IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH - I
C.P. (IB) NO. 207/MB/2026

Under Section 95 of the Insolvency & Bankruptcy Code, 2016 r/w 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.

In the matter of

Canara Bank Ltd. ...Petitioner/Financial Creditor

Versus

Mr. Bapusaheb V. Bandal …Respondent/Personal Guarantor

Order pronounced on 14.07.2026

Coram:

Prabhat Kumar Member (Technical)	Sushil Mahadeorao Kochey Member (Judicial)

Appearances:

For the Applicant	:	Adv. Rukshin Ghiara
For the Resolution Professional	:	Adv. Shreya Moondhra

BRIEF FACTS:

1. The present petition is filed *u/s.* 95 (1) of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred to as "IBC/Code") *r/w* Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 by **Canara Bank Limited** ("hereinafter referred to as Petitioner/Financial Creditor") for initiating insolvency process against **Mr. Bapusaheb V. Bandal** ("hereinafter referred to as Personal

Guarantor/Respondent") for outstanding debt of **Rs. 8,35,41,516/- (Rupees Eight Crores Thirty-Five Lakhs Forty-One Thousand Five Hundred and Sixteen Only)** with further interest and charges payable. The Date of Default as specified in Part-III of the present petition is 03.01.2023.

2. The Petitioner is a scheduled commercial bank constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970, having its Head Office at 112, J.C. Road, Bengaluru – 560002, and, inter alia, having a Branch Office at Red Cross Building, 11 M.G. Road, Pune Camp, Pune, Maharashtra - 411001.
3. The Personal Guarantor, viz. Mr. Bapusaheb V. Bandal having his address at Bandal Chowk, Shikrapur, Shirur, Pune District, Maharashtra – 412208, stood as the Guarantor for M/S. Raireshwar Packaging Pvt. Ltd. (hereinafter referred to as the "Corporate Debtor/ Principal Borrower") to secure the credit facilities extended to the Corporate Debtor.
4. The Corporate Debtor was incorporated on 24.07.2017 bearing CIN U74999PN2017PTC171130 and has its registered address at H.NO. 670, Vadhu BK, Tal. Shirur, Pune, Maharashtra, India - 412216.

SUBMISSIONS OF THE APPLICANT:

5. The Corporate Debtor approached the Applicant for grant of a Cash Credit Facility of Rs. 4,90,00,000/- (Rupees Four Crore Ninety Lakhs Only) under the MSME Scheme for meeting its working capital requirements. It is submitted that the said facility was sanctioned vide Sanction Letter dated 23.10.2019.
6. It is submitted that, to secure the aforesaid credit facility, Mr. Sitaram Laxman Shivale, Director of the Corporate Debtor, executed a registered Simple Mortgage Deed dated 24.10.2019 in favour of the Applicant Bank by mortgaging immovable property bearing Gat No. 1195 admeasuring 01 Hector 17 Aar situated at

Village Wadhu Budruk, Taluka Shirur, District Pune, (hereinafter refer as the **“Said Mortgage Property”**) as security for the Cash Credit Facility of Rs. 4,90,00,000/-. The said simple mortgage is registered with the Sub Registrar Office, Talegaon Dhamdhere at Serial No. 7585/ 2019.

7. It is submitted that, pursuant to the sanction of the credit facility, the Corporate Debtor has executed various security and loan documents on 30.10.2019, including the Promissory Note, Cash Credit Agreement, Hypothecation Agreement, Agreement relating to Book Debts, to secure the repayment of the credit facility.
8. It is submitted that the Respondent executed a Guarantee Agreement dated 30.10.2019 in favour of the Applicant, thereby guaranteeing repayment of the Cash Credit Facility of Rs. 4,90,00,000/- availed by the Corporate Debtor.
9. In June 2020, the Corporate Debtor again approached the Applicant Bank seeking a Working Capital Term Loan of Rs, 21,00,000/- under the Guaranteed Emergency Credit Line (GECL) Scheme to mitigate the financial impact of the COVID-19 pandemic.
10. It is submitted that, upon consideration of the request, the Applicant Bank sanctioned a Working Capital Term Loan of Rs. 21,00,000/- to the Corporate Debtor under the GECL Scheme vide Sanction Letter dated 15.07.2020.
11. It is submitted that, pursuant to the sanction of the Working Capital Term Loan, the Corporate Debtor executed the requisite loan and security documents, including a Promissory Note, Supplemental Hypothecation Agreement dated 17.07.2020, and an Additional Simple Mortgage Deed dated 16.07.2020, creating additional security over the said mortgaged property in favour of the Applicant Bank.
12. Thereafter in August 2020, the Corporate Debtor approached the Applicant Bank seeking a Term Loan of Rs. 3,37,50,000/- for

purchase and installation of a boiler to augment its existing corrugated box manufacturing facility. Upon consideration of the request, the Applicant Bank sanctioned a Term Loan of Rs. 3,37,50,000/- to the Corporate Debtor vide Sanction Letter dated 25.09.2020 for the purchase and installation of a boiler for its manufacturing unit.

13. It is submitted that, pursuant to the sanction of the said Term Loan, the Corporate Debtor executed the requisite loan and security documents, including the Deed of Hypothecation, Supplemental Common Hypothecation Agreement on 30.09.2020. Also, the Respondent executed a Guarantee Agreement dated 30.09.2020 in favour of the Applicant, thereby guaranteeing repayment of the Cash Credit Facility of Rs. 3,37,50,000/- availed by the Corporate Debtor. It is further submitted that a Second Supplementary Simple Mortgage Deed was also executed on 30.09.2020, in respect of the said mortgage property for creating additional security in favour of the Applicant Bank.

14. Thereafter in November 2020, the Corporate Debtor once again approached the Applicant Bank for a Vehicle Loan of Rs. 34,00,000/- for the purchase of a Kia Carnival Limousine, which was sanctioned by the Applicant vide Sanction Letter dated 13.11.2020. The said Loan was to be repaid in 83 instalments of Rs. 51,899/- (Rupees Fifty-One Thousand Eight Hundred and Ninety-Nine Only) each commencing from 13.12.2020. Pursuant to the sanction of the Vehicle Loan, the Corporate Debtor executed the Vehicle Loan Agreement dated 13.11.2020.

15. It is submitted that, on 16.12.2022, the Corporate Debtor executed an Acknowledgement of Debt and Security in favour of the Applicant, acknowledging and confirming the outstanding liability under the Term Loan Account.

16. Thereafter on 28.12.2022, the Applicant Bank renewed the existing

Overdraft/Cash Credit facility of the Corporate Debtor by sanctioning the renewal under the MSME Sulabh Scheme through its Regional Office, Pune. It is further submitted that, on 30.12.2022, the Corporate Debtor again executed an Acknowledgement of Debt and Security in favour of the Applicant, acknowledging and confirming the outstanding liability under the Cash Credit Account.

17. It is submitted that the Corporate Debtor committed persistent defaults in repayment of the credit facilities and failed to regularize the loan accounts despite repeated demands by the Applicant, thereby breaching the terms and conditions of the sanction. Consequently, in accordance with the Reserve Bank of India guidelines, the loan accounts of the Corporate Debtor were classified as Non-Performing Assets (NPA) on 03.01.2023.

18. The Applicant issued a Demand Notice dated 04.01.2023 under Section 13(2) of the SARFAESI Act, 2002 to the Corporate Debtor and its Personal Guarantors, including the Respondent, calling upon them to discharge the outstanding dues within 60 days from date of notice. However, despite service of the said notice, the Corporate Debtor and the Personal Guarantors failed to liquidate the outstanding liabilities.

19. It is submitted that, upon failure of the Corporate Debtor and the Personal Guarantors to discharge the outstanding dues, the Applicant instituted Original Application (O.A) No. 182 of 2023 before the Debts Recovery Tribunal, Pune, which is presently pending adjudication.

20. Thereafter, a Statutory Demand Notice 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 was issued to the Personal Guarantors on 22.12.2025. However, no repayment or settlement has been affected. Despite repeated notices and opportunities,

neither the Corporate Debtor nor the Personal Guarantor discharged the outstanding dues.

21. As on 09.12.2025, the total outstanding amount payable by the Corporate Debtor and the Personal Guarantor is stated to be Rs. 8,35,41,516/- (Rupees Eight Crores Thirty-Five Lakhs Forty-One Thousand Five Hundred and Sixteen Only) along with further interest and charges, which continue to accrue.
22. In view of the continued default and failure of the Personal Guarantor to honour the guarantee obligations, the Applicant filed the present Petition seeking initiation of Insolvency Resolution Process against the Respondent under Section 95 of the Code.
23. The Applicant further Submitted that the debt in respect of which the present insolvency resolution process has been initiated does not include any ‘excluded debt’ as defined under the provisions of the Insolvency and Bankruptcy Code, 2016, namely:
    i. any liability to pay fine imposed by a Court or Tribunal;
    ii. any liability to pay damages for negligence, nuisance, or breach of statutory, contractual or other legal obligations;
    iii. any liability to pay maintenance to any person under any law for the time being in force;
    iv. any liability in relation to a student loan; and
    v. any other debt as may be prescribed under Section 79(15)(e) of the Insolvency and Bankruptcy Code, 2016.

<u>SUBMISSIONS OF THE RESOLUTION PROFESSIONAL:</u>

24. This Tribunal, vide Order dated 05.03.2026, appointed **Mr. Akhil** Ahuja as the Resolution Professional and directed him to submit a report under Section 99 of the Insolvency and Bankruptcy Code, 2016 within a period of 10 days. Pursuant thereto, the Resolution Professional filed IA (I.B.C.) No. 1598/MB/2026 for placing the said report on record, which came to be taken on record by this

Tribunal vide Order dated 22.04.2026.

25. The Resolution Professional, in view of the detailed examination of the Application along with the supporting documents, has recommended that the Application filed by the Financial Creditor, namely Canara Bank, under Section 95(1) of the Insolvency and Bankruptcy Code, 2016, bearing C.P. (IB) No. 207/2026, be admitted under Section 100 of the Code and that the Insolvency Resolution Process be commenced against the Personal Guarantor, namely Mr. Bapusaheb V. Bandal.

26. The Resolution Professional further states that

"In view of the detailed examination of the application along with the supporting documents thereof, the Resolution professional do hereby recommend that the Application filed by the creditor, viz., Canara Bank, under Section 95(1) of the code vide C.P. (IB) - 207/2026 to be admitted under Section 100 of the Code and the Insolvency Resolution Process be commenced against the Personal Guarantor, viz., Sh. Bapusaheb V. Bandal for the reasons established in Para 11 above, which are mentioned below:

a. *There is nothing on record to prove that the Personal Guarantor had denied the existence of debt or default, as explained in para 11-C.*
b. *It is established that the Personal Guarantor, viz., Sh. Bapusaheb V. Bandal has committed default for an amount of more than INR 1,000/- (Rupees One Thousand only), as explained in Para 11.*
c. *The Application is rightly filed before the Hon'ble NCLT, Mumbai Bench, which have jurisdiction over the place where the Personal Guarantor actually and voluntarily resides and carries on his business for gain and also the registered offices of the Corporate Debtor is situated in Pune, Maharashtra.*
d. *A demand notice demanding payment of amount in default has*

been served on the Personal Guarantor before filing the Application, as explained in Para 11.

e. *The Application filed by the Creditor is complete and satisfies the requirements as set out in Section 95 of the Code as explained in Paral 1-G.*

Considering the above, it is recommended by the Resolution Professional that the application for initiation of insolvency resolution process filed by Canara Bank against Sh. Bapusaheb V. Bandal, Personal Guarantor to M/S Raireshwar Packaging Private Limited do hereby admit under the orders and directions of this Hon'ble Tribunal."

Findings & Analysis:

27. Heard learned counsel for the Petitioner. The Personal Guarantor was proceeded ex-parte. It is recorded in order dated 22.06.2026 that

"…*Record reveals that the matter was listed on Board on 02.06.2026, on which date, the Respondent was granted last opportunity to file and placed on record Affidavit in Reply well before the adjourned date thereby duly serving a copy thereof to the other side well in advance.*

3) Even after granting the opportunity to the Personal Guarantor and clear & categorical directions on 02.06.2026, the Respondent/Personal Guarantor, chose not to appear before this Bench and file Reply in the matter.

4) In that view of the matter, the present Company Petition against the Personal Guarantor herein, is thus, proceeded ex parte."

28. We have perused the documents on record, including the report submitted by the Resolution Professional under Section 99 of the Code. The present petition is filed on 24.02.2026.

29. The existence of financial debt stands established by the loan

documents, sanction memorandum, promissory note, Deed of Hypothecation and security documents executed in during the period from 2019 to 2020.

30. The execution of Guarantee Agreements dated 30.10.2019 and 30.09.2020 by the Respondent establishes his status as Personal Guarantor with co-extensive liability under Section 128 of the Indian Contract Act, 1872.

31. The Guarantee was invoked vide Demand Notice dated 04.01.2023 under Section 13(2) of the SARFAESI Act, 2002 to the Corporate Debtor and its Personal Guarantors, including the Respondent, calling upon them to discharge the outstanding dues. It observed that despite service of the said notice, the Corporate Debtor and the Personal Guarantors failed to liquidate the outstanding liabilities.

32. Upon perusal of the Demand Notice issued under [Under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtors) Rules, 2019] sent to the Respondent in respect of unpaid debt in default due from Applicant. It is stated in the Notice dt. 22.12.2025, that "the undersigned request you to unconditionally pay the unpaid debt in default in full within fourteen days from the receipt of this letter, failing which, the insolvency resolution process, under the code shall be initiated against you".

33. The statutory requirements under Section 95 read with Rule 7 of the 2019 Rules have been complied with. The Resolution Professional, in exercise of powers under Section 99(9), has recommended admission.

34. Hence, this Tribunal is satisfied that a debt is due and payable by the Personal Guarantor and that the default has occurred. The Application is complete in terms of the Code and Rules. Accordingly, the requirements under Section 100 of the Code stand fulfilled.

35. Since there exists a debt and there is a default in payment thereof and such default amount exceeds the threshold limit as applicable to the personal guarantor for invoking jurisdiction of this Tribunal, the Petition deserves to be allowed for commencement of insolvency resolution process in case of personal guarantor.

ORDER:

36. Upon perusal of the documents on record, it is clearly established that the Corporate Debtor has committed defaults in repayment of loan amount granted by the Financial Creditor. **Mr. Bapusaheb V. Bandal**, Personal Guarantor to **M/S. Roofit Industries Limited** has also committed default in payment of amount due from the Principal Borrower in terms of guarantee after invocation thereof. The Application filed by the Creditor satisfies the requirement as set out in Section 95 of the Code. Hence, we have no hesitation to hold that the Respondent is liable to be admitted to the bankruptcy process in terms of Section 100 (2) of the Code.

37. Considering the above facts and circumstances and upon perusal of the documents on record, the C.P. (IB)/207/MB/2026 filed under Section 95 of the IBC, 2016 is hereby **Admitted** and the Insolvency Resolution Process stands initiated against **Mr. Bapusaheb V. Bandal** *viz.* the Respondent herein. We hereby direct as hereinafter:

    I. Initiate Insolvency Resolution Process against the Respondent/Personal Guarantor and moratorium in relation to all the debts is declared, from today *i.e.* date of admission of the application, and shall cease to have effect at the end of the period of 180 days, or this Tribunal passes order on the repayment plan under Section 114 whichever is earlier as provided under Section 101 of IBC, 2016. 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 debtor shall not initiate any legal action or proceedings in respect of any debt; and

c. The debtor shall not transfer, alienate, encumber, or dispose of any of his assets or his legal rights or beneficial interest therein;

d. The provisions of this section shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

II. The Resolution Professional *viz.* **Mr. Akhil Ahuja,** having Insolvency Registration No. **IBBI/IPA-001/IP-P-02072/2020-2021/13213,** having address Floor- 8, Flat No. 803, Chandak Cornerstone, David S Barretto Road, Upper Worli, Mumbai – 400 018, having E-mail address caakhilahuja@gmail.com, having Mobile No. 9911331599, is directed to cause a public notice published on behalf of the Adjudicating Authority within 7 days of passing this Order on the website of the NCLT Mumbai Bench, inviting claims from all Creditors, within 21 days of such issue. The Resolution Professional shall discharge the functions/duties casted upon him under the provisions of the Code in this relation within time bound manner and shall be empowered to exercise the powers vested in him for discharge of such functions/duties.

III. The Applicant is directed to deposit **INR 75,000/-** (Indian Rupees Seventy-Five Thousand) or such amount as is agreed between the Resolution Professional and the Applicant to the bank account of the Resolution Professional within **one week**, towards his fees and out of pocket expenses, which shall be such as is approved by the applicant herein and subsequently confirmed by the Creditors. This shall be subject to the rules and regulations under the provisions of the Insolvency and Bankruptcy Code, 2016.

IV. The Registry is directed to communicate a copy of order to the Resolution Professional immediately after the pronouncement of order, and upload the same on the website within **seven** working days after the pronouncement of order.

V. Ordered accordingly.

SD/-	**SD/-**
Prabhat Kumar	Sushil Mahadeorao Kochey
Member (Technical)	Member (Judicial)

Vipul Ghate