised by the Corporate Debtor with respect to ABPL's use of this domain/email address, a fact which is wholly inconsistent with its claim that the domain was solely misused by Mr. Ramakant Pilani.

d. Until at least December 2023, the Corporate Debtor's own official disclosures on the MCA portal did not bear the @gblinfra.com domain. The belated adoption of the @gblinfra.com domain - conveniently commenced only after default - is itself a suspicious circumstance.

e. Lastly, the silence of the Respondent as to when and how the said email id-account.head@ganeshgroup.com came into existence and what enquiry and action was taken against the person responsible for same, speaks volume.

4.54. *With reference to paragraph 8.4 of the Reply Affidavit,* the contention that the Corporate Debtor had "never heard of the Petitioner" and has "no relationship of any nature whatsoever with Petitioner" (improvised from stand taken in Para 27 of the Suit proceedings inter-alia that the Corporate Debtor and that ABPL are not interconnected with each other and that there is no relationship between them) is false and hence denied.

i. The Corporate Debtor's Annual Reports for F.Y. 2012-13,2017-18,2023- 24, and 2024-25 expressly disclose ABPL as a related party with whom the Corporate Debtor has carried out transactions including sale and purchase of goods. The Annual Report for F.Y. 2012-13 further records that the Corporate Debtor had previously stood as corporate guarantor for ABPL - demonstrating that the present transaction was not the first instance of the Corporate Debtor guaranteeing ABPL's liabilities.

ii. ABPL's own Annual Returns filed with the MCA from FY 2017 to FY 2021 expressly list the Corporate Debtor (Ganesh Benzoplast Limited, CIN: L24200MH1986PLC039836) as an *Associate Company* of ABPL. A company cannot be stranger to its own associate. I crave leave to refer and reply upon the Annual Return of ABPL for FY 2017 to FY 2021 as and when produced.

4.55. *With reference to paragraphs 8.5 to 8.7 of the Reply affidavit,* the Corporate Debtor contends that Mr. Ramakant Pilani unilaterally misused the @ganeshgroup.com domain to create fake email addresses including account.head@,ganeshgroup.com. The said contention is ex-facie false and dishonest for following reasons.

I. The creation and operation of a domain email address requires access to and control of the domain server - which is necessarily held by the domain owner, i.e., the Corporate Debtor or its group. The suggestion that a CEO could unilaterally create, gain access or operate email addresses on the company's official domain for years without the company's knowledge or technical control is implausible and contrary to the elementary principles of digital infrastructure. On the contrary, it can be seen that the Corporate Debtor admits that Corporate Debtor 'got access to the fake email addresses made using the said Domain Name', which shows its capable to access into the said email address and manipulate I tamper related records, to the detriment of the Financial Creditor.

II. Admittedly, no proceeding has been initiated by the Corporate Debtor against any domain service provider, no domain seizure or take-down was sought, and no evidence of technical misuse (such as an independent forensic audit) has been placed before this Hon'ble Tribunal. The public notice of 4th April, 2024 was, at best, a newspaper statement - not a judicial or regulatory determination.

4.56. *With reference to paragraphs 8.8 to 8.10 of the Reply Affidavit,* the correspondence and email referred therein are a matter of record and the remaining contention and allegation therein are denied.

4.57. *With reference to paragraphs 8.11 and 8.12 of the Reply Affidavit,* it is denied that no Board Meeting was held on 3.lst January,2024 or that the Board Resolution submitted to the Financial Creditor is forged. It is submitted that:

a. The Financial Creditor conducted all reasonable due diligence before disbursement. The Board Resolution was submitted to the Financial Creditor as a duly certified true copy, bearing the company stamp and the CEO's signature. There was absolutely nothing on the face of the document to alert the Financial Creditor to any irregularity.

b. The Corporate Debtor's contention that the Board Resolution describes Mr. Ramakant Pilani as a "director" when he was the CEO - and that this should have alarmed the Financial Creditor is wholly disingenuous. The Corporate Debtor is a closely held family-controlled company with the Pilani family occupying multiple roles simultaneously. The characterization as "director" when the individual is the CEO and founding family member is, at best, an internal labelling issue that cannot be attributed to the Financial Creditor. The Corporate Debtor has not brought on record any proof to show the cessation of Ramakant Pilani's directorship. Thus, under the doctrine of indoor management, the Financial Creditor was not required to investigate into aspect of internal mis-terminologies, if any, into the Board Resolution.

c. More significantly, the Doctrine of Indoor Management, a settled principle of company law, fully protects the Financial Creditor in exactly this situation. A third party dealing with a company in good faith and in the ordinary course of business is not required to inquire into the internal management and proceedings of that company. The Financial Creditor was entitled to presume that the Board Resolution presented was validly passed.

4.58. *With reference to paragraphs 8.13 and 8.14 of the Reply Affidavit,* the Corporate Debtor contends that the Board Resolution was printed on a "fake letterhead" as the address thereon is not its registered address and lacks the Corporate Identification Number. I state and submit that this contention evidences the Corporate Debtor's own habitual inconsistency:

i. The address reflected on the impugned Board Resolution - A-1/A-2, Gurudutt CHS Ltd., J.B. Nagar, Andheri (East), Mumbai - is the Corporate Debtor's own corporate office, referred to in the Corporate Debtor's own records and notices as "Ganesh House."

It is not an im4gr.nary or fictitious address. It is, and was at all material times, the Corporate Debtor’s operational address.

ii. Public documents extracted from the MCA portal show that the Corporate Debtor itself has been inconsistent in its usage of letterheads and email addresses across different filings and communications. The Corporate Debtor is therefore not entitled to take advantage of its own inconsistency.

iii. In so far as the question of any witness signing the Corporate Guarantee, it is submitted that once the documents are digitally signed through Aadhar based OTP verification system, the question become irrelevant and academic.

4.59. *With reference to paragraphs 8.15 & 8.16 of the Reply Affidavit,* The Corporate Debtor contends that the absence of any SEBI or stock exchange disclosure of a Board Meeting on 31st January, 2024 proves that no such meeting was held. I state and submit:

I. The failure of the Corporate Debtor to make required SEBI/stock exchange disclosures is a post-transaction compliance failure on the Corporate Debtor's own part. A party cannot take advantage of its own breach of statutory obligations to defeat the rights of an innocent third party who had no role in or knowledge of such non-compliance.

II. The MCA records further reveal that the Corporate Debtor has, even as of the date of filing of these proceedings, not filed the requisite E-Forms with the MCA evidencing the cessation of directorship of Mr. Ramakant Shankarmal Pilani (alleged to have resigned on 2nd April, 2024) or Mr. Raunak Ramakant Pilani (alleged to have resigned on 6th May, 2024). This habitual non-compliance with mandatory statutory requirements demonstrates that the Corporate Debtor routinely fails to make required disclosures, and it cannot now rely on the absence of disclosures as proof that an internal meeting did not take place.

4.60. *With reference to paragraphs 8.17 of the Reply Affidavit,* the facts pertaining to disclosure obligations of the Corporate Debtor are matters of internal affairs and indoor management of the Corporate Debtor group and its related entities. Hence, the same can at the best be said to be post facto aspects of compliance on part of the Corporate Debtor. No fault could be found with the Financial Creditor, if the Corporate debtor deliberately chose not to comply or avoid its disclosure obligations, if any, to achieve their ulterior motives. As demonstrated above, the Corporate Debtor has otherwise also been non-complaint in its other e-filing/reporting requirements or statutory disclosure compliance. Further, the transaction documents are supported by necessary Board Resolution in favour of Mr. Ramakanth Pilani who was undisputedly then the Chief Executive Officer and Director of Corporate Debtor, and as such duly authorised by to enter into agreement on behalf of the Corporate Debtor. I reiterate that the Deed of Corporate Guarantee is legally and validly. executed by and on behalf of the Corporate Debtor and same is binding upon the Corporate Debtor. Furthermore, it is pertinent to note here that there is no disclosure of any other board meeting or resolution pertaining to other loan or other credit facility availed by the Corporate Debtor including the exceptional expense / borrowings from its bankers in more than Rs. 43.6 Crores as evident from the Corporate Debtor's Annual Report for the financial year 2024-2025, are found to have been made by the Corporate Debtor with the relevant stock exchange.

4.61. *With reference to paragraphs 8.18 & 8.19 of the Reply Affidavit,* the notice and the response referred therein are matter of record and hence do not require any response.

4.62. *With reference to paragraph 8.20 of the Reply Affidavit,* it is denied that the inter-se dealing between Corporate Debtor and ABPL are on arm's length basis or are immaterial to third parties, after a passage of time. It is denied that any transaction and/or funds received by ABPL have no bearing on the Corporate Debtor. The past history of the positions of the KMPs, commonality of the plants, machinery and infrastructure usage by both these companies and management being close family members and the Corporate Debtor standing as corporate guarantor for ABPL - overshadows the Corporate Debtors contention to unawareness of dealing. In fact, the Corporate Debtor effectively admits there were past shareholding, directorship, and commercial transactions between the two entities. Corporate Debtor's defence is merely that these are now "no longer relevant" - not that they never existed. The Corporate Debtor claim that its historical dealings with ABPL are "entirely immaterial" is a deliberate attempt to sanitise its own group history for the purposes of these proceedings. It is significant to note that in the suit proceedings the Corporate Debtor made false statement that it 'does not have any relationship with' ABPL. Thus, the contents of paragraph under reference are mere cover-up and improvisation of the falsity of the case put before the civil court.

4.63. *With reference to paragraphs 8.21 of the Reply Affidavit,* the alleged "larger fraud" orchestrated by Mr. Ramakant Pilani against the Corporate Debtor and GBL Chemical Limited is denied and not relevant to the subject transaction as will be clear from the following:

I. The Financial Creditor is neither aware nor endorses the correctness of the contention raised therein. Suffice it to say that the transaction referred therein has no nexus with the Corporate Guarantee agreement or the underlying facility Agreement.

II. While the Financial Creditor takes note of the multiple FIRs, press releases, and handwriting analysis reports filed by the Corporate Debtor, not one of these documents pertains specifically to the - Financial Creditor's transaction or the Deed of Corporate Guarantee dated 3lst January,2024. The FIRs relied upon by the Corporate Debtor pertain to separate transactions with other lenders (such as Progfin Private Limited and Lok Sewak Leasing). Further there no case of any fraudulent account being created in present proceedings. The attempt to import findings from those proceedings into the present one is legally impermissible.

III. The EOW Delhi press releases dated 5th February, 2025 and 25th February, 2025 does not specifically identify the Board Resolution dated 31st January,2024 or the Deed of Corporate Guarantee in the present transaction as forged documents.

IV. More critically, the order dated 29th January 2026 passed by Delhi High court has refused to give a clean chit in the said transaction and held against the Corporate Debtor and its group entity and directors by categorically rejecting 'the mastermind' theory, which tried to be blame Mr. Ramakant Patil for the alleged fraud. The Delhi High court also upheld the doctrine of indoor management and vicarious liability of the directors of Corporate Debtor and its group entity. It is pertinent to note that faced with the situation, the Corporate Debtor has even filed application for deposit of amounts involved in the transaction before the court pending investigation and trail against them.

V. The bail rejection order dated 16th July, 2025 passed by the Patiala House Court records that Mr. Ramakant Pilani “unauthorizedly supplied company credentials and forged signatures of other directors." The present transaction is executed by Mr. Ramakant Pilani himself - not through forged signatures of other directors. It is therefore wholly distinct from the pattern described in the said order, which concerned the fraudulent bank account of GBL Chemical in SBI. On the contrary, as referred above, the Delhi Court has pleased to reject the quashing petition filed by the Corporate Debtor and its directors and upholding the doctrine of indoor management and vicarious liability, and directed that investigation be conducted in the matter.

VI. The handwriting analysis reports (Exhibit O and P) analyse the signatures of Mr. Rishi Pilani and Mr. Ramesh Pilani on unrelated documents pertaining to the GBL Chemical/SBI account fraud. They have no relevance whatsoever to the Deed of Corporate Guarantee executed by Mr. Ramakant Pilani on behalf of the Corporate Debtor, as Mr. Pilani's own signature is admittedly genuine on those documents.

4.64. *With reference to paragraph 9.1 to 9.3 of the Reply Affidavit,* I deny the contention that there exists no financial debt under Section 5(8) of the Code. I say and submit as follows:

a) A Deed of Corporate Guarantee executed by a company to secure repayment of a term loan - where the loan amount was admittedly disbursed - squarely constitutes a "flnancial debt" under Section 5(8XD of the Code, which defines financial debt to include "a debt along with interest, if any, which is disbursed against the consideration for the time value of money." The disbursement of Rs. 5,00,00,000/- on 3lst January, 2024 into ABPL's designated account with RBL Bank (Account No. 409833323363) is documented and undeniable.

b) The Corporate Debtor's reliance upon the judgment of the Hon'ble Supreme Court in Vidarbha Industries Power Limited vs. Axis Bank (Civil Appeal No. 4633 of 2021) is misconceived. The said judgment does not hold that this Tribunal has unfettered discretion to refuse admission even where both financial debt and default are established. The discretion under Section 7(5)(a) is to be exercised judicially and for good reason – not to defeat the legitimate rights of a financial creditor on the basis of mere unsubstantiated allegation of forgery. Any irregularity or liability towards the financial debt inter-se an aspect between the Corporate Debtor and ABPL to which the Financial Creditor may not be privy.

c) The invocation of the Corporate Guarantee triggered the Corporate Debtor's payment obligation. The Invocation Notice dated 1st August, 2025 demanding Rs.6,25,20,5371- was duly served yet unresponded, and the Corporate Debtor failed to remit any amount within the stipulated period. This constitutes a default under Section 3(12) of the Code. The date of default is 7th August, 2025 and the default is continuing.

4.65. *With reference to paragraph 10.1 of the Reply Affidavit* - I say that the pendency of Commercial Suit No. 414 of 2025 is no bar to this Petition. No stay or injunction has been granted. The Corporate Debtor cannot use its own unilaterally instituted civil suit as a device to freeze the statutory rights of a Financial Creditor under the Code.

4.66. *With reference to paragraphs 10.2 to 10.4 of the Reply Affidavit,* the Corporate Debtor has placed heavy reliance on the order of this Hon'ble Tribunal dated 1st September,2025 in C.P. (IB) No. 583 of 2024 (in the matter filed by Progfin Private Limited), which is totally irrelevant as based on entirely different set of facts. Further, the FIR No. 0315 of 2024 Sanrai Police Station) and FIR No. 0103 of 2024 (Cuffe Parade Police Station) both pertain to the fraudulent bank account of GBL

Chemical Limited with SBI and the Progfin transaction. Neither FIR pertains to the present transaction. The Corporate Debtor's attempt to create a generalized fog of criminal allegations around its own officers and family members, and then use that fog as a defense, must be firmly rejected.

4.67. *With reference to paragraphs 10.5 to 10.8 of the Reply Affidavit,* the Financial Creditor ls neither aware nor endorses the correctness of the contention raised therein. Suffice it to say that the transaction referred therein has no nexus with the subject transaction agreement and hence the Financial Creditor is advised not to deal with the same in present proceedings. Further the proceedings and public notices relief by the Corporate Debtor are mere means to cover up the liability incurred by the Corporate Debtor and defraud the creditors. More pertinently, the management of the Corporate Debtor are themselves under investigation and trial in connection with these proceedings held by other creditors.

4.68. *With reference to paragraph 10.9 of the Reply Affidavit,* it is denied that the Financial Creditor has acted in a high-handed, mala fide, or extortionate manner. I state and submit that the Financial Creditor disbursed Rs. 5 Crore in good faith against valid documentation, lost the same to non-repayment, issued appropriate statutory notices, and has now exercised its legal right under the Code. This is not abuse of process - it is a bona fide exercise of a statutory right.

4.69. *With reference to paragraphs 11.1 to 11.6 of the Reply Affidavit,* I say and submit that the financial health and going concern status of the

Corporate Debtor are irrelevant at the admission stage of a Section 7 petition. The Code does not require the Corporate Debtor to be commercially insolvent as a prerequisite for the initiation of CIRP. The only requirements are the existence of a financial debt and a default - both of which are amply demonstrated. The Corporate Debtor's claimed market capitalisation of Rs. 500 Crores and current assets of Rs. 22 Crores only makes the Corporate Debtor's conduct of refusing to honour a debt of Rs. 6.25 Crore all the more unjustifiable. A company with a market cap of Rs. 500 Crores that refuses to honour a guaranteed obligation of Rs. 6.25 Crore is not a victim - it is a deliberate defaulter. The reliance upon the NCLAT judgment in Acute Daily Media Pvt. Ltd. (Appeal No. 1480i2024) and the judgment in Vidarbha Industries is misconceived. These judgments recognise a discretion that must be exercised on objective grounds. The Corporate Debtor has placed before this Hon'ble Tribunal only an unsubstantiated allegation of forgery and a suit filed by itself. This does not constitute an objective ground to refuse admission.

5. **<u>Both the parties filed the written arguments alongwith citations; The Applicant is relying upon the following judgments: -</u>**

    1. *Lakshmi Ratan Cotton Mills v. J.K. Jute Mills (1957) 27 Comp Cas 660.*
    2. *Raja Bahadur Shivlal Motilal v. Tricumdas Mills 1912 (14) BOMLR 45*
    3. *MRF Ltd. v. Manohar Parrikar [(2010) 11 SCC 374]*
    4. *Indiabulls v. Koshika Bioscience [(2024) 244 Comp Cas 669 — NCLT Mumbai]*

6. **<u>Written submission on behalf of the Applicant: -</u>**

A. IN RESPONSE TO GBL'S ARGUMENT 1 — SUPPRESSION OF COMMERCIAL SUIT

1. **GBL's Contention:** UCIC suppressed the existence of Commercial Suit No. 414 of 2025 challenging the Corporate Guarantee, which is sub judice before the City Civil Court and must be adjudicated first.
2. **FC's Response:**

2.1 The IBC is a complete and self-contained code. The pendency of a civil suit, without a courtgranted stay or injunction against the Guarantee or this petition, is no bar to Section 7 proceedings.

2.2 GBL's suit is itself a pre-emptive litigation shield. GBL's own CIBIL Report dated 03.04.2024 *(Annexure-O, pg. 946–969 of Rejoinder)* — which GBL itself relied upon in that very suit — records the ABPL credit facility under **"Credit Facilities Guaranteed by You."** Despite actual knowledge since April 2024, GBL filed the suit only on 22.07.2025 — over a year later — immediately before the Invocation Notice of 01.08.2025. No allegations against UCIC of any forgery or fabrication with respect to Deed of Corporate Guarantee. Further the suit was not even served until the Invocation Notice was delivered. Even otherwise the suit is not maintainable as a commercial suit and no writ of summons has been served in the suit till date but only Notice of Motion is served. Further the Notice of Motion filed therein is adequately dealt with by the FC through its Reply dated 3rd November 2025.

B. IN RESPONSE TO GBL'S ARGUMENT 2 — FRAUDULENT, FORGED, AND FABRICATED DOCUMENTS

1. GBL's Contentions: (i) The Deed of Corporate Guarantee and Board Resolution of 31.01.2024 are forged; (ii) Mr. Ramakant Pilani had no authority as CEO; (iii) no board meeting was held that date per the Director's Report FY 2023–24; (iv) the Board Resolution uses a fake letterhead, incorrect address, and the telephone number; (v) the "@ganeshgroup.com" email domain was fraudulently used; (v) no shareholder approval and (vi) GBL and ABPL are separate entities with no nexus. GBL relies on the Progfin NCLT order, Helik Advisory forensic report, and multiple FIRs.

2. FC's Response:

2.1 Execution via Aadhaar OTP — Not a Forgery Case: The Corporate Guarantee was executed through verifiable Aadhaar-based OTP e-signature by Mr. Ramakant Pilani — a tamperevident mechanism with a complete, time-stamped audit trail. (Annexures U, V-Colly, pg. 1011– 1025 of Rejoinder) GBL has produced no forensic report impugning this OTP mechanism. Unlike Progfin — where Helik Advisory found that signatures of Rishi and Ramesh Pilani were "of different authorship" — here nobody disputes that Ramakant Pilani himself executed the Guarantee using his own Aadhaar credentials. This is not a forgery case at all; it is, at most, an authority dispute — a pure question of law.

2.2 Board Resolution is Valid and Authorised: A certified Board Resolution dated 31.01.2024 was submitted, authorising Mr. Pilani as signatory. GBL's Articles of Association — Articles 81, 82, and 152(17) — expressly empower directors to borrow, create security, and execute guarantees, jointly or severally. (Annexure-N, pg. 889–945 of Rejoinder).

2.3 The ***"@ganeshgroup.com" Domain Argument Backfires:*** GBL alleges Mr. Pilani "fraudulently" used the @ganeshgroup.com domain. But GBL's doesn’t disputes that MCA-registered email for ABPL is accounts@ganeshgroup.com, the same domain GBL itself uses (info@ganeshgroup.com, export@ganeshgroup.com) (see Annexures I-1, I-2, I-3, pg. 828–839 of Rejoinder). GBL's own chargesheet in FIR 0103/2024 (Exhibit V to GBL's Reply at pg. 279, 344) confirms GBL Chemical Ltd. also uses this domain. GBL cannot simultaneously rely on a chargesheet that exposes its own shared infrastructure. There is no reference of any purported fake email address i.e. account.head@ganeshgroup.com in FIR 103/2024 or the Public Notice at Exhibit-E to the Reply.

2.4 GBL and ABPL Are Related Parties — Statutory Admissions: GBL's "no nexus" plea is demolished by its own records:

A. Same corporate address: "Ganesh House", Andheri East — registered address of both ABPL (MCA records) and GBL (corporate office). (Annexures D, E to Rejoinder)

B. Same manufacturing plant: Plot D/12/122 and D/5, MIDC Tarapur — both ABPL's manufacturing address (MCA records) and GBL's Chemical Division address (GBL website). (Annexure-E, pg. 122–126; Photographs, Annexure-R, pg. 1005–1006 – in the Rejoinder).

C. GBL's Accounts Manager files ABPL's ITRs: Mobile no. 9321211403, used in ABPL's IT Returns for FY 2021–22, belongs to Mr. Arun Pandey, GBL's Accounts Manager since 2002 — listed as a GBL witness in GBL's own Chargesheet at pg. 319, 357, 365–366. (Annexures M1, M2-Colly, pg. 865–887 – in the Rejoinder).

D. GBL's website lists ABPL Director's mobile: Mobile no. 9022908534 on GBL's Chemical Division webpage belongs to Mr. Deepak Chhaparia, Director of ABPL. (Annexure-L, pg. 863–864 of Rejoinder).

E. Annual Reports — 12 years of statutory admissions:

- FY 2012–13: GBL previously availed corporate guarantee of ABPL. (Annexure-F1(pg.170-173), pg. 127–239 of Rejoinder).
- FY 2011–12: Sale of goods to ABPL — Rs. 42,30,000. (Annexure-F-1(Pg.233), VolII, pg. 191–239 of Rejoinder)
- FY 2017–18, 2023–24, 2024–25: ABPL continuously disclosed as related party with purchase/sale transactions. (Annexures F-2(pg.313), F-3(Pg.549), F-4(pg.795), pg. 240–813 of Rejoinder).

2.5 GBL has not demonstrated either in law or in facts as to how, when and why the shareholder approval becomes relevant or necessary for related party transaction such as the subject transaction, but only made a blanket statement that same is not obtained.

2.6 Doctrine of Indoor Management — UCIC is Fully Protected:

UCIC conducted multi-level due diligence before disbursement:

A. **9.01.2024:** Corporate office visit to "Ganesh House" — met Mr. Ramakant Pilani (designated CEO & Ex-Promoter/Director, GBL & MD, ABPL), Mr. Deepak Chhaparia (Director, ABPL), Mr. Rajendra Gupta (Plant Head, Chemical Division), Mr. Pillai (Head of Quality), and Mr. Manish Chaturvedi (Finance Consultant). (Annexure-R, pg. 1005–1006 of Rejoinder).

B. January 2024: Factory site visit to MIDC Tarapur — ABPL's board signage was found displayed within GBL's own plant premises. Photographs taken. (Annexure-R of Rejoinder)

C. KYC/Documentation: Board Resolution, MCA records, CIBIL, ITR Acknowledgments, Letter of Undertaking verified. (Annexures S, T-1 to T-3 and U, pages 1007-1011 of Rejoinder)

D. Having received a certified Board Resolution and an Aadhaar OTP-authenticated Guarantee both dated 31st January 2024, UCIC had no obligation to go behind GBL's internal management.

2.7 **Authorities relied:** (a) A third-party such as FC " has a right to assume as against the Company that all matters of internal management have been duly complied with." — Lakshmi Ratan Cotton Mills v. J.K. Jute Mills (1956) (b) Company cannot plead its own internal irregularities to invalidate a charge against a third party who had no notice of such infirmities. Raja Bahadur Shivlal Motilal v. Tricumdas Mills (1911 Bom HC) (c) "The doctrine of indoor management 2 implies that an outsider whose actions are in good faith... can have a presumption that there are no irregularities internally." Indiabulls v. Koshika Bioscience [(2024) 244 Comp Cas 669 — NCLT Mumbai].

2.8 GBL relies on MRF Ltd. v. Manohar Parrikar [(2010) 11 SCC 374] to argue that indoor management protection is unavailable where "circumstances are suspicious enough to invite inquiry." That exception does not apply here — GBL's certified Board Resolution and digitally signed documents were placed before UCIC with nothing on their face warranting inquiry. As the same judgment clarifies: "The doctrine is an exception to the rule of constructive notice." The Hon'ble Delhi High Court in the Progfin judgment dated 29.01.2026 (Annexure Q-1, pg. 983–1003 of Rejoinder) — where GBL and its directors applied for quashing of FIR — expressly rejected the "mastermind theory" attributing sole fraud to Mr. Pilani and upheld indoor management and vicarious liability of GBL's directors. Further, deposit of amounts have been made by the directors of GBL to avail bail concession (Annexure Q-2, pg. 1004 of Rejoinder).

C. IN RESPONSE TO GBL'S ARGUMENT 3 — ABSENCE OF FINANCIAL DEBT

1. GBL's Contention: There is no "financial debt" within the meaning of Section 5(6) IBC; the transaction is a sham without disbursement for the time value of money.

2. FC's Response:

2.1 The term loan of Rs. 5 Crores was disbursed on 31.01.2024 at a contracted rate of interest — squarely within the definition of a financial debt under Section 5(8) IBC as "a debt along with interest... disbursed against the consideration for the time value of money."

2.2 GBL's Corporate Guarantee, being a guarantee for repayment of a financial debt, creates a financial debt on GBL upon invocation — fully established by the invocation mechanism and audit trail. (Annexures 11, 12, 13 of Petition and Annexure U, V-Colly of Rejoinder).

2.3 GBL's CIBIL Report dated 03.04.2024 itself records this facility as a credit facility guaranteed by GBL — a statutory acknowledgement that the debt is real and not a sham. (Annexure-O, pg. 946–969 of Rejoinder).

D. IN RESPONSE TO GBL'S ARGUMENT 4 — PENDING CRIMINAL PROCEEDINGS / FORENSIC EVIDENCE

1. GBL's Contentions: Delhi EOW confirmed Pilani forged resolutions and opened a fraudulent SBI account; Helik Advisory forensic report found signatures forged; multiple FIRs (Vanrai No. 0315/2024, 164/2025; Cuffe Parade No. 0103/2024; Andheri No. 581/2025) confirm fraud. (Exhibit V @ pg. 267, 303; Exhibit W @ pg. 447 of Reply)

2. FC's Response:

2.1 Every FIR cited by GBL relates to GBL Chemical Ltd. / SBI Bank Account No. 41010899634 or other bank accounts— a transaction entirely separates from the UCIC credit facility. Not a single criminal proceeding is adopted in respect of the UCIC Deed of Corporate Guarantee dated 31.01.2024 or against Ramakant Pilani or other directors or employees of ABPL in relation thereto.

2.2 The Helik Advisory forensic report found forgery of signatures of Rishi Pilani and Ramesh Pilani on SBI account-opening documents in the Progfin transaction. No forensic examination of the Aadhaar OTP mechanism for the UCIC Guarantee has been produced or commissioned.

2.3 Public search documents reveal that the EOW Delhi FIR No. 86/2024 (Annexure-P of Rejoinder) was filed by other lender (M/s Lok Sewak Leasing & investment Private Limited) against GBL's management — demonstrating a pattern of availing credit and then disowning liability through forgery allegations.

2.4 GBL has filed no criminal complaint against ABPL or any of its employees in relation to subject transaction. No disclosure is made in any of the financial statements or annual reports of GBL referring the subject transaction as fraudulent.

E. IN RESPONSE TO GBL'S ARGUMENT 5 — NCLT LACKS JURISDICTION OVER FRAUD

1. GBL's Contentions: Relies on various judgements- Shelendra Kumar Sharma v. DSC Ltd [2019 NCLAT], Acute Daily Media [2024 NCLAT], etc. to urge that NCLT cannot adjudicate fraud in summary proceedings.

2. FC's Response:-

2.1 The Tribunal's duty to "consider" is also the power to "reject": The Hon'ble Supreme Court in Vidarbha Industries Power Ltd. v. Axis Bank [CA No. 4633/2021] held the Tribunal "has to consider the grounds made out by the Corporate Debtor against admission, on their own merits" (Para 88). It was held that, any discretion under Section 7 (5)(a) of the IBC cannot be exercised arbitrarily or capriciously. This means the Tribunal must assess whether grounds are objectively meritorious — not accept them at face value. GBL's grounds are directly contradicted by GBL's own records and the Aadhaar OTP audit trail.

2.2 All judgments relied by CD are distinguishable on facts:

a. Shelendra Kumar Sharma v. DSC Ltd [2019 NCLAT]: Involved Section 9 petition filed by employee for Salary dues.

b. Radha Exports v. K.P. Jayaram [(2020) 10 SCC 538]: Involved disputed paper signatures on share application documents requiring forensic examination. Here, the guarantee was executed via Aadhaar OTP by Ramakant Pilani himself — no signature forgery is alleged; only his authority is disputed — a pure question of law.

c. Acute Daily Media [NCLAT, 16.01.2025] : Involved collusion between promoters and financial creditor to contrive debt/default. UCIC is an independent NBFC that disbursed real funds after documented due diligence. No such allegation exists here.

d. Mahima Datla v. Renuka Datla and MRF v. Manohar Parrikar : holds that where circumstances are objectively suspicious on the face of the transaction and at the time of dealing, the indoor management protection is unavailable. In the present case, at the time transaction i.e. in January 2024, every external indicator confirmed the transaction's legitimacy and no suspicion on face of the transaction.

e. MRF v. Manohar Parrikar [(2010) 11 SCC 374]: Indoor management protection was denied as the irregularity was patent on the face of the documents (a government notification issued in violation of the Constitution). For reasons set out in para 7.8 above, the ratio of this judgment is inapplicable and there is nothing suspicious on the face of UCIC's documents.

f. Noil Christuraj v. SBI [NCLAT 485] : Actually supports UCIC: the Tribunal's role is only to determine debt and default; Corporate Debtor can only show "default has not occurred" or "debt is not payable in law or on facts." GBL concedes it did not pay after invocation.

g. Progfin NCLT Order (01.09.2025): Dismissed on the basis of: forensic report; advisory handwriting report (actual forged signatures); fraudulent SBI bank account; NBFC employee named in chargesheet. None of these factors exist in the present case.

2.3 Controlling precedent — Indiabulls v. Koshika Bioscience:

"The moment the Adjudicating Authority is satisfied that a default has occurred,

the application must be admitted unless it is incomplete.... If the Adjudicating

Authority is of the opinion that a 'default' has occurred, it has to admit the application." (Paras 26 to 32 relied)

F. <u>IN RESPONSE TO GBL'S ARGUMENT 6 — RESPONDENT IS A SOLVENT ENTITY</u>

1. GBL's Contention: GBL is a viable, solvent entity and IBC should not be used to "arm-twist" solvent companies. Relies on Anjani Technoplast v. Shubh Gautam [CA No. 8427 of 2022].

2. FC's Response:

2.1 Section 7 IBC requires only financial debt + default. Commercial insolvency is not a prerequisite for CIRP. (Indiabulls v. Koshika Bioscience, Paras 29, 32).

2.2 Anjani Technoplast v. Shubh Gautam [CA No. 8427 of 2022] is distinguishable on facts since there was a decree already under execution, the decretal amount remaining pending determination and also monies thereunder were deposited with the civil court. In the present case, there is no order or decree of any civil court, no alternative executable remedy availed, and Section 7 is filed only after exhausting every pre-CIRP step. Anjani Technoplast has no application whatsoever to the present facts. Claimed financial health is not a ground recognised by Vidarbha Industries.

2.3 GBL's own claimed market capitalisation of Rs. 500 Crores and current assets of Rs. 212 Crores make its deliberate refusal to honour a Rs. 6.25 Crore guaranteed obligation all the more indefensible. A financially healthy company that wilfully defaults on a guaranteed debt is not a victim — it is a deliberate defaulter.

3. It is most respectfully submitted that this Hon'ble Tribunal be pleased to reject the GBL's Affidavit in Reply and admit Company Petition (IB) No. 1388 of 2025.

7. <u>WRITTEN SUBMISSION ON BEHALF OF THE RESPONDENT : -</u>

1. <u>THE PETITIONER HAS SUPPRESSED MATERIAL FACTS</u>

a. Prior to filing the Petition on December 16, 2026, the Respondent filed Commercial Suit No. 414 of 2025 ("Suit") [Exhibit B to the Reply @ Pg. 3] against the Respondent, inter alia, challenging and seeking a declaration and cancellation of the purported Deed of Corporate Guarantee dated January 31, 2024 ("Purported Corporate Guarantee") [Annexure 3 to the Petition @ Pg. 71], purportedly executed between the Petitioner and the Respondent. Further, Writ of Summons has been lodged in relation to service in the Suit and the Petitioner has entered an appearance and filed an Affidavit in Reply to the Notice of Motion filed by the Respondent.

b. Hence, the entire matter in relation to the validity of the Purported Corporate Guarantee is sub judice before the Hon'ble City Civil Court. The same ought to be adjudicated upon before this Hon'ble Tribunal passes any direction to act on the concerned instrument. Despite being well aware of the Suit, the Petitioner has intentionally suppressed this material fact in the petition.

2. **<u>THE DOCUMENTS FORMING THE SUBJECT MATTER OF THE CAPTIONED PETITION ARE FRAUDULENT, FORGED AND FABRICATED:</u>**

   a. The Purported Deed of Corporate Guarantee, wherein the Respondent allegedly agreed to stand as guarantor for Agarwal Bulkactives Private Limited ("ABPL") under the purported Facility Agreement dated January 31, 2024 [Annexure 2 to the Petition @ Pg. 39], is a forged, fabricated and got-up document, and hence not binding on the Respondent.

   b. Respondent is a publicly listed company, and it is thus required to seek necessary approvals from its board of directors before passing any resolution to provide any guarantee to any corporate entity. However, the Purported Corporate Guarantee has never been tabled before or approved by the Board of Directors of the Respondent. Further, no shareholder approval of the Respondent was taken in respect of the purported transaction, which is contrary to the provisions of the Companies Act, 2013. The Purported Corporate Guarantee does not bear the signature of any witness as is standard for any agreement or document.

   c. In addition, at the relevant time, Mr. Ramakant Pilani was merely an officer of the Respondent, and thus had no inherent and/or general powers to provide guarantees, obtain loans and/or any other credit facility or securities. Such powers, it at all, vest in the board of directors of the Respondent.

d. he purported Board Resolution dated January 31, 2024 ("Purported Board Resolution") [Annexure 4 to the Petition @ Pg. 80] is a fabricated and got-up document. The Purported Board Resolution is dated the same day as the Purported Corporate Guarantee. No board meeting was held on January 31, 2024, which is demonstrated from the Director's Report of FY 2023-24 [Exhibit Ito the Reply @ Pg. 77]. Pertinently, the Petitioner has offered no counter or rebuttal to the Director's Report filed by the Respondent, which shows that it was aware about no meeting being held on that date. The falsity of the Purported Board Resolution is apparent from the following inconsistencies viz. (i) Mr. Ramakant Pilani is labeled as a "director", when in fact he was the CEO, (ii) Mr. Ramakant Pilani has signed the Purported Board Resolution as the CEO, who unlike a Director has no inherent powers to sign a Board Resolution, (iii) Board Resolution is printed on a fake,fabricated letter head, (iv) the address shown on the Purported Board Resolution is not the registered address of the Respondent, (v) the telephone number and email on the Board Resolution is also incorrect and appears to be telephone number of Mr. Manish Chaturvedi who is one of the Accused in FIR 103/2024. Hence, the Purported Corporate Guarantee has been signed by Mr. Ramakant Pilani without any authority whatsoever. These basic discrepancies ought to have been seen by the Petitioner before entering into the transaction, and hence, it is clear that the Petitioner has not conducted its due diligence.

e. It is settled law that the protection of the doctrine of indoor management is not available where the circumstances surrounding the contract are suspicious and invite inquiry. In view of, inter alia, the falsities apparent on the face of the Purported Board Resolution, the complete lack of due diligence, and the absence of a witness during the signing of the Purported Corporate Guarantee, the circumstances surrounding the present transaction ought to have invited suspicion and further inquiry.

f. By making fake email addresses using the domain "@ganeshgroup.com", Mr. Ramakant Pilani carried out various communications with various entities for the purpose of availing loans and credit facilities by creating fake addresses such as accounthead@ganeshgroup.com ("Fake Email Address"). The Respondent and GBL Chemical Limited issued a public notice dated April 4, 2024 [Exhibit E to the Reply @ Pg. 61] in the New Delhi, Gurgaon and Mumbai editions of the Economic Times to caution the public about the fraud being committed against them. The First Information Report No. 103 of 2024 records that the Fake Email Address is used in the fraudulent transaction therein. The Cuffe Parade FIR makes clear that the Fake Email Address was not part of the email addresses having the said Domain Name that were used for running of the business [Exhibit V of the Reply @ Pg. 279 and 344]. Hence, the manufacturing of emails using the domain name to defraud the Respondent has been taken note of during criminal investigations as well.

g. The Respondent and ABPL are separate and distinct entities, and have no common directors/shareholders at present or at the relevant time. The shareholding, directorship and role of Mr. Ramakant Pilani at the inception of the Respondent are no longer relevant to the operation or management of the Respondent. In addition, any past dealings and/or transactions between the Respondent and ABPL were at arm's length distance and are entirely immaterial to third parties, particularly after a significant passage of time. Further, the similarity of business between the Respondent and the Petitioner is entirely irrelevant to the present issue.

h. Further, the purported transactions are with respect to the Petitioner, ABPL and the Respondent. Hence, the directorship and/or shareholding of GBL Chemical and/or Ganesh Medicament Pvt Ltd is entirely immaterial to the present case. Further, the commonality of the registered address of ABPL and the corporate address of the Respondent in no manner is relevant to the grant of authority to Mr. Ramakant Pilani to enter into the Purported Corporate Guarantee. The Petitioner is attempting to create a nexus between ABPL and the Respondent through entirely irrelevant and immaterial facts, when in fact, the Purported Board Resolution is ex facie without authority having been signed merely by an officer of the Respondent and not a director. Mere commonality of previous transactions does not automatically validate the present transaction, particularly when the Respondent has demonstrated by placing material on record that no board meeting was held, wherein a board resolution was passed authorizing Mr. Ramakant Pilani to enter into the alleged transaction with the Petitioner.

i. Further, the mere fact that ABPL and the Respondent have been disclosed as related entities in the Annual Report for FY 2023-24 of the Respondent [Annexure F-4 of the Rejoinder @ Pg. 549] does not dispense with the obligation to obtain necessary approvals from the board members and shareholders before passing any resolution granting a corporate guarantee. In addition, the fact that ABPL registered a charge over its assets in favor of the Petitioner [Annexure G to the Rejoinder @ Pg. 814] does not extend the liability upon the Respondent and Respondent was unaware of the Purported Facility Agreement or the Purported Corporate Guarantee.

j. The Purported Corporate Guarantee is part of a larger fraud and conspiracy orchestrated by Mr. Ramakant Pilani, as is evident from the following:

- Mr. Ramakant Pilani has with mala fide intention availed of loans from various non-banking finance companies the name of the Respondent and GBL Chemical Limited. The Respondent has filed appropriate civil and criminal proceedings against Mr. Ramakant Pilani and all other concerned.
- A fraudulent bank account in the name of GBL Chemical Limited has been opened by Mr. Ramakant Pilani with the State Bank of India, Tulsiani Chambers, Backbay Reclamation Branch, Mumbai bearing Current Account Number 41010899634 ("said Fraudulent Account"). Mr. Ramakant Pilani has used the said Fraudulent Account to avail illegal credit facilities and loans.
- As Mr. Ramakant Pilani had forged and fabricated board resolutions and documents of the Respondent and Petitioner to obtain loans from other NBFC's. Complaint was filed by these NBFCs before the EOW of the Delhi Police, and in which Mr. Ramakant Pilani has been

arrested. By a press release dated February 05, 2025 , the EOW of the Delhi Police, confirmed that Mr. Ramakant Pilani created forged and fake board resolutions and also created a fake account in the name of GBL Chemical Limited, being the said fraudulent account [Exhibit L to the Reply @ Pg. 89]. Vide Press Release dated February 25, 2025, the EOW of Delhi Police confirmed that it has now arrested other accused persons involved in forging documents in the name of the Respondent [Exhibit M of the Reply @ Pg. 91].

- Mr. Ramakant Pilani's bail application was rejected by the Patialia House Court, New Delhi vide Order dated July 16, 2025, which observed that Mr. Ramakant Pilani unauthorizedly supplied company credentials and forged the signature of other directors and funds were routed through accounts operated by him [Exhibit N to the Reply @ Pg. 94-95].
- Helik Advisory Ltd vide two reports dated April 17, 2024 [Exhibit 0 and Exhibit P of the Reply @ Pg. 110-111 and Pg. 137-138], concluded that the signatures appearing in the fabricated and forged account opening documents and the specimen signature of Mr. Rishi Pilani and Mr. Ramesh Pilani are of a different authorship.
- Mr. Ramakant Pilani resigned as CEO of the Respondent and as Director of GBL Chemical Limited at Board Meeting held on April 2, 2024, and the same was communicated vide a letter to the BSE [Exhibit Q to the Reply @ Pg. 147].

- The timeline of the present transaction coincides with the timeline in which Mr. Ramakant Pilani carried out the above fraud, and hence, becomes relevant.

3. **HERE EXISTS NO FINANCIAL DEBT:-**

    a. There is no financial debt due or payable as defined under Section 5(6) of the Insolvency and Bankruptcy Code, 2016 ("Code"). It is trite that mere advancement of monies would not ipso facto qualify as a financial debt.

    b. The present transaction is a sham which only creates an illusion that money has been disbursed to a borrower with the object of receiving consideration in the form of time value of money, when in fact the parties have entered into the present transaction with a different ulterior motive.

4. **ENDING CRIMINAL AND CIVIL PROCEEDINGS:**

    a. This Hon'ble Tribunal in Company Petition (I.B.) No. 583 of 2024, which involved false and fabricated documents similar to the present case, vide Order dated September 1, 2025 [Exhibit R to the Reply @ Pg. 179], held that the matter involved issues of fraud and forgery, and hence the same could not be gone into by this Hon'ble Tribunal.

    b. The Hon'ble Bombay City Civil Court in Notice of Motion No. 1503 of 2024 [Exhibit S to the Reply @ Pg. 184], filed in relation to similar forged and fraudulent documents, vide Order dated July 10, 2025 [Exhibit T of Reply @ Pg. 217-218] observed that the Respondent and GBL Chemical Limited were victims of fraud and forgery, and they were not the borrowers of the fraudulent loan transaction.

Further, it was held that allegations of serious fraud can only be adjudicated by the Hon'ble Civil Courts.

c. First Information Report No. 0315 of 2024 has been registered by the Vanrai Police Station, Mumbai in respect of similar false and fabricated documents executed by Mr. Ramakant Pilani.

d. The Cuffe Parade Police Station registered First Information Report No. 0103/2024 ("Cuffe Parade FIR") in respect of the said Fraudulent Account. Mr. Ramakant Pilani has been named as one of the accused and a charge sheet [Exhibit V of the Reply @ Pg. 267 and Pg. 303] has also been filed in the matter. Further, SBI employee Mr. Prashant Bhise is also named as an accused in the charge sheet.

e. First Information Report No. 164 of 2025 dated 28thApri1,2025 [Exhibit W to the Reply @ Pg.447] has been registered by the Vanrai Police Station on the basis of Complaint filed GBL Chemical Ltd against the Directors of ABPL in respect to the fraud played by Mr.Ramakant Pilani of ABPL by opening of a Proprietor Current Account in the name of "Ganesh Benzoplast" in HDFC Bank in the intention to cheat the Respondent to siphon off the amounts to be received by the respondent.

f. First Information Report No. 581 of 2025 has been registered by the Andheri Police Station in relation to cheques issued on behalf of Respondent and GBL Chemical, without authority, by Mr. Ramakant Pilani and a charge sheet has been filed in the matter.

5. <u>THIS HON'BLE TRIBUNAL DOES NOT HAVE JURISDICTION TO ADJUDICATE UPON QUESTIONS OF FRAUD:</u>

a. The Hon'ble NCLT does not have jurisdiction to adjudicate upon the questions of fraud that the present facts pose. Given the nature, extent and gravity of fraud that has been committed in the present facts and circumstances, this Hon'ble Tribunal cannot adjudicate upon the present matter in summary manner and admit the Respondent to Corporate Insolvency Resolution Process ("CIRP"). This is especially when there are multiple civil and criminal proceedings pending regarding the legitimacy of the Purported Documents. Reliance in this regard is placed on Shelendra Kumar Sharma vs. DSC Ltd 2019 SCC OnLine NCLAT 1274, M/s Acute Daily Media Pvt Ltd. & Ors. Company Appeal (AT) (Insolvency) No. 1480 of 2024 Para No. 36, Jaginder Singh Lather vs. AU Small Finance Bank Ltd 2018 SCC OnLine NCLAT 706 Para No. 3, Radha Exports vs. K.P. Jayaram and Another (2020) 10 SCC 538 Para No. 16,17,40 and Noel Christuraj vs. SBI SCC OnLine NCLAT 485.

b. Furthermore, the doctrine on Indoor Management is inapplicable in the present case. It is well settled principal of law that suspicion of irregularity has been widely recognized as an exception to the doctrine. The protection of the doctrine is not available where the circumstances surrounding the transaction are suspicious and warrant an inquiry. A basic due diligence by the Petitioner would have evidenced that the board resolutions, email id, the purported documents are forged and fabricated, which they failed to undertake. Reliance in this regard is placed on MRF Limited vs. Manohar

Parrikar and Others (2010) 11 SCC 374 and Mahima Datla vs. Renuka Datla (2022) 10 SCC 258.

6. **RESPONDENT IS A SOLVENT ENTITY:**

a. The Respondent is neither a commercially unviable asset nor a potentially sick entity. As of March 31, 2026, the Respondent has a market cap of Rs. 500 Crores. The Respondent has approx. 500 workers/employees.

b. A commercially viable entity cannot be driven to insolvency proceedings at the whims and fancies of any single party. Further, the Code cannot be utilised as a recovery mechanism to arm-twist the Respondent to extort money. Reliance is placed on Anjani Technoplast vs Shubh Gautam, Civil Appeal No. 8427 of 2022.

c. The Petitioner has neither initiated any recovery proceedings against ABPL nor against the Respondent, and the present proceedings have been filed with the malafide intention of dragging a solvent entity to CIRP, despite it being well aware since May 2024 that the present transaction was a fraudulent transaction.

8. **ADDITIONAL NOTE OF SUBMISSIONS ON BEHALF OF THE RESPONDENT:**

1. The Respondent repeats and reiterates all that is stated in the Written Submissions dated may 14, 2026 field on behalf of the Respondent. The present additional note of submissions is being filed in addition to and as a supplement to the Written Submissions dated may 14, 2026. Further, the terms defined in the Written Submissions shall have the same meaning herein, unless otherwise defined in the present Additional Written Submission.

2. **<u>DISCREPENCYIES IN THE PURPORTED BOARD RESULUTION DATED JANUARY 31, 2024, DEMONSTRATING THAT THE SAME IS A FABRICATED AND GOT-UP DOCUMENT:</u>**

   a. Without prejudice to the fact that o meeting was held on January 31, 2024, as alleged, Respondent submits that the purported board resolution has several discrepancies, which are as under.

   b. It is submitted that no person, including Mr. Ramakant Pilani, has been allegedly authorized to sign or execute the Purported Corporate Guarantee. The only authority conferred upon Mr. Ramakant Pilani is to accept on behalf of the Respondent such modifications therein as may be deemed necessary by the lenders. [Petition, Annexure-4@Pg. 80].

   c. As per Section 12(3)(c) of the Companies Act, 2013, every company is mandated to affix its registered office address along with the Corporate Identity Number on all the letterheads used by the company. If the purported Board Resolution is perused, it is clear that the address mentioned therein is not the registered address of the Respondent, and that the Corporate Identity Number is also not given therein, which is a statutory requirement under the law.

   d. Further, the Board Resolution in paragraph no. 2 states that the purported Loan Agreement is to be guaranteed, however, in the present case, there is a Facility Agreement, and not a Loan Agreement.

   e. In paragraph no. 4, it has been stated as "the deed of guarantee to be executed between the Borrower, the Lender and the Company

("Transaction Documents") as placed before the board, be is and is hereby approved by the Board." However, in the present case, the purported Corporate Guarantee is only executed between the Petitioner and Respondent and ABPL is not even a party thereto. Hence, the purported board resolution makes reference to some other document, which is not the purported Corporate Guarantee.

f. The purported Board Resolution only gives powers to the directors of the company to certify a copy of the resolution and to issue the same to all concerned parties. However, in the present case, Mr. Ramakant Pilani, who was the CEO is the one who has issued the same to the Petitioner.

g. The Board Resolution does not even mention the directors who were present at the alleged board meeting. Mr. Ramakant Pilani has been falsely named as a director of the Respondent.

h. Mr. Ramakant Pilani has signed the Board Resolution in his capacity as CEO of the Respondent. A CEO, unlike a Director, has no inherent powers to sign a Board Resolution under the Companies Act, 2013, and has neither been granted such powers by the Memorandum of Association and/or Articles of Association of the Respondent, documents which are readily available in the public domain.

i. The Board Resolution is printed on a fake and fabricated letter head, which is apparent from the fact that the address shown thereon is not the registered address of the Respondent. Further, the mobile number shown on the board resolution is in fact, the bank account number of ABPL, which is given in the purported Facility Agreement. [Petition, Annexure-2@Pg. 41].

j. No board meeting was held on January 31, 2024, which is demonstrated from the Director's Report of FY 2023-24. [Reply, Ex. 1 @ Pg. 77].

k. Additionally, the purported Board Resolution gives purported powers to the directors and the Chief Financial Officer of the Company to "negotiate, accept any change(s) or modification(s) as may be suggested by the appropriate authorities and/or agreed pursuant to and in accordance with Transaction Documents and other deeds, documents, between the Borrower, the Company and the Investors and acceptable to the Investor".

l. The entire alleged transaction is with respect to an alleged loan backed by an alleged guarantee deed. There is no element of investment and no "Investor" as contemplated under the alleged transaction. Hence, the use of the term "Investor" raises further suspicion regarding the entire transaction.

m. Hence, there exist various inconsistencies in the Purported Board Resolution which ought to alert any reasonable lender that the same is not a validly executed resolution. However, despite the same, the lender granted the alleged facility to ABPL. Thereby demonstrating that the Petitioner and ABPL have colluded to play a fraud upon the Respondent.

3. **THE PURPORTED CORPORATE GUARANTEE IS IN TEETH OF THE PROVISIONS OF THE COMPANIES ACT, 2013 AND SEBI (LISTING**

OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

a. Section 186(5) of the Companies Act, 2013 stipulates the following twin conditions for any company providing any guarantee, viz. (a) resolution sanction the loan, guarantee, or security is passed at a meeting of the Board with the consent of all the directors present and the matter.

b. As stated hereinabove, no valid resolution has been passed authorizing the Purported Corporate Guarantee to be executed on behalf of the Respondent. In fact, no meeting of the board of directors of the Respondent was even held at the time the board resolution is alleged to have been passed. The purported board resolution put forth by the Petitioner also does not specify which directors were present at the meeting when the resolution was passed.

c. Since, the Purported Corporate Guarantee does not satisfy the condition stipulated under Section 186(5) of the Companies Act, 2013, the same is unenforceable and does not constitute a financial debt Catalyst Refinery Services Private Limited v. Ganpati Global Private Limited IA No. 138/JPR/2021 in CP No. (IB)-68/7/JPR/2021; Jambudwip Exports and Imports Limited v. UP Bone Mills Private Limited IB-447(ND)/2021;; Prayag Polytech Private Limited v. Iworld Digital Solution Private Limited 2020 SCC OnLine NCLAT 992).

d. Similarly, under the SEBI Listing Obligations And Disclosure Requirements) Regulations, 2015, Regulation 23(2) requires any listed entity, such as the Respondent, to obtain approval of the audit committee prior to entering into any related party transaction. The approval of the audit committee is absent in the present case, and have not been put forth by the Petitioner while seeking to enforce the Corporate Guarantee.

e. Similarly, had the Corporate Guarantee been a valid and binding document, the disclosure requirement under Regulation 30(4) read with Part B of Schedule III would have kicked in, and the Respondent would have had to disclose the same. The fact that there was no disclosure should have itself indicated to the Petitioner that the transaction entered was not with the approval of the board of directors of the Respondent.

f. In light of these glaring discrepancies, the purported Corporate Guarantee simply cannot be deemed to exist.

4. **<u>DISCREPENCIES IN THE SANCTION LETTER, FACILITY AGREEMENT AND PUPORTED CORPORATE GURANTEE:</u>**

a. In the Petition, the Petitioner has contended that the Sanction Letter was executed on January 30, 2024. Similarly, the Purported Corporate Guarantee also states that "Agarwal Bulkactives Private Limited [...], has availed loan of Rs. 5,00,00,000.00 (Rupees Five Crores only) from the Lender on the terms and conditions agreed under the Sanction Letter dated 30th January, 2024". Therefore, the Purported Corporate Guarantee also presupposes that the Sanction Letter was executed one day before the Corporate Guarantee. However, the digital signature of Mr. Ramakant Pilani, on behalf of ABPL, affixed on the Sanction Letter is in fact of January 31, 2024, at 19:06:03 IST. Similarly, the digital signature of Mr. Abhijeet Ray, the authorized signatory of the Petitioner, is also January 31, 2024 18:22:20 IST. [Petition, Annexure 1 @ Pg. 30].

b. Further, the Purported Facility Agreement has been signed by Mr. Ramakant Pilani on behalf of ABPL at 19:12:14 IST on January 31, 2024 and by Mr. Abhijeet Ray on behalf of the Petitioner at 17:33:28 IST on January 31, 2024 [Petition, Annexure 2 @ Pg. 40]. Hence, the Purported Facility Agreement has been signed by the Petitioner even before the Petitioner signed the Sanction Letter.

c. In the recitals of the Purported Corporate Guarantee, it is stated that "The Guarantor and Agarwal Bulkactives Private Limited ("Company") are having the same Promoter and Director", which is patently false [Petition, Annexure 3 @ Pg.72]. During the given period, there were no common directors in ABPL and the Respondent. Pertinently, the information on directors of any company is readily available in the public domain. If the same had been inspected, it would have become evident that there is no common directorship between ABPL and the Respondent. The Petitioner has not even carried out this basic due diligence while proceeding to accept the Purported Corporate Guarantee.

d. Additionally, in the letter dated January 31, 2024 addressed by ABPL to the Petitioner, it has been stated that ABPL has executed all the necessary documents to avail the credit facility and that all third party consents have been obtained to avail the facility. This letter is signed at 5:52pm on January 31, 2024. However, the Sanction Letter, the Facility

Agreement and the purported Corporate Guarantee have all been signed after this letter has been signed.

e. In view thereof, the Petitioner and Mr. Ramakant Pilani have executed the Sanction. Letter, Facility Agreement and Purported Corporate Guarantee within hours of each other, particularly late in the evening. Further, the Petitioner has allegedly disbursed the facility within the same few hours, and there are several contradictions in the contents of these documents which raises questions on the genuineness of the transactions, and warrants a deeper investigation, which is not within the scope of the jurisdiction of this Hon'ble Tribunal while dealing with an application under Section 7 of the Code.

5. **<u>THE PETITIONER HAS SUPPRESSED MATERIAL FACTS WHICH GO TO ROOT OF WHETHER THERE EXISTS A FINANCIAL DEBT WHICH IS DUE AND PAYABLE:</u>**

   a. The Petitioner has suppressed the fact the Respondent filed Commercial Suit No. 414 of 2025 against the Petitioner, inter alia, challenging and seeking a declaration and cancellation of the Purported Corporate Guarantee, which was well within the knowledge of the Petitioner. The findings in the Suit go to the root of the question of whether the alleged financial debt is due and payable by the Respondent to the Petitioner. In such circumstances, the Petitioner is disentitled to any relief in the present proceedings. [Bhaskar Laxman Jadhav v. Karamveer Kakasaheb Wagh Education Society & Ors. (2013) 11 SCC 53; Laser Shaving (India) P. Ltd. V. RKRM International Products (P) Ltd. (2025) 1 HCC (Bom) 230; JV

Holding Private Limited v. Kranti Infra Power Private Limited 2025 SCC OnLine NCLT 1988; SREI Equipment Finance v. Vijaya Mining Private Limited 2022 SCC OnLine NCLT 58029].

b. The suit filed the Respondent, being prior in time, has been filed seeking challenge to the purported Corporate Guarantee which is the basis for the present petition. Admission of the present petition basis a document which is the subject matter of challenge in a suit would amount to a trial being overridden in the exercise of summary jurisdiction by this Hon'ble Tribunal.

c. The material suppression by the Petitioner, coupled with the dubious nature of the documents including the agreements and the board resolutions, demonstrates that the Petitioner colluded with ABPL in playing a fraud upon the Respondent and also using the Code to coerce the Respondent to pay the dues of ABPL, which is against the objection of the Code.

6. **<u>THE ORDER PASSED BY THE HON'BLE NCLAT IN COMPANY APPEAL (AT) (INS) NO. 1565 OF 2025 IS SQUARELY APPLICABLE TO THE PRESENT CASE:</u>**

1. The Respondent has already by way of its reply, the order passed by this Hon'ble Tribunal in CP(IB) 583 of 2024 dated September 01, 2025 by which, in similar facts, the petition was dismissed against the Respondent. In that case as well, inter alia it was Mr. Ramakant Pilani who had unauthorizedly signed the transaction documents by producing board resolutions which were allegedly passed in meetings which were never held. (Reply, Exhibit R @ Pg. 149].

2. This order was challenged by the Financial Creditor therein before the National Company Law Appellate Tribunal ("NCLAT"), and vide an order dated June 30, 2026, Hon'ble NCLAT was pleased to dismiss the appeal filed by the Financial Creditor.
3. In the order, it has been clearly observed by the Hon'ble NCLAT in Paragraph No. 15 that the meetings during which the board resolutions were passed never took place as per the Directors' Report of the Respondent. Further, the discrepancies in the wording of the board resolutions were also observed.
4. It has been further observed by the Hon'ble NCLAT that the Section 7 Petition in that case was filed after the filing of the suit before the Hon'ble Bombay High Court in that matter. The same is the position in the present matter as well, wherein the suit has been filed in July 2025 and the present petition has been filed in December 2025.
5. Further, in Paragraph No. 24 of the order, the Hon'ble NCLAT has clearly affirmed the finding of this Hon'ble Tribunal which held that the Corporate Guarantee being executed by Mr. Ramakant Pilani sans the authority of board resolutions and the consequent litigations initiated and pursued are relevant circumstances which limit the summary jurisdiction of this Hon'ble Tribunal to ascertain debt and default.
6. Similarly, in paragraph no. 25 of the order, the Hon'ble NCLAT has held that this Hon'ble Tribunal has correctly taken note of the surrounding circumstances regarding the disbursements, which have a consequential impact on debt and default.

7. Further, the Hon'ble NCLAT has also, in paragraph no. 27 held, while relying on the judgement in Tulip Hotels, that if the non-compliance with an internal requirement becomes ascertainable from the company's public documents, the protective shield of the doctrine of indoor management gets ruptured. In the present case, the fact that Mr. Ramakant Pilani was the CEO, and not the director was a fact available in the public domain, and further, that there was no commonality of directorship in ABPL and the Respondent was also available in the public domain. Hence, the Petitioner cannot rely on the doctrine of indoor management, which has also been affirmed by the Hon'ble NCLAT.

9. **<u>Order of this Tribunal dated 02.07.2026 records as under:</u>**

*"**2**. During the course of the arguments, Ld. Counsel for the Respondent has placed before us a draft IA attaching thereby 2 documents which includes;-*

i. The order of the Hon'ble NCLAT dated 30.06.2026

ii. A criminal complaint dated 24.04.2026.

***3**. Ld. Counsel for the Respondent thereafter requested to take these 2 documents on record, which was not objected by the Counsel for the Applicant.*

***4**. Ld. Counsel for the Applicant thereafter stated that he may be permitted to raise his contentions on the fresh documents by way of Written Submission not exceeding 2 pages. Allowed.*

***5**. During the course of the hearing, both the sides were asked to assist this Tribunal on the manner of submitting a Board Resolution to an* *outsider.*

***6**. Both sides thereafter desired that they may be permitted to file one page assisting the court by way of short note. Allowed. May be filed within a period of 7 days.*

***7**. Reserved for orders."*

10. <u>Analysis and Findings</u>

Case of the Applicant

1. It is the case of the applicant that the Principal Borrower approached the Financial Creditor for a term loan to fund business expansion and meet its working capital requirements, pursuant to which a sum of Rs. 5,00,00,000 was sanctioned and disbursed on 31st January 2024, as evidenced by the duly executed Sanction Letter dated 30th January 2024.
2. In furtherance of the Facility Agreement and as a condition precedent to the disbursement, Respondent irrevocably and unconditionally guaranteed the due repayment of all amounts payable by the Principal Borrower by executing a Deed of Corporate Guarantee dated 31 st January 2024 in favour of the Financial Creditor issuance of which was duly authorized through a Board Resolution in a meeting of the Board held on 31.01.2024.
3. Later on the applicant has disbursed the amounts on 31.01.2024.
4. The Principal Borrower persistently failed to adhere to its repayment obligations from April 2024 onwards. The Cheques furnished towards repayment were dishonoured upon presentation, as evidenced by the return memo dated 1st June 2024.
5. Financial Creditor was compelled to invoke the Corporate Guarantee. A formal Invocation Notice dated 1st August 2025 was served upon the Corporate

Guarantor, calling upon it to forthwith discharge the total liability within three days, in accordance with the terms of the guarantee.

6. In terms of the said invocation the applicant is claiming an amount of Rs. 6,25,20,537 from the corporate guarantor being respondent Corporate Debtor herein.
7. CD and the Principal Borrower are related and associate concerns having common directors/KMP.
8. Applicant pleads doctrine of "Indoor Management".
9. Mr. Ramakant Pilani was one of the promoters of the CD and his name appears as one of the signatories to the MAA.
10. CD and the PB have manufacturing/storage facilities at common address.
11. CD had knowledge of issuance of the guarantee since this was disclosed by them to CIBIL.

<u>Contentions of the Respondent Corporate Debtor</u>

1. The CD has contended that the purported guarantee dated 31.01.2024 was never executed by them.
2. On July 22, 2025 CD has preferred a Commercial Suit against the Petitioner before the Hon'ble Bombay City Civil Court at Bombay, being Commercial Suit No. 414 of 2025 ("Suit"), under Sections 31 and 34 of the Specific Relief Act, 1963, challenging and seeking declaration and cancellation of the purported Deed of Corporate Guarantee dated January 31, 2024 which is pending adjudication. In the said suit the respondent has entered appearance.
3. Purported Corporate Guarantee, purportedly executed between the Petitioner and the Respondent, and which forms the basis of the present petition is a

forged, fabricated and got-up document, which the Respondent nor its authorized representative have ever executed.

4. In support of its contention regarding the purported guarantee the respondent has stated that:-
    a. Mr. Ramakant Pilani, the former Chief Executive Officer of the Respondent, has signed the said guarantee for which he had no authority.
    b. There was no meeting of the Board on 31.01.2024.
    c. Respondent vide a reply dated May 10, 2024 ("said Notice") replied to the Email dated May 03, 2024 inter alia denied entering into any agreement/arrangement with the Petitioner and stated that any alleged deeds, agreements, documents, allegedly executed in the name of the Respondent in relation thereto are completely forged, fabricated and fraudulent.
    d. The said Mr. Ramakant Pilani has created a fake domain name ganeshgroup.com and which was entirely under his control and has cheated several others and for which the Respondent have issued public notice. further, the FIR No. 0315 of 2024 Sanrai Police Station) and FIR No. 0103 of 2024 was registered and the said person was arrested.
    e. The said Mr. Ramakant Pilani resigned as CEO w.e.f. 02.04.2024.
    f. Applicant has not exercised due diligence before accepting the purported guarantee.
    g. Respondent has no related with the principal borrower.
    h. CP 583 of 2024 filed by Progfin Pvt. Ltd. against the respondent was dismissed by this Tribunal on similar grounds and Honb'el NCLAT vide its order in Company Appeal (AT) (INS) 1565 of 2025 has upheld the order of

this Tribunal. The respondent herein was also the respondent in the said CP and appeal.

i. Mr. Ramakant Pilani was arrested by Economic Offences Unit.

j. Some other suits have been filed by the Respondent and its associate company GBL Chemical for similar such offences.

k. More than one FIR have been filed and are pending for similar offences against Mr. Ramakant Pilani and they have been filed by the CD and its affiliates.

5. In order to affirm that the Company Petition falls within the ambit of Section 7 of the Code, we primarily need to see whether there is a debt owed to the Financial Creditor/Petitioner and subsequently, a default with respect to such debt.

6. Apparently in the present direct disbursement were made to the Principal Borrower. The CD herein as per the applicant has issued a Corporate Guarantee issuance of which is denied by the CD.

7. At this juncture, the primary issue therefore before us is that whether the probe relating to forgery and fabrication can be adjudicated upon by the Tribunal in a summary trial/proceeding as enunciated under the Code. In this context, we shall refer to Hon'ble Supreme Court's judgement in Radha Exports (India) Pvt. Ltd. Vs. K.P. Jayaram (2020) 10 SCC 538, wherein it was observed that: - "40. There are, as observed above cogent records including letters signed by the Respondent Nos. 1 and 2 which evidence that on 6th October, 2007, Respondent No. 2 resigned from the Board of the Appellant Company and at that time the Respondent No. 2 requested the Appellant Company to treat the share application money of Rs. 90,00,000/- as share application money of Mr.

M. Krishnan and to issue shares for aforesaid value to Mr. M. Krishnan. The amount was to be treated as a personal loan from the Respondent No. 2 to Mr. M. Krishnan. A personal Loan to a Promoter or a Director of a company cannot trigger the Corporate Resolution Process under the IBC. Disputes as to whether the signatures of the Respondents are forged or whether records have been fabricated can be adjudicated upon evidence including forensic evidence in a regular suit and not in proceedings Under Section 7 of the IBC."

8. We shall also rely on the Hon'ble NCLAT's observation on 18.04.2024 in the matter of Noil Christuraj v. SBI, 2024 SCC OnLine NCLAT 485 held as under: - "55. It is relevantly pointed out that an 'Adjudicating Authority'/ 'Tribunal'. is having a limited/restricted role, to determine, whether the 'Application', is 'complete' and whether, there is 'any Debt' or 'Default'.

   57. The 'proceedings', under the I & B Code, 2016 are 'summary in character'. In fact, the said proceedings, are not like 'Civil Litigation', to be determined by a 'Competent Court of Law'. Of course, the 'Corporate Debtor', is entitled to point out in a 'CIRP' proceedings, before the 'Adjudicating Authority'/'Tribunal', that the 'Default', has not occurred. A 'Debt', may not be due, if it is 'not payable in Law' or 'on facts'.

9. As regards the Petitioner's contention regarding the facts relating to disbursement of the amount, consequent debt and default is concerned while one may agree with such proposition but the facts and circumstances surrounding such disbursements and consequent debt and default cannot be overlooked. The Petition under Section 7 filed by a Financial Creditor cannot be admitted unless the debt and default is established. In the present case though there is debt and consequent default but the same cannot be

established against the Respondent herein in the wake of the surrounding circumstances where the respondent is not admitting issuance of such a guarantee. The Deed of Guarantee executed being claimed to be on account of fraud, the signatures and the Board Resolutions supporting such actions of opening bank account and executing Deed of Guarantee alleged to be fabricated. These aspects being disputed and consequent litigations being pursued by the Parties clearly limit the jurisdiction of this Tribunal in coming to a conclusion in respect of establishing of existence of debt and default.

10. At this stage we are guided by observations of Hon'ble NCLAT in Tulip Hotel Private Limited (the Suspended Board) Vs. JC Flowers Asset Reconstruction Pvt. Ltd. & Ors. Company Appeal (AT) (Insolvency) No. 1146 of 2023, wherein Hon'ble NCLAT has observed as under: - "26.….We are also of the considered opinion that such disputes which invoke fraud and forgery in respect of contractual documents cannot be investigated and decided by the Adjudicating Authority which has only been conferred the benefit of summary jurisdiction. Such issues can be raised only in a civil suit and hence any attempt to convert the proceedings under the IBC into civil proceedings akin to a trial cannot meet our approval since it clearly transgresses the legislative intent behind the IBC framework. As regards the alleged handwriting expert's opinion which has been adverted attention to by the Appellant to establish forgery, the Adjudicating Authority in exercise of summary jurisdiction is not expected to scrutinize such opinions and rely upon the assessment contained therein and more so when the opinion has been disputed as not being an independent third-party opinion. We find no error on the part of the

Adjudicating Authority to have desisted from entering into the realm of contractual disputes as it would tantamount to judicial overreach."

11. Hon'ble NCLAT in the case of Satori Global Limited and Another Vs. Shailaja Krishna and Others [2023 SCC Online NCLAT 249] wherein Hon'ble NCLAT, observed as under: - "12. In our considered opinion, the main question which requires to be decided is whether NCLT has jurisdiction to declare that the Gift Deed is valid or not. Since, the execution of the Gift Deed itself is strongly disputed by the first Respondent, the adjudication whether the Gift Deed is valid or not requires elaborate evidence and determination of validity of the legal documents. Further, the first Respondent has submitted that some signatures were taken on blank papers under coercion. We are of the earnest view that issues of fraud, manipulation and coercion cannot be decided in a summary jurisdiction as it requires examination of elaborate evidence. Additionally, cancellation of a Gift Deed is to be sought for under Section 31/34 of the Specific Relief Act, 1963 before the Civil Court and cannot be done by NCLT under summary jurisdiction."

12. Observations of Hon'ble NCLAT in Shelendra Kumar Sharma Vs. DSC Ltd. [2019 SCC OnLine NCLAT 1274], are reproduced here "5. In view of such infirmity, we observe that the application was filed by the Appellant with an intent to receive the dues from the Corporate Debtor and not with intention for resolution or liquidation, therefore, we hold that the Adjudicating Authority rightly rejected the prayer of the Appellant. So far as the question as to whether the documents are forged or not is concerned, it cannot be determined by the Adjudicating Authority (National Company Law Tribunal)

or this Appellate Tribunal and therefore, the Adjudicating Authority rightly not deliberated on such issue.”

13. In Company Appeal (AT) (INS) No. 1565 of 2025 Progfin Private Limited vs Ganesh Benzoplast Ltd. Hon’ble NCLAT vide an order dated 30.06.2026 observed as under :-

> “When we see the impugned order, we find that the Adjudicating Authority after taking notice of the multiple pending civil and criminal proceedings did not make any attempt to conduct any trial of sorts to ascertain whether the transactions are actually fraudulent thus respecting the boundaries of the limited summary jurisdiction enjoyed by it. Having said that, in our considered view, we are not persuaded to agree with the contention of the Appellant that the Adjudicating Authority had misapplied the principles laid down by this Tribunal in the Tulip Hotel judgment as in that case this Tribunal had held that allegations of fraud or forgery cannot be considered by the Adjudicating Authority at the time of adjudicating a petition under Section 7 of the IBC. In the given circumstances, we do not find the Adjudicating Authority to have either over-stepped its jurisdiction or found to have abandoned or declined to exercise its jurisdiction and therefore neither transgressed or undermined the legislative intent of the IBC in rejecting the Section 7 application.”

14. In view of the foregoing discussions, we are of the considered opinion that given the nature of fraud that may have been committed which itself is under scrutiny in multiple civil and criminal proceedings for legality and permissibility of the documents based on which the Petitioner/Financial Creditor secured the corporate guarantee is under dispute, the Adjudicating

Authority is not inclined to allow the present application. Resultantly the present C.P.(IB)-1388 of 2025 is **dismissed**.

15. A certified copy of this order may be issued by the Registry, if applied for, expeditiously.

Sd/-
SUSHIL MAHADEORAO KOCHEY
MEMBER (JUDICIAL)

Sd/-
SAMEER KAKAR
MEMBER (TECHNICAL)

(frk)