

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

ITEM No.310
C.P.(IB)/478(AHM)2025

Under Section 95 of IB, Code 2016

IN THE MATTER OF:

Bank Of Baroda

V/s

Mr. Brijmohan Biradnath Modi PG To M/s Fairdeal Jumbo
Packaging Pvt. Ltd

.....Applicant

.....Respondent

ITEM No.311
IA/178(AHM)2026
in
C.P.(IB)/478(AHM)2025

Under Section 99(1) IBC r/w Rule 11 NCLT Rules, 2016

IN THE MATTER OF:

Rahul Shah IRP of Mr. Brijmohan Biradnath Modi PG of
Fairdeal Jumbo Packaging Pvt. Ltd

V/s

Mr. Brijmohan Biradnath Modi PG of Fairdeal Jumbo
Packaging Pvt. Ltd & Ors

.....Applicant

.....Respondents

ITEM No.312
IA/507(AHM)2026
in
C.P.(IB)/478(AHM)2025

Under Section Rule 43 r/w Rule 11 NCLT Rules, 2016

IN THE MATTER OF:

Brijmohannath Biradnath Modi PG to M/s Fairdeal Jumbo
Packaging Pvt. Ltd

V/s

Bank Of Baroda

.....Applicant

.....Respondent

ITEM No.313
C.P.(IB)/480(AHM)2025

Under Section 95 of IB, Code 2016

IN THE MATTER OF:

Bank Of Baroda

V/s

Mr.Ronak Brijmohannath Modi PG To M/s Fairdeal Jumbo
Packaging Pvt. Ltd

.....Applicant

.....Respondent

ITEM No.314
IA/69(AHM)2026
in
C.P.(IB)/480(AHM)2025

Under Section 99 of IB, Code 2016

IN THE MATTER OF:

Mr. Dhaval C Khamar IRP of Ronak Brijmohan Modi PG of
M/s Fairdeal Jumbo Packaging Pvt. Ltd
V/s
Bank Of Baroda and Anr.

.....Applicant

.....Respondents

ITEM No.315
IA/412(AHM)2026
in
C.P.(IB)/480(AHM)2025

Under Rule 43 & 11 NCLT Rules, 2016

IN THE MATTER OF:

Mr. Ronak Brijmohannath Modi PG to M/s Fairdeal Jumbo
Packaging Pvt. Ltd
V/s
Bank Of Baroda

.....Applicant

.....Respondent

ITEM No.316
IA/787(AHM)2026
in
C.P.(IB)/480(AHM)2025

Under Section 98 of IB Code, 2016

IN THE MATTER OF:

Bank Of Baroda
V/s
Mr. Dhaval C Khamar RP of Mr. Ronak Brijmohannath Modi
PG To Fairdeal Jumbo Packaging Pvt. Ltd

.....Applicant

.....Respondent

Order delivered on: 30/06/2026

C O R A M:

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

COMMON ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The common order is pronounced in the open court, vide separate sheet.

— SD —

SANJEEV SHARMA
MEMBER (TECHNICAL)

— SD —

SHAMMI KHAN
MEMBER (JUDICIAL)

**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL,
DIVISION BENCH, COURT - I, AHMEDABAD**

C.P.(IB)/478(AHM)2025

With

IA/178(AHM)2026

With

IA/507(AHM)2026

[Company Petition under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 r.w. Rule 7 (2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rules, 2019]

In the matter of: Mr. Brijmohannath Biradnath Modi

C.P.(IB)/478(AHM)2025

Bank of Baroda

Through its authorised representative

Mr. B. G. Harit, Chief Manager

Having its office at:

ZOSARB Branch, 4th Floor,

Bank of Baroda Towers,

Nr. Law Garden, Ellisbridge,

Ahmedabad, Gujarat - 380 006, India.

...Applicant

Versus

Mr. Brijmohannath Biradnath Modi

Personal Guarantor to

M/s. Fairdeal Jumbo Packaging Private Limited

Having address at:

32, Swapnlok Apartment,

Opp. Law Garden Nursery,

Law Garden, Ahmedabad - 380006,

Gujarat, India.

E-mail: accounts@fairdealjumbo.com

modironak@hotmail.com

...Respondent

IA/178(AHM)2026

Mr. Rahul Shah

Interim Resolution Professional
Mr. Brijmohan Biradnath Modi
Having Correspondence Address at:
Shop No. 6 Samprati Residency,
Opp. AMC Garden, Paliyadnagar
Naranpura, Ahmedabad,
Gujarat, 380013
E-Mail id: carahulnshah@gmail.com

...Applicant

Versus

1. Mr. Brijmohannath Biradnath Modi

Personal Guarantor to
M/s. Fairdeal Jumbo Packaging Private Limited
Having address at:
32, Swapnlok Apartment,
Opp. Law Garden Nursery,
Law Garden, Ahmedabad - 380006,
Gujarat, India.
E-mail: accounts@fairdealjumbo.com
modironak@hotmail.com

2. Bank of Baroda

Through its authorised representative
Mr. B. G. Harit, Chief Manager
Having its office at:
ZOSARB Branch, 4th Floor,
Bank of Baroda Towers,
Nr. Law Garden, Ellisbridge,
Ahmedabad, Gujarat - 380 006, India.

3. Fairdeal Jumbo Packaging Private Limited

Having its Registered office at
Survey No.174 Paiki,

Opp. Claris Village Vasna
Charcharvadi, Taluka: Anand, Sanand,
Gujarat, India - 382110

...Respondents

IA/507(AHM)2026

Mr. Brijmohannath Biradnath Modi

Personal Guarantor to

M/s. Fairdeal Jumbo Packaging Private Limited

Having address at:

32, Swapnlok Apartment,

Opp. Law Garden Nursery,

Law Garden, Ahmedabad - 380006,

Gujarat, India.

E-mail: accounts@fairdealjumbo.com

modironak@hotmail.com

...Applicant

Versus

Bank of Baroda

Through its authorised representative

Mr. B. G. Harit, Chief Manager

Having its office at:

ZOSARB Branch, 4th Floor,

Bank of Baroda Towers,

Nr. Law Garden, Ellisbridge,

Ahmedabad, Gujarat - 380 006, India.

...Respondent

WITH

C.P.(IB)/480(AHM)2025

With

IA/69(AHM)2026

With

IA/412(AHM)2026

With

IA/787(AHM)2026

In the matter of: Mr. Ronak Brijmohannath Modi

C.P.(IB)/480(AHM)2025

C.P.(IB)/478(AHM)2025 With IA/178(AHM)2026 With IA/507(AHM)2026

Bank of Baroda Vs Mr. Brijmohannath Biradnath Modi

AND

C.P.(IB)/480(AHM)2025 With IA/69(AHM)2026 With IA/412(AHM)2026 With IA/787(AHM)2026

Bank of Baroda Vs Ronak Brijmohannath Modi

Page 3 of 53

Bank of Baroda

Through its authorised representative
Mr. B. G. Harit, Chief Manager
Having its office at:
ZOSARB Branch, 4th Floor,
Bank of Baroda Towers,
Nr. Law Garden, Ellisbridge,
Ahmedabad, Gujarat - 380 006, India.

...Applicant

Versus

Mr. Ronak Brijmohannath Modi

Personal Guarantor to
Fairdeal Jumbo Packaging Private Limited
Having address at:
32, Swapnlok Apartment,
Opp. Law Garden Nursery,
Law Garden, Ahmedabad - 380 006,
Gujarat, India.
E-mail: accounts@fairdealjumbo.com
modironak@hotmail.com

...Respondent

IA/69(AHM)2026

Mr. Dhaval C. Khamar

Interim Resolution Professional of
Mr. Ronak Brijmohannath Modi,
Personal Guarantor to
M/s. Fairdeal Jumbo Packaging Private Limited
(IBBI Regn. No.: IBBI/IPA-001/P-P-02574/2021-
2022/13944) Having address at:
1012, Shilp - Zaveri, Shyamal Cross Road,
Satellite, Ahmedabad - 380 015,
Gujarat, India.

...Applicant

Versus

1. Bank of Baroda

Having Office at:
ZOSARB Branch, 4th Floor,
Bank of Baroda Towers,
Nr. Law Garden, Ellisbridge,
Ahmedabad, Gujarat – 380006

2. Ronak Brijmohannath Modi

Personal Guarantor of
M/s. Fairdeal Jumbo Packaging Pvt. Ltd.
Having office at
Plot No. 174 paiki, Opp. Claris, Village –
Chacharwadi, Sarkhej- Bavla Road,
Changodar, Gujarat - 382213

...Respondents

IA/412(AHM)2026

Mr. Ronak Brijmohannath Modi

Personal Guarantor to
M/s Fairdeal Jumbo Packaging Pvt. Ltd.
Having address at:
32, Swapnlok Apartment,
Opp. Law Garden Nursery,
Law Garden, Ahmedabad - 380006

...Applicant

Versus

BANK OF BARODA

Through its Authorised Representative
Mr. B. G. Harit, Chief Manager
Having its office at:
ZOSARB Branch, 4th Floor,
Bank of Baroda Towers,
Nr. Law Garden, Ellisbridge,
Ahmedabad, Gujarat - 380 006, India.

...Respondent

IA/787(AHM)2026

BANK OF BARODA

Through its Authorised Representative

Mr. B. G. Harit, Chief Manager
Having its office at:
ZOSARB Branch, 4th Floor,
Bank of Baroda Towers,
Nr. Law Garden, Ellisbridge,
Ahmedabad, Gujarat - 380 006, India.

...Applicant

Versus

Mr. Dhaval C. Khamar
Resolution Professional of
Mr. Ronak Brijmohannath Modi,
Personal Guarantor to
M/s. Fairdeal Jumbo Packaging Private Limited
(IBBI Regn. No.: IBBI/IPA-001/P-P-02574/2021-
2022/13944) Having address at:
1012, Shilp - Zaveri, Shyamal Cross Road,
Satellite, Ahmedabad - 380 015,
Gujarat, India.

...Respondent

Order Pronounced On: 30.06.2026

CORAM:

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

APPEARANCE:

For the Applicant/FC : Mr. Jaimin Dave, Adv. a. w. Ms.
Hirva Dave, Adv.

For Applicant/RP/IRP : Mr. Tirth Nayak, Adv.
Mr. Dhaval C Khamar, RP in
person

For PG : Mr. Dharmvir Brahmabhatt, Adv.
a.w. Mr. Ronak Brijmohannath
Modi, PG in person

COMMON ORDER
(Per Bench)

1. This common order is being passed in C.P.(IB)/478(AHM)2025 and C.P.(IB)/480(AHM)2025 filed by the Bank of Baroda under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 seeking initiation of insolvency resolution process against the Personal Guarantors to the Corporate Debtor, namely **M/s. Fairdeal Jumbo Packaging Pvt. Ltd.** Since the issues involved in both the petitions are common and arise out of the same set of facts, they are being disposed of by this common order.

2. C.P.(IB)/478(AHM)2025 and C.P.(IB)/480(AHM)2025 have been filed on 11.12.2025 and 12.12.2025 (through e-mode) respectively by **the Bank of Baroda** (the Petitioner - Financial Creditor) under Section 95(1) of the Insolvency and Bankruptcy Code 2016 read with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules 2019 seeking initiation of Insolvency Resolution Process against **Mr. Brijmohannath Biradnath Modi and Mr. Ronak Brijmohannath Modi** (the Respondents- Personal Guarantors to the Corporate Debtor **Fairdeal Jumbo Packaging Pvt. Ltd.**) for a default amount of **Rs. 13,69,47,419.19** as on 10.11.2025 arising from breach of

obligations under the continuing guarantee dated 22.09.2021.

3. The Petitioner/FC has placed the facts through this Petition in the following manner: -

3.1. It is submitted that the present Company Petition has been filed by Bank of Baroda under Section 95 of the Insolvency and Bankruptcy Code, 2016 seeking initiation of the Insolvency Resolution Process against the Respondent, being the Personal Guarantor to M/s. Fairdeal Jumbo Packaging Private Limited ("Corporate Debtor"), in respect of the financial facilities extended by the Applicant Bank to the Corporate Debtor.

3.2. It is submitted that the Corporate Debtor approached the Applicant Bank for grant of various credit facilities. Pursuant thereto, the Applicant sanctioned the initial credit facilities vide Sanction Letter dated 21.03.2009, which was duly approved by the Board Resolution dated 25.03.2009. The facilities initially comprised a Term Loan of ₹2.44 Crores, Cash Credit facility of ₹1.00 Crore together with sub-limits and an Inland Letter of Credit facility of ₹30 Lakhs, aggregating to ₹3.74 Crores.

3.3. It is submitted that pursuant to the sanction of the aforesaid facilities, the Corporate Debtor executed the requisite loan and security documents including

the Hypothecation Agreement dated 31.03.2009, Supplemental Composite Agreement of Hypothecation of Goods, Book Debts, Movable Machinery and Vehicles dated 04.04.2009, and the Instrument relating to Deposit of Title Deeds dated 04.04.2009, thereby creating security over its movable and immovable assets in favour of the Applicant Bank.

- 3.4. It is submitted that the credit facilities were secured, inter alia, by hypothecation of stocks, book debts, plant and machinery, movable assets, equitable mortgage of immovable properties of the Corporate Debtor and personal guarantees executed by the guarantors in favour of the Applicant Bank.
- 3.5. It is submitted that thereafter, upon the request of the Corporate Debtor, the credit facilities were periodically reviewed, renewed and enhanced from time to time vide sanction letters dated 05.05.2010, 14.03.2011, 09.03.2012, 13.06.2013, 09.07.2014, 04.03.2017, 04.07.2020, 20.04.2021 and 22.09.2021.
- 3.6. It is submitted that under the latest restructuring sanctioned on 22.09.2021, the aggregate financial assistance stood enhanced to approximately ₹20.886 Crores, comprising Working Capital Term Loans, Cash Credit facilities, Bank Guarantee facilities, Funded Interest Term Loans and facilities sanctioned

under the Emergency Credit Line Guarantee Scheme (ECLGS). The said restructuring was duly approved by the Board Resolution of the Corporate Debtor dated 22.09.2021.

- 3.7. It is submitted that pursuant to the restructuring, the Corporate Debtor executed the Modification Deed for Restructuring of Loans dated 22.09.2021, Demand Promissory Note dated 22.09.2021, Supplemental Composite Agreement of Hypothecation dated 22.09.2021, Supplemental Composite Instrument of Hypothecation dated 22.09.2021, and other allied security documents in favour of the Applicant Bank.
- 3.8. It is submitted that in consideration of the aforesaid credit facilities and restructuring thereof, the Respondent executed a General Form of Guarantee dated 22.09.2021, along with the Letter of Confirmation and Undertaking Letter of the even date, whereby the Respondent irrevocably and unconditionally guaranteed repayment of the dues and liabilities of the Corporate Debtor to the Applicant Bank.
- 3.9. It is submitted that the Corporate Debtor committed defaults in servicing the financial facilities, whereupon the Applicant classified the account as irregular and issued a Demand Notice dated 13.10.2022 under Section 13(2) of the SARFAESI

Act, 2002, calling upon the borrowers and guarantors to discharge the outstanding liabilities.

3.10. It is submitted that the Applicant thereafter initiated recovery proceedings before the Debts Recovery Tribunal by filing Original Application No. 152 of 2023 for recovery of its outstanding dues against the Corporate Debtor and the guarantors.

3.11. It is submitted that despite repeated demands and opportunities, the outstanding dues remained unpaid and the Respondent failed to honour the obligations undertaken under the Deed of Guarantee, thereby rendering himself liable jointly and severally with the Corporate Debtor.

3.12. It is submitted that the Applicant issued a Demand Notice dated 13.11.2025 to the Respondent demanding payment of the outstanding dues under the personal guarantee, which was duly served through registered post and e-mail as evidenced by the tracking reports and e-mail records dated 24.11.2025. However, the Respondent failed to liquidate the outstanding liability or furnish any satisfactory response.

3.13. It is submitted that in view of the continuing default committed by the Corporate Debtor and the failure of the Respondent to discharge the liability arising under the personal guarantee, the Applicant has preferred the present Petition under Section 95 of the

Insolvency and Bankruptcy Code, 2016 in the prescribed Form-C, accompanied by the written consent of the proposed Resolution Professional in Form-A, statement of accounts and other supporting documents, seeking initiation of the Insolvency Resolution Process against the Respondent as Personal Guarantor.

4. The Petitioner/FC has relied upon the following documents to establish the existence of debt and default, which are as under: -

Name of Annexure	Particular of Annexures
Annexure C	A copy of Master Data of M/s. Fairdeal Jumbo Packaging Private Limited.
Annexure- D Colly	The copies of sanction letter dated 21.03.2009 and board resolution dated 25.03.2009.
Annexure-E-Colly	The copies of the Hypothecation Agreement dated 31.03.2009, Supplemental Composite Agreement of Hypothecation of Goods, Book Debts, Movable Machinery and Vehicles dated 04.04.2009 and Instrument relating to Deposit of Title Deeds dated 04.04.2009.
Annexure-F-Colly	The copies of modification deed for restructuring of loans dated 22.09.2021 and board resolution dated 22.09.2021.
Annexure-G	A copy of the Demand Promissory Note dated 22.09.2021.
Annexure-H-Colly	The copies of Supplemental Composite Agreement of Hypothecation of Goods, Book Debts, Moveable Machinery & Vehicles dated 22.09.2021 and Supplemental Composite Instrument of

	Hypothecation of Goods, Book Debts, Moveable Machinery & Vehicles dated 22.09.2021.
Annexure-I	A copy of Instrument of Extension relating to Deposit of Title Deeds dated 26.10.2020.

5. On presentation of the Company Petitions by the Petitioner/FC, this Tribunal vide orders dated 19.12.2025 in C.P.(IB)/478(AHM)2025 and C.P.(IB)/480(AHM)2025, appointed Interim Resolution Professional (hereinafter referred to as "IRP") i.e. **Ms. Indira Suresh Vora having Registration No. IBBI/IPA-001/IP- P01264/2018-2019/12000** in C.P.(IB)/478(AHM)2025 and **Mr. Dhaval C Khamar having Registration No. IBBI/IPA-001/IP-P-02574/2021-2022/13944** in C.P.(IB)/480(AHM)2025, to examine the application and submit a report under Section 99 of the Insolvency and Bankruptcy Code, 2016 in compliance with Section 97(3) of the Code, with a direction to submit the report under Section 99 of the IB Code, 2016, within ten days. The IRP was also directed to file its report through a separate IA. However, in C.P.(IB)/478(AHM)2025 vide order dated 19.01.2026 replaced the IRP and appointed **Mr. Rahul Shah, having Registration No. IBBI/IPA-001/IP-P02170/2020-2021/13367** as the existing IRP was not present in India.

IA/178(AHM)2026 in C.P.(IB)/478(AHM)2025 and

IA/69(AHM)2026 in C.P.(IB)/480(AHM)2025

6. The Interim Resolution Professional has filed the report through IA/178(AHM)2026 in C.P.(IB)/478(AHM)2025 (on 04.02.2026 vide Inward Diary No. E-00334) and IA/69(AHM)2026 in C.P.(IB)/480(AHM)2025 (on 12.01.2026 vide Inward Diary No. E-0044) recommending the admission of the Company Petition filed under Section 95 of IBC, 2016. The IRP submitted an observation and recommendation as regards the admission of the Company Petition in his Reports dated 31.01.2026 [IA/178(AHM)2026 in C.P.(IB)/478(AHM)2025] and 06.01.2026 [IA/69(AHM)2026 in C.P.(IB)/480(AHM)2025].
7. This Tribunal vide order dated 19.12.2025, issued notice to the Respondents/Personal Guarantors and directed to file its reply, if any, within 10 days. The Respondents/Personal Guarantors filed their replies in IA/178(AHM)2026 in C.P.(IB)/478(AHM)2025 on 11.03.2026, vide inward no. D-2189 and on IA/69(AHM)2026 in C.P.(IB)/480(AHM)2025 11.03.2026 vide Inward No. D-2191. The contentions raised by the Respondents/PGs in their replies are as follows:
- 7.1. It is submitted that the Respondent has filed the present Reply opposing the Company Petition and, while acknowledging that M/s. Fairdeal Jumbo Packaging Private Limited had availed various credit facilities from the Applicant Bank since the year 2009, has specifically denied any personal liability

arising therefrom. The Respondent submits that although the existence of the underlying debt of the Corporate Debtor is not disputed, the liability sought to be fastened upon the Respondent as Personal Guarantor is seriously disputed on facts as well as in law.

7.2. It is submitted that the principal defence of the Respondent is founded upon the Shareholders' Agreement dated 01.10.2021, executed shortly after the alleged guarantee documents dated 22.09.2021. It is contended that the Modi Group had ceased to be in the management of the Corporate Debtor with effect from 31.05.2021, being the "Cut-off Date", and the said Agreement expressly records such exit. The Respondent submits that, under the terms of the said Agreement, the Sanklecha Group undertook to assume all liabilities of the Company, ensure release of the personal guarantees furnished by the Modi Group within the stipulated period, and indemnify the Modi Group against all liabilities arising from invocation of personal guarantees, including guarantees relating to the Bank of Baroda facilities forming the subject matter of the present proceedings.

7.3. It is submitted that in view of the aforesaid Shareholders' Agreement and the Respondent's exit from the management of the Corporate Debtor prior

to 22.09.2021, it is commercially inconceivable that the Respondent would simultaneously execute fresh continuing guarantees, letters of confirmation and undertaking letters in favour of the Applicant Bank. According to the Respondent, the Applicant Bank was fully aware of the restructuring arrangement between the Modi Group and the Sanklecha Group and, therefore, any recourse, if at all, ought to be pursued against the persons who had undertaken the liabilities of the Corporate Debtor and agreed to indemnify the Respondent.

- 7.4. It is further submitted that the Respondent has categorically denied execution of the alleged General Form of Guarantee, Letter of Confirmation and Undertaking Letter, all purportedly dated 22.09.2021, and has disputed the authenticity of the signatures appearing thereon. It is contended that the Respondent became aware of the existence of these documents only upon receipt of the present Company Petition and has already preferred an Interlocutory Application before this Tribunal seeking forensic examination of the disputed signatures. According to the Respondent, until the genuineness of the disputed documents is established by appropriate forensic examination, the present proceedings cannot be proceeded with on the basis of such disputed documents.

7.5. It is also submitted that the Applicant has failed to establish valid service of the demand notice issued under Section 13(2) of the SARFAESI Act, 2002 upon the Respondent in his independent capacity as Personal Guarantor. The Respondent has denied receipt of any such notice and has contended that no proof of individual service has been placed on record.

7.6. It is, therefore, submitted that the invocation of the personal guarantee is defective and the alleged default date of 13.12.2022, computed on the basis of the said notice, cannot be relied upon against the Respondent. Consequently, the present Company Petition is stated to be premature and not maintainable.

8. In compliance with order dated 11.03.2026, the Applicant/FC filed its Affidavit-of-Rejoinder on 25.03.2026 vide Inward No. D-2696 in IA/178(AHM)2026 in C.P.(IB)/478(AHM)2025 and on 25.03.2026 vide Inward No. D-2697 IA/69(AHM)2026 in C.P.(IB)/480(AHM)2025. The contentions raised by the Applicant/FC in their Rejoinders are as follows:

8.1. It is submitted that the Applicant has denied that the Shareholders' Agreement dated 01.10.2021 absolves the Respondent from liability as Personal Guarantor. It is contended that the Applicant Bank was neither a party nor a signatory to the said Agreement and,

therefore, the same cannot bind the Applicant or extinguish the Respondent's contractual obligations arising under the guarantee executed in favour of the Bank.

- 8.2. The Applicant further submits that no material has been produced to establish that the alleged restructuring arrangement or the exit terms contained in the Agreement were ever implemented or that the Respondent was discharged from his obligations as guarantor.
- 8.3. It is further submitted that the Respondent's plea that he had ceased to participate in the management of the Corporate Debtor from 31.05.2021 is incorrect. According to the Applicant, the records of the Ministry of Corporate Affairs reveal that the Modi Group continued to remain associated with the management of the Corporate Debtor and, therefore, the defence founded upon the alleged exit from management is misconceived and untenable.
- 8.4. It is submitted that the Respondent has taken mutually destructive and inconsistent stands by, on the one hand, denying execution of the guarantee documents dated 22.09.2021 and, on the other hand, relying upon the indemnity and release clauses contained in the Shareholders' Agreement in respect of the very same guarantees. The Applicant submits that the Respondent cannot approbate and

reprobate simultaneously and that such contradictory pleas render the defence wholly untenable.

8.5. It is submitted that the Applicant has specifically denied the allegation that the guarantee documents are forged or fabricated. It is contended that the General Form of Guarantee, Letter of Confirmation and Undertaking Letter dated 22.09.2021 bear signatures identical to those appearing on several other contemporaneous documents executed by the Respondent, including the Board Resolution, Modification Deed, Demand Promissory Note and Supplemental Composite Agreement of Hypothecation. The Applicant therefore submits that the Respondent has raised a frivolous dispute regarding the signatures solely to delay the proceedings.

8.6. It is further submitted that the Applicant has denied the Respondent's contention that he became aware of the disputed guarantee documents only upon receipt of the present Company Petition. According to the Applicant, the statutory demand notice issued prior to the filing of the Petition was duly served upon the Respondent along with copies of the relevant documents, thereby disproving the Respondent's plea of lack of knowledge or non-service.

8.7. It is also submitted that proceedings under Section 95 of the Insolvency and Bankruptcy Code, 2016 have already been initiated against the other personal guarantors who executed the guarantee documents dated 22.09.2021, and orders initiating the personal insolvency resolution process have been passed against them. The Applicant contends that the Respondent alone cannot escape liability by raising untenable and inconsistent defenses.

**IA/507(AHM)2026 in C.P.(IB)/478(AHM)2025 and
IA/412(AHM)2026 in C.P.(IB)/480(AHM)2025**

9. That, the Applicant/PGs filed an Interlocutory Application IA/507(AHM)2026 in C.P.(IB)/478(AHM)2025 on 26.03.2026 and IA/412(AHM)2026 in C.P.(IB)/480(AHM)2025 on 10.03.2026 through e-mode under Rule 43 read with Rule 11 of the National Company Law Tribunal Rules, 2016, in Company Petition (IB) No. 478 of 2025/480 of 2025, seeking directions for forensic examination of the disputed guarantee documents relied upon by the Financial Creditor and consequential stay of further proceedings in the main Company Petition till completion of such examination. The following facts were placed by the Applicant in the said IAs:

9.1. It is submitted that the Financial Creditor, Bank of Baroda, has instituted Company Petition (IB) No. 478

of 2025/480 of 2025 under Section 95 of the Insolvency and Bankruptcy Code, 2016 against the Applicant as Personal Guarantor, relying principally upon a General Form of Guarantee, Letter of Confirmation and Undertaking Letter, all purportedly dated 22.09.2021, alleging that the Applicant had guaranteed repayment of the credit facilities extended to the Corporate Debtor.

- 9.2. It is submitted that the Corporate Debtor had initially availed credit facilities from the Respondent Bank in March, 2009 aggregating to ₹374 Lakhs, and the said facilities were subsequently reviewed, renewed and enhanced from time to time during the period 2009 to 2021 under various sanction letters.
- 9.3. It is submitted that the Corporate Debtor was jointly managed by two groups, namely the Modi Group and the Sanklecha Group. However, during the year 2021, serious disputes arose between the said groups regarding management and financial affairs of the Corporate Debtor, culminating in the complete exit of the Modi Group from the management of the Company with effect from 31.05.2021, which date has been specifically recorded as the "Cut-off Date".
- 9.4. It is submitted that thereafter, a Shareholders' Agreement dated 01.10.2021 came to be executed between the Corporate Debtor, the Modi Group and the Sanklecha Group. Under the said Agreement, the

Sanklecha Group agreed, inter alia, to indemnify the Modi Group against all liabilities arising out of invocation of personal guarantees, ensure release of all personal guarantees furnished by the Modi Group within five years and assume responsibility for the liabilities of the Corporate Debtor. The said Agreement also records 31.05.2021 as the cut-off date of the exit of the Modi Group from the management of the Corporate Debtor.

9.5. It is submitted that although the Respondent Bank alleges that the Applicant executed the General Form of Guarantee, Letter of Confirmation and Undertaking Letter on 22.09.2021, the Applicant has categorically denied execution of the said documents and has asserted that the signatures appearing thereon are forged and fabricated. It is specifically contended that the Applicant was never present before any branch of the Respondent Bank nor attended any meeting on 22.09.2021 for execution of the alleged guarantee documents.

9.6. It is submitted that according to the Applicant, the very existence of the Shareholders' Agreement dated 01.10.2021, executed merely nine days after the alleged guarantee documents, renders the Bank's case inherently improbable, since it would be commercially illogical for the Applicant, who had already exited the management of the Corporate

Debtor, to execute fresh guarantee documents while negotiations for his complete exit had already concluded.

- 9.7. It is submitted that the loan account of the Corporate Debtor was classified as Non-Performing Asset (NPA) on 01.09.2022, following which the Respondent Bank issued a Demand Notice dated 13.10.2022 under Section 13(2) of the SARFAESI Act, 2002, demanding Rs. 17,74,77,584.45. The Applicant contends that the said notice was never served upon him in his capacity as Personal Guarantor and that no proof of such service has been produced.
- 9.8. It is submitted that thereafter, the Respondent Bank instituted Original Application No. 152 of 2023 before the Debts Recovery Tribunal-I, Ahmedabad for recovery of its dues and, during the period 2022 to 2025, exercised its rights under the SARFAESI Act by selling the hypothecated plant and machinery, stock and mortgaged immovable properties of the Corporate Debtor.
- 9.9. It is submitted that the Respondent Bank thereafter issued a Demand Notice dated 13.11.2025 under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, demanding an amount of ₹13,69,47,419.19, and subsequently filed

Company Petition (IB) No. 478 of 2025/480 of 2025 under Section 95 of the Insolvency and Bankruptcy Code, 2016 before this Adjudicating Authority on 11.12.2025 seeking initiation of the insolvency resolution process against the Applicant as Personal Guarantor.

9.10. It is submitted that upon receipt of the Company Petition and perusal of the documents annexed thereto, the Applicant for the first time became aware of the disputed guarantee documents allegedly bearing his signatures and, asserting that the signatures appearing thereon are forged and fabricated, has preferred the present Interlocutory Application seeking forensic examination of the disputed documents by the Central Forensic Science Laboratory or any other approved forensic expert, together with stay of further proceedings in the main Company Petition till completion of such forensic examination.

10. That, the Respondent/FC filed its Affidavit-of-Reply in IA/507(AHM)2026 in C.P.(IB)/478(AHM)2025 on 13.04.2026 vide Inward No. D-3203 and IA/412(AHM)2026 in C.P.(IB)/480(AHM)2025 on 25.03.2026 vide Inward No. D-2695 stating the following:

10.1. It is submitted that the Respondent-Bank has filed the present Replies opposing the Interlocutory

Applications on the ground that the same are wholly misconceived, not maintainable either in law or on facts, and have been preferred only with a view to delay and derail the adjudication of Company Petition (IB) Nos. 478 of 2025 and 480 of 2025 instituted under Section 95 of the Insolvency and Bankruptcy Code, 2016.

10.2. It is submitted that the Applicants have sought forensic examination of the General Form of Guarantee, Letter of Confirmation and Undertaking Letter, all dated 22.09.2021, purportedly under Rule 43 read with Rule 11 of the National Company Law Tribunal Rules, 2016. The Respondent contends that Rule 43(3) is confined to proceedings relating to oppression and mismanagement under the Companies Act, 2013 and has no application to insolvency proceedings initiated under Section 95 of the Insolvency and Bankruptcy Code, 2016. It is further submitted that Rule 11 does not confer any substantive jurisdiction upon the Tribunal to order such forensic examination in the absence of any statutory provision under the Code.

10.3. It is submitted that in support of the aforesaid objection, the Respondent has relied upon the judgments of the Hon'ble NCLAT in Jagmohan Bajaj v. Shivam Fragrances (P.) Ltd., holding that insolvency proceedings cannot be defeated by

resorting to remedies available under ordinary law, Deepakk Kumar v. Phoenix ARC (P.) Ltd., holding that Rule 11 does not confer substantive jurisdiction, and the judgment of the Hon'ble Supreme Court in Embassy Property Developments (P.) Ltd. v. State of Karnataka, reiterating that the jurisdiction of the Adjudicating Authority is confined to powers expressly conferred by the statute.

10.4. It is submitted that on merits also, the Respondent contends that the Applicants have themselves admitted in the applications that they are Personal Guarantors to M/s. Fairdeal Jumbo Packaging Private Limited, and therefore, having admitted such status, they cannot simultaneously seek forensic examination merely on the basis of an allegation that the guarantee documents dated 22.09.2021 are forged.

10.5. It is submitted that the allegation of forgery has been founded solely upon the Shareholders' Agreement dated 01.10.2021 executed between the Modi Group and the Sanklecha Group, which was entered into merely nine days after the execution of the disputed guarantee documents and after the alleged exit of the Applicants from the management of the Corporate Debtor with effect from 31.05.2021. According to the Respondent, the said Shareholders' Agreement is an inter se arrangement between private parties to

which the Respondent–Bank was neither a party nor a signatory and, therefore, cannot in any manner extinguish or affect the contractual liability of the Personal Guarantors towards the Bank.

10.6. It is submitted that the Respondent further contends that the Applicants' plea of having ceased to be associated with the Corporate Debtor from 31.05.2021 is factually incorrect. Reliance has been placed upon the Master Data of the Corporate Debtor, which shows that Mr. Ronak Brijmohannath Modi has continued as a Director since 26.02.2021, while Mr. Brijmohannath Biradnath Modi remained a Director from 04.10.2008 to 26.02.2021, whereafter his son was appointed in his place, thereby demonstrating that the Modi Group continued to remain in the management of the Corporate Debtor.

10.7. It is submitted that the Respondent has further alleged that the Shareholders' Agreement dated 01.10.2021 never came to be genuinely acted upon. It is pointed out that Clause 2 thereof required the Modi Group to repay certain unsecured loans and make specified remissions to the Corporate Debtor, whereas no material has been produced to establish compliance with such obligations. It is further pointed out that Clause 3(B) contemplated release of the personal guarantees only within a stipulated period after restructuring and Clause 4(C) read with

Schedule V merely dealt with allocation of liabilities between the contracting parties, without binding the Respondent-Bank or resulting in discharge of the Applicants from their obligations as Personal Guarantors.

10.8. It is submitted that the Respondent has also stated that the personal guarantees had already been invoked in October, 2022, and despite such invocation, the Applicants never disputed either the execution of the guarantee documents or their liability thereunder until the filing of the present insolvency proceedings. According to the Respondent, the plea of forgery has been raised for the first time only after institution of the proceedings under Section 95 of the Code and is, therefore, a mala fide attempt to obstruct and delay the insolvency process.

10.9. It is submitted that the Respondent has lastly contended that the Applicants cannot, on one hand, deny execution of the guarantee documents and, on the other hand, rely upon the indemnity provisions contained in the Shareholders' Agreement against invocation of the very same personal guarantees. Such mutually destructive pleas, according to the Respondent, render the applications wholly untenable. Accordingly, the Respondent has prayed

for dismissal of both the Interlocutory Applications with exemplary costs.

11. That, the Applicant/PGs filed its Affidavit-of-Rejoinder in IA/507(AHM)2026 in C.P.(IB)/478(AHM)2025 on 08.06.2026 vide Inward No. D-4552 and IA/412(AHM)2026 in C.P.(IB)/480(AHM)2025 on 20.04.2026 vide Inward No. D-3403 stating the following:

11.1.It is submitted that the Respondent-Bank has failed to produce the original Personal Guarantee documents, any independent witness or other cogent evidence establishing the execution of the General Form of Guarantee, Letter of Confirmation and Undertaking Letter dated 22.09.2021. According to the Applicants, mere visual similarity of signatures cannot constitute proof of execution, and the burden of establishing the authenticity of the disputed documents lies upon the Respondent.

11.2.It is submitted that the Applicants first became aware of the disputed guarantee documents only upon service of Company Petition (I.B.) Nos. 478 of 2025 and 480 of 2025 in December, 2025, whereafter the present Interlocutory Applications were promptly filed seeking forensic examination of the disputed signatures.

11.3.It is further submitted that the Applications are maintainable under Rule 43(1) of the National

Company Law Tribunal Rules, 2016, which empowers the Tribunal to call for such evidence as may be necessary for determining the truth of the allegations.

11.4. It is submitted that the Applicants have contended that the judgments relied upon by the Respondent are distinguishable, as the present case concerns the very execution of the guarantee documents.

11.5. It is further submitted that the description of the Applicants as Personal Guarantors does not amount to an admission of execution of the disputed documents and that the decision in, **(2025) ibclaw.in 2475 NCLT** is inapplicable since, unlike the present case, execution of the guarantee therein was admitted.

11.6. It is submitted that reliance has been placed upon the Shareholders' Agreement dated 01.10.2021, executed shortly after the disputed documents, as contemporaneous evidence supporting the allegation of forgery and recording the Applicants' exit from the management of the Corporate Debtor with effect from 31.05.2021.

11.7. The Applicants further contend that the Board Resolution dated 22.09.2021 does not establish execution of the guarantee documents, that the Respondent has taken a stand contrary to that adopted before the Hon'ble Supreme Court in **Bank**

of Baroda v. Farooq Ali Khan (2025 INSC 253), and that only a forensic examination can conclusively determine the authenticity of the disputed signatures.

11.8. It is submitted that the Applicants have denied the allegations of approbation and reprobation and contended that the indemnity under Clause 4(C) of the Shareholders' Agreement is merely an alternative and contingent protection. It is further submitted that the continued reflection of the Applicants or their family members in the MCA records is attributable to non-filing of statutory forms after the agreed transfer of management and does not reflect the true factual position.

IA/787(AHM)2026 in C.P.(IB)/480(AHM)2025

12. That, the Applicant/FC filed an Interlocutory Application IA/787(AHM)2026 in C.P.(IB)/480(AHM)2025 on 15.05.2026 through e-mode under Section 98 of the Insolvency and Bankruptcy Code, 2016 seeking replacement of Mr. Dhaval C. Khamar, the Resolution Professional appointed in C.P. (I.B.) No. 480 of 2025, and appointment of a new Resolution Professional to conduct the Personal Insolvency Resolution Process of Mr. Ronak Brijmohannath Modi, Personal Guarantor to M/s. Fairdeal Jumbo Packaging Private Limited.

13. In compliance with order dated 27.03.2026, the Financial Creditor/Bank of Baroda presented the original Guarantee Agreement dated 22.09.2021 and deposit the original Guarantee Agreement dated 22.09.2021 with the Assistant Registrar of this Tribunal in compliance of order dated 06.05.2026 passed by this Tribunal.
14. We have heard the Learned Counsel appearing for the Applicant–Financial Creditor, the Learned Counsel appearing for the Respondents/Personal Guarantors, the Interim Resolution Professionals, perused the pleadings, the reports submitted under Section 99 of the Insolvency and Bankruptcy Code, 2016 ("Code"), the documents placed on record and the written submissions filed by the respective parties. We have also carefully examined the Interlocutory Applications filed by the Respondents seeking forensic examination of the disputed guarantee documents as well as the replies and rejoinders filed thereto.
15. The principal question which arises for consideration before this Adjudicating Authority is whether the Respondents/Personal Guarantors continue to remain liable under the Deeds of Guarantee executed in favour of the Applicant Bank and whether the present petitions deserve admission under Section 100 of the Insolvency and Bankruptcy Code, 2016.

16. From the pleadings and submissions, the following issues arise for consideration:-

- i. Whether the present Company Petitions filed under Section 95 of the Insolvency and Bankruptcy Code, 2016 are maintainable?
- ii. Whether the Respondents executed the Personal Guarantees in favour of the Applicant Bank?
- iii. Whether the Personal Guarantees were validly invoked?
- iv. Whether the present Company Petitions are within limitation?
- v. Whether there exist a financial debt and default so as to warrant initiation of the Personal Insolvency Resolution Process against the Respondents?
- vi. Whether the Shareholders' Agreement dated 01.10.2021 has the effect of discharging or extinguishing the liability of the Respondents as Personal Guarantors towards the Applicant Bank?

17. Findings Issue No. (i): Whether the present Company Petitions filed under Section 95 of the Insolvency and Bankruptcy Code, 2016 are maintainable?

17.1. The present Company Petitions have been filed under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 by the Bank of Baroda seeking initiation of Insolvency Resolution Process against the

Respondents in their capacity as Personal Guarantors to M/s. Fairdeal Jumbo Packaging Private Limited. The records demonstrate that the Applicant has filed the petitions in the prescribed Form-C accompanied by the written consent of the Resolution Professionals in Form-A together with the requisite documents evidencing the financial debt, guarantee and default.

17.2. Pursuant to the filing of the petitions, this Adjudicating Authority appointed the Resolution Professionals under Section 97 of the Code, who, after examining the records, have submitted their Reports under Section 99 recommending admission of both the petitions. The procedural requirements contemplated under Chapter III of Part III of the Insolvency and Bankruptcy Code, 2016 have therefore been duly complied with.

17.3. The objection regarding maintainability raised by the Respondents primarily rests upon the Shareholders' Agreement dated 01.10.2021 and the alleged discharge of their liability thereunder. Such objections pertain to the merits of the defence and do not affect the maintainability of the petitions under Section 95 of the Code. Once the statutory requirements are satisfied and a debt and default are prima facie established, the petition is maintainable.

17.4. It is further observed that the application is filed in Form C under Rule 7 of the 2019 Rules along with requisite documents including demand notice, statement of account and consent of the Resolution Professional. Hence, the objection regarding non-compliance is rejected.

17.5. Accordingly, Issue No. (i) is answered in favour of the Applicant Financial Creditor.

18. Findings on Issue No. (ii): Whether the Respondents executed the Personal Guarantees in favour of the Applicant Bank?

18.1. The Applicant has produced on record the General Form of Guarantee dated 22.09.2021 together with the Letter of Confirmation and Undertaking Letter executed contemporaneously with the restructuring sanctioned on 22.09.2021. These documents form part of the restructuring package whereby the credit facilities were enhanced in favour of the Corporate Debtor.

18.2. The Respondents have denied execution of the guarantee documents and have alleged forgery of their signatures while simultaneously placing reliance upon the Shareholders' Agreement dated 01.10.2021, particularly the clauses providing for release of personal guarantees and indemnification against invocation thereof.

18.3. This Tribunal finds that the defence raised by the Respondents is inherently contradictory. On one hand, they contend that no guarantee was ever executed on 22.09.2021, while on the other hand they rely upon contractual clauses requiring release of those very guarantees and indemnification in the event of their invocation. Such mutually destructive pleas cannot be accepted simultaneously.

18.4. More importantly, the Applicant has produced various contemporaneous documents executed as part of the restructuring package, including the Modification Deed, Demand Promissory Note, Supplemental Hypothecation Agreements and Board Resolution of the Corporate Debtor. The Applicant has specifically asserted that the signatures appearing on the guarantee documents correspond with the signatures appearing on these contemporaneous documents.

18.5. The Respondents have sought forensic examination of the signatures through separate Interlocutory Applications. However, mere denial of execution, unsupported by any cogent prima facie material, cannot defeat proceedings under Section 95 of the Code. The jurisdiction of this Adjudicating Authority at this stage is confined to examining whether sufficient material exists to establish a prima facie case for initiation of the insolvency process and not

to conduct a full-fledged civil trial regarding disputed signatures.

18.6. The proceedings contemplated under Sections 95 to 100 of the Code are summary in nature and the Adjudicating Authority is not expected to conduct a full-fledged trial on disputed questions of fact requiring oral evidence.

18.7. Furthermore, the Resolution Professionals, after examination of the documents produced by the Applicant, have recommended admission of the petitions, finding sufficient material to establish the guarantee obligations.

18.8. Accordingly, this Tribunal is satisfied that, for the purposes of proceedings under Section 95 of the Code, the Applicant has established the execution of the guarantees in favour of the Applicant Bank.

19. Findings on Issue No. (iii): Whether the Personal Guarantees were validly invoked?

19.1. It is not in dispute that the Corporate Debtor committed defaults in repayment of the credit facilities. The account was classified as Non-Performing Asset and proceedings under the SARFAESI Act as well as before the Debts Recovery Tribunal were initiated by the Applicant Bank.

19.2. Thereafter, the Applicant issued demand notice dated 13.11.2025 under Rule 7 of the Insolvency

and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 calling upon the Respondents to discharge their liability under the guarantees. The Applicant has also produced postal records and email records evidencing service of the notice.

- 19.3. The principal defence raised by the Respondents is that the Shareholders' Agreement dated 01.10.2021 obligated the Sanklecha Group to obtain release of the guarantees and indemnify the Modi Group.
- 19.4. This Tribunal is unable to accept the said contention.
- 19.5. The guarantees in question were admittedly executed in favour of the Applicant Bank. The Shareholders' Agreement is an arrangement executed inter se between private parties. The Applicant Bank is neither a signatory nor a beneficiary of the said Agreement.
- 19.6. A contract between private parties cannot unilaterally alter, extinguish or novate the contractual rights of a creditor unless the creditor has expressly consented thereto. No material has been produced by the Respondents demonstrating that the Applicant Bank accepted substitution of guarantors, agreed to release the Respondents from

their obligations or executed any deed of discharge in their favour.

- 19.7. The clauses relating to indemnity and release merely regulate the rights and obligations between the Modi Group and the Sanklecha Group. Such clauses may entitle one contracting party to seek reimbursement from the other, but they do not operate as a discharge of the contractual liability owed to the Financial Creditor.
- 19.8. It is a settled principle that the liability of a Personal Guarantor continues until the creditor expressly releases or discharges the guarantor. In the present case, no such release has been placed on record.
- 19.9. No material has been placed on record to establish any contract or conduct attracting Sections 133, 134, 135 or 139 of the Indian Contract Act, 1872 so as to discharge the liability of the Personal Guarantors.
- 19.10. Consequently, notwithstanding any private arrangement between the shareholders, the Applicant Bank continues to possess an enforceable contractual right against the Respondents under the guarantees executed in its favour.
- 19.11. No deed of release, no letter of discharge, no novation agreement nor any communication issued by the Bank relinquishing its rights against the Respondents has been produced. In absence of any

such evidence, the guarantee, once executed, continues to remain enforceable in accordance with law.

19.12. Another aspect which cannot be lost sight of is that the Respondents have not placed any contemporaneous correspondence on record to show that, immediately upon execution of the Shareholders' Agreement, they informed the Applicant Bank that they stood discharged from their obligations or objected to any continuing treatment of them as guarantors.

19.13. This Tribunal therefore holds that the guarantees were validly invoked and the Respondents continue to remain liable thereunder.

20. Findings on Issue No. (iv): Whether the present Company Petitions are within limitation?

20.1. The credit facilities were restructured and enhanced vide sanction dated 22.09.2021, pursuant to which the Respondents executed the Personal Guarantees. The Corporate Debtor subsequently committed defaults in repayment of the dues, leading to classification of the account as Non-Performing Asset (NPA). Thereafter, the Applicant initiated recovery proceedings under the SARFAESI Act and also filed Original Application before the Debts Recovery Tribunal.

- 20.2. The Applicant thereafter invoked the Personal Guarantees by issuing demand notice dated 13.11.2025 under Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019. The present petitions under Section 95 of the Code have been filed in December, 2025, immediately after invocation of the guarantees.
- 20.3. It is well settled that in the case of Personal Guarantors, the cause of action arises upon invocation of the guarantee. Since the invocation notice was issued on 13.11.2025 and the petitions have been filed within a short span thereafter, the same are clearly within the limitation period of three years prescribed under Article 137 of the Limitation Act, 1963.
- 20.4. Accordingly, this Tribunal holds that the present petitions are not barred by limitation and Issue No. (iv) is answered in favour of the Applicant Financial Creditor.
- 20.5. Accordingly, Issue No. (iv) is answered in favour of the Applicant.

21. Findings on Issue No. (v): Whether there exist a financial debt and default so as to warrant initiation of the Personal Insolvency Resolution Process against the Respondents?

- 21.1. The sanction letters, restructuring documents, statements of account and other financial documents establish beyond doubt that substantial financial facilities were extended by the Applicant Bank to the Corporate Debtor.
- 21.2. The outstanding dues as claimed by the Applicant remain unpaid. The Respondents have not disputed the existence of the financial facilities nor the default committed by the Corporate Debtor. Their defence is confined only to disputing their liability under the guarantees.
- 21.3. As already discussed hereinabove, the guarantees were furnished in favour of the Applicant Bank and there is no document evidencing that the Applicant Bank ever discharged, released or substituted the Respondents from their obligations as Personal Guarantors.
- 21.4. The Shareholders' Agreement dated 01.10.2021 cannot extinguish the contractual rights of the Applicant Bank. At the highest, it creates reciprocal obligations between the contracting parties and may provide an independent cause of action for indemnity or reimbursement between them. However, such private arrangement cannot prejudice the rights of the Financial Creditor who was never a party thereto.

- 21.5. At the outset, it is an undisputed position that the Applicant Bank is neither a party nor a signatory to the Shareholders' Agreement dated 01.10.2021. The Agreement has admittedly been executed amongst the shareholders of the Corporate Debtor and regulates their mutual rights and obligations consequent upon the internal restructuring of the management. It is settled law that contractual obligations cannot be varied or extinguished against a third party without its express consent. Any arrangement entered into between the shareholders may regulate their inter se liabilities, but cannot automatically affect the independent contractual rights already vested in a creditor.
- 21.6. Once the Corporate Debtor committed default and the Applicant/FC invoked the guarantees, the liability of the Respondents became enforceable in accordance with the terms of the guarantee agreements. The continuing guarantee remains operative until expressly revoked or the guarantor is discharged by the creditor. In the present case, no such discharge has been established.
- 21.7. This Tribunal therefore holds that the debt due to the Applicant Bank is established; the default committed by the Corporate Debtor stands proved; the guarantees continue to subsist; and the Respondents remain liable as Personal Guarantors.

22. Findings on Issue No. (vi): Whether the Shareholders' Agreement dated 01.10.2021 has the effect of discharging or extinguishing the liability of the Respondents as Personal Guarantors towards the Applicant Bank?

22.1. The principal defence of the Respondents is founded upon the Shareholders' Agreement dated 01.10.2021, whereby the Sanklecha Group allegedly agreed to assume the liabilities of the Corporate Debtor, procure release of the Personal Guarantees and indemnify the Respondents. According to the Respondents, the said Agreement extinguishes their liability as Personal Guarantors towards the Applicant Bank.

22.2. We are unable to accept the said contention. The Applicant Bank is admittedly neither a party nor a signatory to the Shareholders' Agreement. The said Agreement merely regulates the inter se rights and obligations of the contracting parties and cannot, in the absence of the Applicant Bank's consent, alter, novate or extinguish its independent contractual rights arising under the Personal Guarantees.

22.3. No material has been placed on record to establish that the Applicant Bank agreed to substitute the guarantors, release the Respondents from their obligations or execute any deed of discharge. In the absence of any such consent or discharge, the

contractual liability of the Respondents under the Guarantees continues to subsist and remains enforceable in accordance with law.

- 22.4. The clauses relating to assumption of liability, release of guarantees and indemnification contained in the Shareholders' Agreement may, at best, confer reciprocal rights and obligations between the Modi Group and the Sanklecha Group. Such contractual arrangements cannot prejudice or curtail the independent remedies available to the Applicant Bank, which is not bound by the terms thereof.
- 22.5. The Respondents have also failed to produce any contemporaneous correspondence demonstrating that the Applicant Bank accepted the alleged arrangement or acknowledged the cessation of their liability as Personal Guarantors. On the contrary, the Applicant Bank has consistently treated the Respondents as continuing guarantors and has invoked the Personal Guarantees in accordance with law.
- 22.6. Accordingly, we hold that the Shareholders' Agreement dated 01.10.2021 neither amounts to novation under Section 62 of the Indian Contract Act nor discharges the Respondents towards the Applicant Bank under the Personal Guarantees. The rights, if any, arising from the said Agreement

remain enforceable only between the parties thereto and do not affect the Applicant Bank's contractual rights. Hence, Issue No. (vi) is answered in favour of the Applicant Financial Creditor and against the Respondents.

- 23.** Accordingly, all the issues framed hereinabove are answered in favour of the Applicant Financial Creditor.
- 24.** This Tribunal is satisfied that the Applicant has established the existence of a financial debt, execution and subsistence of the guarantees, valid invocation thereof, continuing liability of the Personal Guarantors, and default within the meaning of the Insolvency and Bankruptcy Code, 2016. Since the guarantees were executed in favour of the Applicant Bank and there is no material whatsoever to demonstrate that the Applicant Bank has ever discharged or released the Respondents from their contractual obligations as Personal Guarantors, the liability under the guarantees continues to subsist notwithstanding the Shareholders' Agreement dated 01.10.2021.
- 25.** We also find that the reports submitted by the Resolution Professionals under Section 99 have independently examined the loan documents, guarantee documents and statement of accounts and have recommended admission of both Company Petitions. Although the report under Section 99 is recommendatory in nature and not binding

upon this Tribunal, the same nevertheless constitutes an independent statutory assessment which lends corroboration to the Applicant's case. Nothing has been pointed out by the Respondents to demonstrate that the conclusions recorded by the Resolution Professionals suffer from perversity or are contrary to the material available on record.

- 26.** Consequently, the requirements of Section 100 of the Insolvency and Bankruptcy Code, 2016 stand fulfilled and the Personal Insolvency Resolution Process deserves to be initiated against the Respondents.
- 27.** In view of the foregoing discussion, this Tribunal is satisfied that the Applicant has fulfilled all the statutory requirements contemplated under Section 95 of the Insolvency and Bankruptcy Code, 2016 and that the applications deserve to be admitted under Section 100 of the Code. Consequently, C.P.(IB)/478(AHM)2025 and C.P.(IB)/480(AHM)2025 are liable to be admitted.
- 28.** It is also necessary to deal with IA/507(AHM)2026 in C.P.(IB)/478(AHM)2025 and IA/412(AHM)2026 in C.P.(IB)/480(AHM)2025 filed by the Respondents seeking forensic examination of the disputed guarantee documents. Pursuant to the directions of this Tribunal, the original General Form of Guarantee dated 22.09.2021 was produced before this Tribunal.

- 29.** Upon a prima facie comparison of the signatures appearing on the original Guarantee Deed with the admitted signatures of the Personal Guarantors available on their Affidavits, Replies, Rejoinders and other documents on record, this Tribunal does not find any material dissimilarity warranting a forensic examination. Mere denial of signatures, without any prima facie material raising a genuine doubt regarding their authenticity, cannot justify appointment of a forensic expert. The Tribunal's powers under Rule 11 of the NCLT Rules, 2016, are to be exercised sparingly at the admission stage to prevent abuse of process, and no case for forensic examination is made out here. Accordingly, IA/507(AHM)2026 in C.P.(IB)/478(AHM)2025 and IA/412(AHM)2026 in C.P.(IB)/480(AHM)2025 are devoid of merits and are hereby dismissed.
- 30.** In view of the foregoing discussion and the findings recorded on the issues framed hereinabove, this Tribunal is satisfied that the Applicant–Financial Creditor has established the existence of a financial debt, the continuing validity and enforceability of the Personal Guarantees, the occurrence of default and the consequent liability of the Respondents as Personal Guarantors. None of the objections raised by the Respondents create any legal impediment to the admission of the present Company Petitions. The defence founded upon the Shareholders' Agreement, the plea of cessation from

management, the allegation of forgery, the challenge to service of statutory notices and the remaining technical objections are all found to be devoid of merit.

- 31.** Thus, the Tribunal is satisfied that the Petition under Section 95 of the Code is complete, the debt and default are established, the guarantee has been validly invoked, and the statutory requirements under Sections 95 to 99 of the Code and the relevant Rules have been duly complied with. Further, the application is also found to be within the period of limitation as prescribed under Article 137 of the Limitation Act, 1963.
- 32.** Further, the default exceeds Rs. 1,00,00,000 as required under Section 4(1) read with Section 78 of the Insolvency and Bankruptcy Code 2016 as held in ***Mudraksh Investfin Pvt. Ltd. v. Gursev Singh (2025) ibclaw.in 323 NCLAT***, wherein it was clarified that the threshold limit for initiating proceedings against a Personal Guarantors is Rs. 1.00 Crore.
- 33.** Accordingly, in exercise of powers under Section 100 of the Insolvency and Bankruptcy Code, 2016, the Company Petitions filed by the Financial Creditor under Section 95 of the Insolvency and Bankruptcy Code, 2016 are hereby admitted under Section 100 of the Code for initiation of Insolvency Resolution Process against the Respondents/Personal Guarantors.

34. In terms of Section 101 of the Code, a moratorium shall commence from the date of this order and shall cease to have effect at the end of the period of 180 days or upon approval of the repayment plan under Section 114, whichever is earlier.
35. During the moratorium period, the provisions of Section 101(2) and (3) of the Code shall apply, including: -
- (i) Institution or continuation of suits or proceedings against the debtor in respect of any debt;
 - (ii) Transferring, alienating, or encumbering any of the debtor's assets;
 - (iii) Any action to foreclose, recover, or enforce security interest; subject to exceptions under the Code and notifications;
36. Upon admission of the Petitions, **Mr. Rahul Shah**, having registration number IBBI/IPA-001/IP-P-02170/2020-2021/13367, (E-mail carahulnshah@gmail.com) who was appointed as Interim Resolution Professional under Section 97 of the Code in C.P.(IB)/478(AHM)2025, shall be appointed to act as the Resolution Professional of Personal Guarantors- Mr. Brijmohannath Biradnath Modi and Mr. Ronak Brijmohannath Modi for the purposes of the insolvency resolution process. The Resolution Professional shall: -
- (i) cause a public notice of the commencement of insolvency resolution process to be published in accordance with Section 102 of the Code;

- (ii) publish in one English and one vernacular newspaper with wide circulation in the state where the debtor resides, affix the notice in the premises of the Adjudicating Authority;
- (iii) ensure the public notice is also affixed in the premises of this Adjudicating Authority as per Section 102(3)(b);
- (iv) prepare a list of creditors under Section 104 within 30 days from the date of admission;
- (v) assist debtor in preparing repayment plan under Section 105, including justifications, RP fees, etc.;
- (vi) submit a repayment plan and report under Section 106 within 21 days from claim submission;
- (vii) if a meeting is recommended, specify details under Section 106(3), including the date and time of such meeting, which shall not be less than 14 days or more than 28 days from the date of submission of the report under Section 106(1), with at least 14 days' notice under Section 107(2)
- (viii) conduct a meeting under Sections 108-111;
- (ix) prepare a meeting report under Section 112 and submit to the Tribunal with copies;
- (x) perform duties under Section 208;
- (xi) All actions to be taken within timelines prescribed under the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019.

37. So far as **IA/787(AHM)2026 in C.P.(IB)/480(AHM)2025** is concerned, the same has been preferred by the Applicant–Financial Creditor under Section 98 of the

Insolvency and Bankruptcy Code, 2016 seeking replacement of the existing Resolution Professional, Mr. Dhaval C. Khamar, on the ground that no consensus could be arrived at regarding the professional fee payable to him and praying for appointment of another Insolvency Professional. Having considered the averments made in the Application and there being no legal impediment in exercising the powers under Section 98 of the Code, this Tribunal finds merit in the prayer made by the Applicant.


38. Accordingly, **IA/787(AHM)2026** is **allowed**, and Mr. Rahul Shah, having registration number IBBI/IPA-001/IP-P-02170/2020-2021/13367, (E-mail carahulnshah@gmail.com) is hereby appointed as the Resolution Professional in place of Mr. Dhaval C. Khamar for conducting the Insolvency Resolution Process of the Respondent/Personal Guarantor in **C.P.(IB)/480(AHM)2025**.

39. Accordingly, IA/178(AHM)2026 in C.P.(IB)/478(AHM)2025 and IA/69(AHM)2026 in C.P.(IB)/480(AHM)2025 are **taken on record**. IA/507(AHM)2026 in C.P.(IB)/478(AHM)2025 and IA/412(AHM)2026 in C.P.(IB)/480(AHM)2025 seeking forensic examination of the disputed guarantee documents are **dismissed**. Consequently, being satisfied that the requirements contemplated under Sections 95, 99 and 100 of the Insolvency and Bankruptcy Code, 2016 stand fulfilled,

C.P.(IB)/478(AHM)2025 and C.P.(IB)/480(AHM)2025 deserve to be admitted, and the Insolvency Resolution Process against the Respondents/Personal Guarantors is liable to be initiated in accordance with Section 100 of the Code.

- 40.** Since the original General Form of Guarantee dated 22.09.2021 has been deposited before the Assistant Registrar of this Tribunal pursuant to the directions issued during the course of the proceedings, the Applicant/Financial Creditor is directed to collect the original Guarantee Deed from the Assistant Registrar after expiry of **30 days** from the date of pronouncement of this Order, subject to no appeal or other proceedings requiring its retention being preferred within the said period.
- 41.** The Registry is directed to communicate a copy of this order to the Petitioner/FC, Respondents/Personal Guarantors and the Resolution Professional within three working days. The order shall be uploaded on the website of this Tribunal forthwith.


SANJEEV SHARMA
MEMBER (TECHNICAL)
Jeel Pathak/LRA


SHAMMI KHAN
MEMBER (JUDICIAL)