

**IN THE NATIONAL COMPANY LAW TRIBUNAL MUMBAI BENCH-II**

**C.P. (IB)/47(MB)2025**

*[Under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 read with Rule 7(2) of the Insolvency and Bankruptcy (Application to the Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019]*

**Ordered On: 17.06.2026**

**IN THE MATTER OF:**

UCO BANK

**... Petitioner/ Financial Creditor**

**Versus**

Mr. Umesh Jayanti Lal Mehta  
Personal Guarantor Of M/S. Janta Glass  
Limited

**... Respondent/Personal Guarantor**

**CORAM:**

**HON'BLE SHRI ASHISH KALIA, MEMBER (JUDICIAL)**

**HON'BLE SHRI SANJIV DUTT, MEMBER (TECHNICAL)**

**Appearances: Hybrid**

**For Petitioner:** Adv. Gaurav Jalendra

**For RP:** Adv. Shourya Kakar

**For Personal Guarantor:** None

## **ORDER**

***[Per: Coram]***

### **1. BACKGROUND**

- 1.1 This Application has been filed by **UCO Bank** (hereinafter referred to as “the Financial Creditor”) under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as “the Code”), 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 (hereinafter referred to as “the PG to CD Rules”), seeking initiation of the insolvency resolution process against **Mr. Umesh Jayanti Lal Mehta** (hereinafter referred to as “the Personal Guarantor/Respondent”), being the personal guarantor to **Janta Glass Limited** (hereinafter referred to as “the Corporate Debtor”).
- 1.2 The Corporate Debtor had availed various credit facilities from the Financial Creditor from time to time. The facilities were restructured vide Restructuring Letter dated 23.10.2006 and were subsequently enhanced vide Sanction Letter dated 19.12.2007 and further vide Sanction Letter dated 30.01.2010, as amended on 08.02.2010 and 20.04.2010. In consideration thereof, the Personal Guarantor executed **Letters of Guarantee dated 30.12.2006, 08.01.2008 and 28.04.2010** in favour of the Financial Creditor to secure the credit facilities granted to the Corporate Debtor. Pursuant thereto, the Financial Creditor disbursed the sanctioned facilities to the Corporate Debtor. Upon failure of the Corporate Debtor to repay the dues, the loan account was classified as Non-Performing Asset (NPA) on **31.03.2011**.

- 1.3 Upon the Corporate Debtor committing default in repayment of its financial obligations, the Financial Creditor invoked the personal guarantee executed by the Personal Guarantor vide Invocation Notice dated **09.02.2024**. Through the said notice, the Personal Guarantor, having undertaken to be **jointly and severally** liable for the debts and liabilities of the Corporate Debtor, was called upon to pay and discharge the outstanding dues **within 10 days** from the date of the notice. Despite the aforesaid demand, the Personal Guarantor failed to honour the guarantee and make payment within the stipulated period, thereby committing default on **19.02.2024**.
- 1.4 The total outstanding debt, including interest and penal interest, is stated to be Rs. **699,12,94,264.53/-** (Rupees Six Hundred Ninety-Nine Crores Twelve Lakhs Ninety-Four Thousand Two Hundred Sixty-Four and Fifty-Three Paise) as on 31.01.2024.

## **2. AVERMENTS OF FINANCIAL CREDITOR**

- 2.1 The Respondent is the Personal Guarantor to **Janta Glass Limited** (hereinafter referred to as the "Corporate Debtor/Borrower"), a company incorporated under the provisions of the Companies Act, having Corporate Identification Number (CIN) U33201MH2006PLC159950 and its registered office at Parekh Market, 2<sup>ND</sup> Floor, M G Road Ghatkopar East Mumbai-77, Maharashtra, India. As stated above, the Corporate Debtor had availed various credit facilities from the Financial Creditor from time to time, which were restructured vide Restructuring Letter dated 23.10.2006 and subsequently enhanced vide Sanction Letter dated 19.12.2007 and further vide Sanction Letter dated 30.01.2010, as amended on 08.02.2010 and

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20.04.2010. Pursuant thereto, the Financial Creditor disbursed the sanctioned facilities to the Corporate Debtor.

- 2.2 It is further averred that, in consideration of the credit facilities granted by the Financial Creditor, the Respondent executed various letters of guarantee in favour of the Financial Creditor, including Letters of Guarantee dated 30.12.2006, 08.01.2008 and 28.04.2010, whereby the Respondent undertook to irrevocably guarantee the due repayment of all amounts payable by the Corporate Debtor to the Financial Creditor and agreed to remain jointly and severally liable for the obligations of the Corporate Debtor.
- 2.3 The Corporate Debtor committed defaults in repayment of the loan facilities and the loan account was classified as Non-Performing Asset (NPA) on 31.03.2011. Thereafter, the Applicant on 11.08.2011 initiated recovery proceedings against the Corporate Debtor and personal guarantors before the Ld. Debt Recovery Tribunal-I, Mumbai vide Transfer Application No. TA/1651 of 2016, which is still pending before the Ld. Debt Recovery Tribunal, Mumbai. Subsequently, the Financial Creditor invoked the personal guarantee vide Invocation Notice dated 09.02.2024, calling upon the Respondent/Personal Guarantor to discharge the outstanding liabilities within 10 days from the receipt of the said notice. Upon failure of the Respondent to comply with the said demand, the Financial Creditor on 15.03.2024 issued a Demand Notice in Form B under Rule 7(1) of the PG to CD Rules. However, despite service of the aforesaid notices, the Respondent failed to pay the outstanding dues.
- 2.4 In view of the foregoing, the present Application has been filed by the Financial Creditor under Section 95(1) of the Code read with Rule 7(2) of the PG to CD Rules,

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seeking initiation of Insolvency Resolution Process against the Respondent/Personal Guarantor.

### **3. RECOMMENDATION OF RESOLUTION PROFESSIONAL (RP)**

- 3.1 This Tribunal appointed **Sun Resolution Professionals Private Limited**, a registered Insolvency Professional Entity to act as Resolution Professional (RP) vide Order dated 10.12.2025 in the aforesaid Application and directed the Resolution Professional to prepare and file Report under Section 99 of the Code.
- 3.2 In compliance with the provisions of Section 99(2) of the Code, the Resolution Professional vide email dated 02.01.2026 called upon the Personal Guarantor to prove repayment of the debt, if any, which had been claimed as unpaid by the Financial Creditor in the present application. Further, in order to verify the status of repayment, the Resolution Professional vide email dated 02.01.2026 sought information from the Financial Creditor, regarding any payment received from the Personal Guarantor towards the outstanding debt of the Corporate Debtor, along with copies of bank statements or any other documents evidencing such repayment. In response, the Financial Creditor vide email dated 30.01.2026 confirmed that no repayment had been received from the Personal Guarantor towards the outstanding debt. The Financial Creditor further confirmed that a sum of ₹699,12,94,264.53 remained due and payable as on 31.01.2024.
- 3.3 The Resolution Professional, vide his Report dated 31.01.2026, after due examination of the application, documents filed along with the same, recommended admission of the Application. The ground(s) for admission of the present Application, as recorded in the said RP report, are reproduced as under:

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**“RECOMMENDATION”**

8. *Further, as examined by the Resolution Professional herein-above the debt is owed by the Personal Guarantor to the Financial Creditor and the Petition satisfies the provisions of the Code; the Resolution Professional Recommends Admission of the CP (IB) 47(MB) 2025 and prays before this Hon'ble Bench to pass an Order U/s. 100 of the Code.*
9. *As far as the legal aspects of the Petition are concerned the Resolution Professional would like to state that the Financial Creditor has invoked the Guarantee provided by the Personal Guarantor through a Letter dated 09.02.2024. Further, the Corporate Debtor is undergoing CIRP / Liquidation as afore stated and the same is evident for default qua the Corporate Debtor.*
10. *And the Personal Guarantor has failed to make payment to the Financial Creditor, despite having receipt of Invocation of Guarantee notice and Demand Notice in Form - B as per the provisions of the Code r.w. the Rules and the said fact is submitted by the Financial creditor vide reply email dated 30.01.2026 annexed as Annexure 3 to the report,; Further, no objection was raised by the personal guarantor on invocation of bank guarantee and neither on the issue of demand notice. Thus, this Petition is to be accepted for Orders U/s. 100 of the Code.*
11. *The Resolution Professional does not come across with the issue of Limitation and other legal lacunas from the material available on record. This is being put on record for the information of this Hon'ble Bench and the same may not be considered as Adjudication of the Petition.*

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12. *It is submitted that, in view of the reasons recorded in para 8 to 11 of this report, I hereby recommend for the acceptance of the application No. CP (IB) 47 / MB I 2025 filed U/s 95 (1) of the Code by UCO Bank to initiate Insolvency Resolution Process against Mr. Niraj Jayanti Lal Mehta, Personal Guarantor to M/s. Janta Glass Limited and the Adjudicating Authority may pass an appropriate order U/s. 100 of the Code.*

#### **4. ANALYSIS AND FINDINGS**

- 4.1 We have carefully perused the materials on record and considered the pleadings/averments of the Financial Creditor and the report submitted by the Resolution Professional.
- 4.2 It is observed from the record that despite due service of notice and sufficient opportunities having been granted, the Respondent failed to appear before this Adjudicating Authority or contest the present proceedings. Consequently, the Respondent was proceeded ex parte vide order dated 12.02.2026. In the absence of any appearance, reply or material in rebuttal, the averments of the Financial Creditor and the documents placed on record remain unrebutted and are therefore required to be examined on the basis of the material available on record.
- 4.3 To recapitulate the factual background, the Corporate Debtor had availed various credit facilities from the Financial Creditor from time to time, which were restructured vide Restructuring Letter dated 23.10.2006 and subsequently enhanced vide Sanction Letter dated 19.12.2007. Thereafter, further credit facilities were sanctioned vide Sanction Letter dated 30.01.2010, as modified on 08.02.2010 and 20.04.2010. The said facilities were secured, inter alia, by Letters of Guarantee

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dated 30.12.2006, 08.01.2008 and 28.04.2010 executed by the Respondent/Personal Guarantor in favour of the Financial Creditor. Upon default in repayment of the said facilities, the loan account of the Corporate Debtor was classified as Non-Performing Asset (NPA) on 31.03.2011. The Financial Creditor has claimed an outstanding debt of Rs. 699,12,94,264.53/- as on 31.01.2024. Thereafter, the Financial Creditor initiated recovery proceedings against the Corporate Debtor and its guarantors and obtained a Recovery Certificate for recovery of its dues. Subsequently, the Financial Creditor invoked the personal guarantee vide Invocation Notice dated 09.02.2024 issued to the Respondent/Personal Guarantor calling upon him to discharge the outstanding liabilities within 10 days from receipt thereof. Thereafter, a Demand Notice in Form B under Rule 7(1) of the PG to CD Rules was issued to the Respondent. Despite service of the aforesaid notices, the Respondent failed to discharge the outstanding dues and the present Application came to be filed under Section 95(1) of the Code.

- 4.4 Upon perusal of the documents placed on record, it is evident that the Corporate Debtor has committed default in repayment of loan amount granted by the Financial Creditor and the Respondent being the Personal Guarantor to Corporate Debtor and director of the Corporate Debtor has not made repayment of outstanding dues demanded by the Financial Creditor pursuant to the Invocation of Guarantee notice dated 09.02.2024 and demand notice (Form B) dated 15.03.2024 issued under Rule 7(1) of the PG to CD Rules by the Financial Creditor to the Respondent/ Personal Guarantor.
- 4.5 On perusal of the Report of the Resolution Professional dated 31.01.2026, we find that the Resolution Professional has given reasonable opportunity following the

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principles of natural justice and has taken into consideration various documents and come to the conclusion that insolvency resolution process should be initiated against the Personal Guarantor.

4.6 The twin issues for consideration in the present application are whether the invocation of guarantee is in accordance with Rule 3 (1)(e) of PG to CD Rules and whether the petition is barred by limitation. As per the prevailing legal position, application u/s 95 of the Code is not maintainable, unless the creditor has first invoked the guarantee prior to issuing the demand notice under in Form B under Rule 7(1). In present case, the Invocation of Guarantee notice is dated 09.02.2024 and the Demand Notice in Form B under Rule 7(1) was issued on 15.03.2024. While considering an application under section 95(1) of the Code, all that the Adjudicating Authority is to ascertain is whether there is a debt owed by the Respondent/Personal Guarantor to the Financial Creditor and whether the Respondent/Personal Guarantor has defaulted in repayment of such debt. It is not a relevant consideration to go into the reasons or circumstances under which the default took place in the hand of the Principal Borrower/Corporate Debtor.

4.7 It is pertinent to note that as per clause 9 and 14 of the Letter of Guarantee dated 28.04.2010:

*“(8)I/We agree that a statement of account signed by an Officer of the Bank showing the amount due by the Customers as appearing in the books of account of the Bank will be sufficient proof of the liability of the Customers and the same will be binding on me/us and I/we promise and agree **to pay on demand** being made upon me/us by the Bank the amount due at the foot of the said statement of account with interest mentioned above.”*

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*(14) A demand in writing shall be deemed to have been duly given to me/us or my/our heirs or assigns by leaving the same at my/our last known address recorded with the Bank and shall be effectual notwithstanding any change of address or notwithstanding notice thereof to the Bank and such demand if sent by post shall be deemed to be received by me/us or my/our heirs or assigns 24 hours after posting thereof and shall be sufficient if signed by any officer of the Bank and in proving such service it shall be sufficient to prove that the letter containing the demand was properly addressed and put into the post.”*

In terms of the above clauses of the Letter of Guarantee, it is evident that vide notice dated 09.02.2024, the Financial Creditor invoked the Deed of Guarantee by serving a notice requiring payment upon the Respondent/Personal Guarantor, calling upon her to discharge the outstanding, the total principal amount due of Rs. 71,44,86,176.53/- (Rupees Seventy One Crores Forty Four Lakh Eighty Six Thousand One Hundred And Seventy Six Rupees and Fifty Three Paise Only) plus interest and penal interest amount of Rs. 627,68,08,087.00/- (Rupees Six Hundred Twenty Seven Crores Sixty Eight Lakh Eight Thousand Eighty Seven Only) aggregating to Rs. 699,12,94,263.53/- (Rupees Six Hundred Ninty Nine Crores Twelve Lakh Ninty Four Thousand Two Hundred Sixty Three Rupees and Fifty Three Paise Only) as on 31.01.2024, along with unapplied interest and penalty that may accrue until the date of payment, to the Bank within 10 (ten) days of receipt of this letter.

- 4.8 In ***Asha Basantilal Surana v. State Bank of India & Ors., (2025) ibclaw.in 359 NCLAT***, it has been held that invocation of a personal guarantee must be in accordance with the terms of the Guarantee Agreement. In the present case, Clause

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9 and 14 of the Letter of Guarantee provides that the liability of the Guarantor arises upon the demand in writing by the Bank requiring payment of the amount due. The said clauses do not prescribe any specific mode or manner for issuance of such notice. In the present case, vide notice dated 09.02.2024, the Respondent/Personal Guarantor was called upon to pay the outstanding dues to the Financial Creditor within a period of 10 days. In view of Clauses 9 and 14, the issuance of such notice requiring payment constitutes invocation of the guarantee. Accordingly, the guarantee stood duly invoked upon service of the said notice in accordance with the Rule 3(1)(e) of the PG to CD Rules.

4.9 It is settled law that in case of a guarantee payable on demand, the date of default is to be reckoned with reference to the demand notice issued to the guarantor. The said notice dated 09.02.2024 called upon the guarantor within a period of 10 days from the date of the notice. The stipulated period of 10 days expired on 19.02.2024. As the guarantor failed to make payment within the said period, the default is deemed to have occurred on 19.02.2024.

This Application was filed on **15.10.2024**. Hence, it emerges that the Application has been filed within the prescribed limitation period under law in accordance with Section 238A of the Code and Article 137 of the Limitation Act, 1963.

### **ORDER**

In the result, the application, **C.P. (IB)/47(MB)2025** filed under section 95(1) of the Code, by **UCO Bank**, the petitioner/Financial Creditor, for initiating insolvency resolution process against **Mr. Umesh Jayanti Lal Mehta**, the Respondent/Personal Guarantor is **admitted**. We hereby direct that-

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- I. Insolvency Resolution Process against the Respondent/Personal Guarantor be initiated and moratorium in relation to all their debts is declared, from the date of this Order, and shall cease to have effect at the end of the period of 180 days, or when this Tribunal passes order on the repayment plan under Section 114, whichever is earlier, as provided under Section 101 of the Code. During the moratorium period
- a) Any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed, and;
  - b) The creditors of the debtors shall not initiate any legal action or proceedings in respect of any debt; and
  - c) The debtors shall not transfer, alienate, encumber, or dispose of any of their assets or their legal rights or beneficial interests therein;
- II. The IPE viz. **Sun Resolution Professionals Private Limited**, having Registration No. **IBBI/IPE/0064/IPA-1/2023-24/50043**, having address at 9-B, Vardan Complex, near Vimal House, Lakhudi Circle, Navrangpura, Ahmedabad- 380014 and Email: [rdc\\_rca@yahoo.com](mailto:rdc_rca@yahoo.com), who is appointed as Resolution Professional, is directed to cause public notice made on behalf of this Adjudicating Authority within 7 days of uploading this Order on the website of the NCLT, Mumbai Bench, inviting claims from all Creditors, within 21 days of such publication. The notice under Sub Section (1) of Section 102(2) shall include: -
- a) details of the order admitting the application;
  - b) particulars of the Resolution Professional with whom the claims are to be registered; and

- c) the last date for submission of claims.
- III. The publication of notice shall be made in two newspapers, one in English and other in Vernacular, which have wide circulation in the State where the Corporate Debtor has its registered office and the Respondents/Personal Guarantor resides. The Resolution Professional shall furnish two spare copies of the notices to the Registry for record.
- IV. The Resolution Professional, in exercise of the powers conferred under Section 104 of the Code, shall prepare a list of creditors on the basis of:
- a) the information disclosed in the Application;
  - b) claims received by the Resolution Professional under Section 102 of the Code within 30 days from the date of the notices;
  - c) The debtors shall prepare repayment plans under Section 105 of the Code, in consultation with the Resolution Professional, containing proposals to the creditors for restructuring of their debts or affairs;
  - d) The repayment plans may authorise or require the Resolution Professional to:
    - i. Carry on the debtors' businesses or trades on their behalf or in their names; or
    - ii. Realise the assets of the debtors; or
    - iii. Administer or dispose of any funds of the debtors
  - e) The repayment plans shall include the following, namely-
    - i. Justification for preparation of such repayment plans and reasons based on which the creditors may agree upon the plans;

- ii. Provide for payment of fee to the Resolution Professional; and
  - iii. Such other matters as may be specified.
- V. The Resolution Professional shall submit the repayment plan along with his Report on the plan to this Tribunal within a period of 21 days from the last date of submission of claims, as provided under Section 106 of the Code.
- VI. In case the Resolution Professional recommends that a meeting of the creditors is not required to be called, he shall record the reasons thereof. If the Resolution Professional is of the opinion that meetings of the creditors should be summoned, he shall specify the details as provided under Section 106(3) of the Code. The date of meetings should not be less than 14 days or more than 28 days from the date of submission of the Report under sub-section (1) of Section 106 of the Code, for which at least 14 days 'notice to the creditors (as per the list prepared) shall be issued by all modes. Such notices must contain the details as provided under the provisions of Section 107 of the Code.
- VII. The meetings of the creditors shall be conducted in accordance with Sections 108, 109, 110 and 111 of the Code. The Resolution Professional shall prepare Report of the meetings of the creditors on repayment plans with all details as provided under Section 112 of Code and submit the same to this Tribunal, copies of which shall be provided to the debtors and the creditors. It is made clear that the Resolution Professional shall perform his functions and duties in compliance with the Code of Conduct provided under Section 208 of the Code and the Rules and Regulations made thereunder.

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- VIII. The Resolution Professional shall submit his periodic reports before this Tribunal every 30 days.
- IX. In exercise of the powers conferred on this Tribunal under Rule 11 of the NCLT Rules, 2016, the Financial Creditor is directed to deposit Rs.5,00,000/- (Five Lakh Rupees) to the bank account of the Resolution Professional within one week towards his fees.
- X. The designated Registrar is directed to forward electronic version of this Order to the IBBI for information, dissemination for the stakeholders and for maintenance of data.
- XI. The Registry is directed to communicate a copy of this Order, Report and the Application within seven working days to the concerned parties and upload the same on the website immediately after the pronouncement of this Order.

**Sd/-**

**SANJIV DUTT**  
**MEMBER (TECHNICAL)**

//LRA- Khyati Sachdev//

**Sd/-**

**ASHISH KALIA**  
**MEMBER (JUDICIAL)**