IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH (COURT – II)

Item No. 216
IB-652/ND/2025
IA-638/ND/2026

IN THE MATTER OF:
Equentia Financial Service Pvt. Ltd
Having its office at:
5th floor, Satyam Tower, off Govandi Station Road , Deonar, Mumbai--400 088 ... **Applicant**

Versus

Saloni Ayush Aggarwal
(Personal Guarantor)
401-501, Dharam Palace-2, Parle Point Surat City, Surat Guajarat-395007 ... **Respondent/Guarantor**

AND IN THE MATTER OF IA NO. 638/ND/2026:
Mr. Loveneet Handa
RESOLUTION PROFESSIONAL
IP REGISTRATION NUMBER: IBBI/IPA-002/
IP-N01048/20202021/13386
REGD. AND COMMUNICATION ADDRESS: 201,
SECOND FLOOR, PARK VIEW COMPLEX,
PLOT NO. 48 HASANPUR, I.P. * EXTENSION,
DELHI-110092 ... **Applicant**

Versus

Ms. Saloni Ayush Aggarwal
PERSONAL GUARANTOR
OF PRAFFUL OVERSEAS
PRIVATE LIMITED
ADDRESS- 401-501, DHARAM PALACE-2,
PARLE POINT, SURAT-395007, GUJARAT ... **Respondent**

Under Section: 95(1) of IBC, 2016

Order delivered on 31.08.2026

CORAM:

SH. ASHOK KUMAR BHARDWAJ **HON'BLE MEMBER (J)**	**SH. ATUL CHATURVEDI** **HON'BLE MEMBER (T)**

PRESENT:

For the Financial Creditor	**:**	Adv. Harshvardhan Jha, Adv. Shruti Sharma, Adv. Aman Pathak

For the Respondent	**:**	Adv. Rahul Gupta, Adv. Rahul Dadhich, Adv. Garima Malhotra
For the RP	**:**	Adv. Ashutosh Gupta and Adv. Ajitesh Kumar

Hearing Through: VC and Physical (Hybrid) Mode

ORAL ORDER

IA-798/ND/2026, IA-638/ND/2026, IA-972/ND/2026: The Personal Guarantors in all three applications, viz. Ms. Sangeeta Aggarwal, Ms. Saloni Ayush Aggarwal and Mr. Sri Narayan Aggarwal stood as Personal Guarantors qua the same financial facility extended by the Creditor, namely, Equentia Financial Services to Prafful Overseas Private Limited. The RP has given details of the financial debt and the personal guarantees in paras 3 to 11 of the application, viz. IA-798/ND/2026, which read thus:-

3. The Financial Creditor, upon request of the Corporate Debtor, vide its Facility Agreement dated 28.03.2023, sanctioned Working Capital Demand Loan of Rs. 10,00,00,000/- (Rupees Ten Crores only) to the Corporate Debtor. Which was to be disbursed in tranches, with each tranche being of a minimum amount of Rs. 50,00,000/- (Rupees Fifty Lakhs only).

4. That in terms of the Facility Agreement dated 28.03.2023 (Mentioned at page 43 of the section 95 Application), the facility stood secured, inter alia by the unconditional and irrevocable personal guarantees executed by the Guarantors, namely a. Mr. Aayush Aggarwal, Mr. Raveesh Aggarwal, Mrs. Saloni Ayush Aggarwal, Mrs. Sangeeta Aggarwal, Mr. Sri Narain Aggarwal, Mr. Srinarain Aggarwal and Mr. Varun Aggarwal.

5. That pursuant to the Facility agreement dated 28.03.2023 entered between the Corporate Debtor and the Financial Creditor a Deed of Personal Guarantee dated 28.03.2023 was execute the Respondent and the Financial Creditor wherein as per Clause 3 of the Deed of Personal Guarantee (Mentioned at page 96 of the section 95 Application) the Respondent is to provide an unconditional and irrevocable guarantee in favour of the Financial Creditor.

6. That the Facility Agreement dated 28.03.2023 was entered into between the Corporate Debtor and the Financial Creditor, wherein, as per Schedule–1, certain security conditions were agreed upon, including issuance of 5 (Five) post-dated cheques, unconditional and irrevocable personal guarantees and cash collateral of 7.50% of the facility, as specifically (mentioned at page 80 of the Section 95 Application).

In furtherance of the said security arrangement, the Corporate Debtor issued the aforesaid five (5) post-dated cheques bearing no. 040447, 040448, 040449, 040450 and 040451 at the time of execution of the

Facility Agreement. Subsequently, Corporate Debtor failed to make payments of the overdue amount and accordingly, the Financial Creditor had utilized cheque no. 040450 in order to recover the overdue amount however, the cheque was dishonoured and accordingly appropriate proceedings were initiated against the Corporate Debtor under Section 138 of the Negotiable Instruments Act, 1881, by filing Case No. CS/420620/2025, instituted on 29.10.2025.

Thereafter, summons was issued on 26.11.2025, and on 29.12.2025, the learned Advocate appearing on behalf of the accused entered appearance before the Hon'ble 12th Court of the Judicial Magistrate, where the matter is presently pending adjudication.

7. That Equentia Financial Service Private Limited duly submitted its claim before the Interim Resolution Professional, Mr. Amrish Navinchandra Gandhi, appointed in the Corporate Insolvency Resolution Process of Prafful Overseas Private Limited, in Form C on 15.04.2025 (Mentioned at page 147 of the section 95 Application). The said claim was examined and admitted by the Interim Resolution Professional in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016. Subsequently, pursuant to the constitution of the Committee of Creditors and the recommendation of the CoC, the Interim Resolution Professional was replaced and Mr. Jigar Tarunkumar Bhatt was appointed as the Resolution Professional (RP) in respect of the CIRP of Prafful Overseas Private Limited

It is further submitted that the Financial Creditor has also communicated with the then Resolution Professional Mr. Jigar Tarunkumar Bhatt regarding the debts and the claims submitted, and relevant correspondence has been recorded in the ongoing insolvency proceedings. However, owing to internal management constraints arising during the CIRP, Equentia Financial Service Private Limited has not

been able to effectively exercise and realise its full legal and financial recovery rights in the ongoing insolvency process.

8. That the events culminating, the Corporate Debtor's continued failure to discharge its dues despite repeated reminders and opportunities granted by the Financial Creditor. The financial Creditor issued Loan Recall Notice dated 24.04.2024 upon the corporate Debtor and its Personal Guarantors (Mentioned at page 116 of the section 95 Application), wherein outstanding obligations aggregating to Rs. 9,64,69,666/- (Rupees Nine crores Sixty-Four Lakhs Sixty-Nine Thousand Six Hundred Sixty-Six Only) as on 24.04.2024. The notice was serviced through speed post on 25.04.2024.

9. That the Financial Creditor issued a Demand Certificate dated. 26.04.2024 (Mentioned at page 121 of the section 95 Application) as per Clause 2.2 of the Deed of Personal Guarantee upon the Respondent mentioning that the Corporate Debtor has failed to discharge its obligations under the Facility agreement and an amount of Rs. 9,64,69,666/- (Rupees Nine crores Sixty-Four Lakhs Sixty-Nine Thousand Six Hundred Sixty-Six Only) on 24.04.2024 is due and payable by the Corporate Debtor to the Financial Creditor. The notice was serviced through speed post on 26.04.2024.

10. That a notice of Invocation of Deed of Personal Guarantee dated 01.05.2024 (Mentioned at page 122 of the section 95 Application) was issued by the Financial Creditor upon the Respondent invoking the rights under Deed of Personal Guarantee and demanded to pay the outstanding dues amounting to Rs. 9,64,69,666/- (Rupees Nine crores Sixty-Four Lakhs Sixty-Nine Thousand Six Hundred Sixty-Six Only) on 24.04.2024. The notice was serviced through speed post on 02.05.2024. The receipt dated 25.04.2024, 26.04.2024 and 02.05.2024 is annexed herewith and marked as **ANNEXURE 3 (Colly).**

11. That accordingly, the Financial Creditor issued Demand Notice dated 04.06.2024 in compliance of Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtors) Rules, 2019 upon the Personal Guarantor. That the total outstanding dues along with the interest Rs. 9,64,69,666/- (Rupees Nine crores Sixty-Four Lakhs Sixty-Nine Thousand Six Hundred Sixty-Six Only) as on 24.04.2024, which is payable by the Corporate Debtor and the Personal Guarantors to the Corporate Debtor. That the service of Form -B was done through email dated 05.06.2024 (Mentioned at page 124 of the section 95 application).

1. It is worth taking note of the fact that the contents of all three applications are *pari materia.* The Applicant/RP has espoused compliance with Section 95(4) of the Code. The relevant excerpt of the report/application reads thus:-

THE APPLICATION SATISFIES THE REQUIREMENTS SET OUT UNDER SECTION 95 OF IB CODE

At the outset, from the above facts, documents and information on record derived upon the perusal of the application together with annexures annexed therewith, I hereby conclude: -

1. That the Respondent is a personal guarantor to a borrower company and in respect of whom guarantee has been invoked by the creditor and the outstanding amount payable, as detailed herein above remains unpaid. Hence the requirement set out in rule 3(e) of PG Rules, 2019 is satisfied.

2. That the creditor has served the guarantor, a demand notice dated 04.06.2024 under rule 7(1) of PG rules, 2019 demanding payment of the amount of default which is more than Rupees One Thousand.

3. That the debtor has failed to pay the debt within a period of 14 days of the service of the notice of demand. Hence, the requirement as set out under sections 78 and 95 read with rule 7(1) of PG Rules, 2019 is satisfied.

4. That all the debts mentioned in the application are not excluded debts.

5. That the Respondent Personal Guarantor is not an undischarged bankrupt, is not undergoing fresh start process, is not undergoing an insolvency resolution process and/or is not undergoing bankruptcy process.

6. That no application under the chapter III has been admitted in respect of debtor during the period of twelve months preceding the date of submission under sec 95.

7. That the application has been duly filed in the prescribed "Form-C" along with requisite fees of Rs. 2000/- and a copy of this application has been served to the guarantor, borrower company for whom the guarantee has been given by the debtor, & Board. Hence, the requirement set out under Section 95(6) & rule 7(2 & 3) of PG Rules, 2019 is satisfied.

8. That the application filed under Section 95(1) is accompanied with details and documents relating to:

a) the debts owed by the debtor to the creditor submitting the application for insolvency resolution process as on the date of application,

b) the failure by the debtor to pay the debt within a period of fourteen days of the service of the notice of demand; and

c) relevant evidence of such default or non-repayment of debt.

Hence, the requirement of Sec 95(4) is satisfied.

9. That the Respondent also failed to prove, as sought by the RP via mail dated 05.02.2026 and reminder email dated 12.02.2026, the repayment of the debt claimed as unpaid by the creditor by furnishing –

a) evidence of electronic transfer of the unpaid amount from the bank account of the debtor;

b) evidence of encashment of a cheque issued by the debtor; or

c) a signed acknowledgement by the creditor accepting receipt of dues.

10. That after looking into status of debts owned in the backdrop of the debtor, the only way out is to make the creditors and debtor sit together for the purpose of conducting negotiations between the debtor and creditor and for arriving at a repayment plan.

2. The Applicant has also indicated the satisfaction of the requirements of Section 99(2) of the Code. The relevant excerpts of the application read thus:-

COMPLIANCE OF TERMS OF SECTION 99 OF THE INSOLVENCY AND BANKRUPTCY CODE, 2016

1. **Compliance of Section 99(2) of the Code: - Section 99(2) of the Insolvency and Bankruptcy Code, 2016 provides that where an application has been filed under Section 95 of the Code, the Resolution Professional may require the debtor to prove repayment of the debt claimed as unpaid by the creditor. In compliance with the provisions of Section 99(2) of the Code, the undersigned Resolution Professional informed the Personal Guarantor vide email dated 05.02.2026 and Email dated 12.02.2026 regarding the initiation of the insolvency proceedings and further called upon him to prove repayment of the debt claimed as unpaid by the Financial Creditor.**

   That despite issuance of the aforesaid communication and reminder, no response whatsoever was received from the Respondent/Personal Guarantor to and no proof of repayment or payment towards the debt claimed by the Applicant Financial Creditor was furnished.

2. **Compliance of Section 99(3) of the Code: - Section 99(3) of the Insolvency and Bankruptcy Code, 2016 provides that where the debt for which an application has been filed by a creditor is registered with an Information Utility, the debtor shall not be entitled to dispute the validity of such debt.**

   In the present case, the Financial Creditor has duly filed the information of default with the Information Utility, namely National E-Governance Services Limited (NeSL), in respect of the debt owed by M/s Prafful Overseas Private Limited. The said information of default bears Unique Debt Identifier (UDI): AAECE8306J_10300000288401.

   The information of default was submitted by the Financial Creditor on 07.10.2024 and 08.10.2024, and the same has been authenticated and deemed to be authenticated by the Debtor, as reflected in the records of the Information Utility, with authentication completed on 08.11.2024 and 09.11.2024 respectively.

   In view of the aforesaid registration and authentication of the debt with the Information Utility, the Personal Guarantor/Debtor is not entitled to dispute the existence or validity of the said debt, in terms of Section 99(3) of the Code. (Mentioned at page 145 of 95 Application).

3. **Compliance of Section 99(4) read with Section 99(6)(b) of the Code: - The information and documents provided by the Financial Creditor along with the Insolvency Application filed under Section 95 of the Code were complete, exhaustive and sufficient for the purpose of examination under Section 99 of the Code.**

3. The RP has made a recommendation for admitting the application. The recommendation reads thus:-

> **RECOMMENDATION BY RESOLUTION PROFESSIONAL U/S 99(1) & (7) OF THE CODE.**
>
> I, **Loveneet Handa** having Registration Number: IBBI/IPA-002/IP N01048/2020-2021/13386 was appointed as Resolution Professional under sub section (5) of Section 97 vide order dated 29.01.2026 (Received on 04.02.2026), in connection with the insolvency resolution process of Ms. Sangeeta Aggarwal, Personal Guarantor to Prafful Overseas Private Limited, hereby, on the basis of the gathered facts and figure is of the view that the application of creditor (Equentia Financial service Private Limited) satisfies all the requirement u/s 95 of Code read with Personal Guarantors Rules, 2019.
>
> In such premises it is just and equitable that insolvency resolution process be initiated against the Respondent/Personal Guarantor under the orders and direction of this Hon'ble Adjudicating Authority.
>
> Therefore, I hereby recommend that present application be admitted by this Hon'ble Adjudicating Authority.

4. Mr. Rahul Gupta, Ld. Counsel for the Personal Guarantors in all the three applications could rely upon the judgment of the Hon'ble NCLAT in ***Sushant Chhabra versus Catalyst Trusteeship Ltd. & Anr. (Comp. Appeal AT (insolvency) No. 443/2026)*** to espouse that since as on the date of filing of IA 798/ND/2026 and IA-972/ND/2026, the PIRP initiated qua them by Canara Bank was pending before the Ahmedabad Bench of this Tribunal, the present application would be hit by Section 96 of the Code. He relied upon paras 23 and 24 of the judgment, which reads thus:-

> *23. From the facts noted above, it is clear that although on the date when the Section 95 application was filed by the Catalyst Trusteeship Ltd. against the Appellant herein on 05.08.2025, interim moratorium was already operating in the Section 95 application filed by Canara Bank against the Appellant. The judgment referred to above clearly prohibits any such institution. The distinguishing feature, which the Respondent is contending herein, is that even though the application was filed by Canara Bank prior in time and the*

moratorium had been triggered, the application having been withdrawn on 10.11.2025, there was no inhibition in admitting the Section 95 application filed by the Financial Creditor against the Appellants herein. The real question to be considered and answered is whether, due to withdrawal of the Section 95 application by Canara Bank, the prohibition which was triggered due to interim moratorium shall come to an end. When the application under Section 95 filed by Canara Bank was withdrawn on 10.11.2025, admittedly the moratorium came to an end, and there was no prohibition and the interim moratorium no longer existed, but what is the consequence of withdrawal of the Section 95 application on 10.11.2025 on the moratorium, which was in operation on 05.08.2025, when the Section 95 application filed by Catalyst Trusteeship Ltd. against the Appellants.

24. The statutory moratorium, which was triggered on 12.01.2025, continued to operate till 10.11.2025 when the application filed by Canara Bank was withdrawn. Section 101 of the IBC provides that when application under Section 100 is admitted, a moratorium shall commence, which shall cease to have effect at the end of period of 180 days. Thus, moratorium comes to an end on the day when application is admitted or rejected. The interim moratorium which commences on filing an application, is a statutory moratorium provided by enactment. During the interim moratorium various actions are prohibited as enumerated in Section 96, sub-section (1). The statutory interim moratorium which triggered in Section 96, shall come to an end only when application under Section 95 is either rejected or admitted. The interim moratorium in Section 96 has statutory consequences, which interim moratorium *although shall come to an end when application is either dismissed or admitted or withdrawn, but during the period when interim moratorium is operating, any initiation of proceeding shall be non-est in law. The Hon'ble Supreme Court in Alchemist Asset Reconstruction Company Ltd. in Paragraph-6 has clearly held that after enforcement of moratorium under Section 14 of the IBC, any arbitration proceeding initiated is non-est in law. Thus, the proceeding, which was initiated by Financial Creditor during the currency of interim moratorium, were non-est from the very beginning, cannot become legal proceeding after interim moratorium is withdrawn on 10.11.2025. Personal Guarantors before the Adjudicating Authority has raised the issue that application is not maintainable. In the reply filed to Section 95 application, the Personal Guarantors has relied on Section 95 application filed by the Canara Bank. The Adjudicating Authority observed that Personal Guarantors has not filed reply to the report under Section 99, and they have only filed reply to Section 95 application. When the Personal Guarantors has raised objection to the application and has pointed out that earlier application under Section 95 by the Canara Bank has already been filed, which was noticed by Adjudicating Authority to be withdrawn on 10.11.2025, the Adjudicating Authority committed error in not considering the effect and consequences of triggering of interim moratorium on filing of the application by the Canara Bank and the effect of the said moratorium on the application filed by Catalyst Trusteeship Ltd. on 05.08.2025. We, thus, are of the view that order of the Adjudicating Authority admitting Section 95 application cannot be sustained.*

5. As can be seen from IBC (Amendment) Act, 2026, by way of the provisions contained in Section 51 thereof, the provisions of Section 96 of the Original Act are amended and it is made clear that the provision of Section 96 would not apply where an application is filed for initiating insolvency resolution process in respect of a personal guarantor to a corporate debtor. The provisions of Section 51 read thus:-

> *51. In section 96 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:–*
>
> *"(4) The provisions of this section shall not apply where an application is filed for initiating an insolvency resolution process in respect of a personal guarantor to a corporate debtor."*

6. In terms of the judgment dated 24.07.2026 passed by the Hon'ble High Court of Bombay in ***Tata Capital Financial Services Ltd. V. Neel Motors LLP and Ors. ibclaw.in 4165,*** the Hon'ble High Court could ruled that the amendment would apply retroactively. The relevant excerpts of the judgment read thus:-

> *14. A plain reading of the foregoing would make it clear that the term "retroactive", while being used differently in different judgments, is actually a prospective application of a newly introduced requirement of a law to facts existing as of the date of the introduction of the requirement. The mere reason that some facts may have already been into existence but continue to exist would not mean that the application becomes retrospective.*
>
> *15. Applying the same principles to Section 96(4) of the IBC, in my opinion, a moratorium insofar as it operated in respect of Respondent Nos. 2, 3 and 4 until May 25, 2026 ceased to operate with effect from May 26, 2026, in respect of applications filed under Section 95 of the IBC. In this view of the matter, in my opinion, the Petition would need to be considered as not being barred by the moratorium under the IBC.*
>
> *16. I am conscious that IBC proceedings were initiated by none other than the Petitioner and it is nobody's case that the Respondent had exploited any perverse incentive to use the automatic moratorium under Section 96 to frustrate the*

Petitioner's recovery proceedings. However, the provisions of Section 96, as amended, are agnostic to the person at whose behest the application under Section 95 of the IBC was filed.

7. In view of the aforementioned judgment passed by the Hon'ble High Court, we are constrained to take a view that the IA-798/ND/2026 and IA-972/ND/2026 would not be hit by moratorium. In the totality of the facts, we are left with no option but to allow the **IA-798/ND/2026, IA-638/ND/2026** and **IA-972/ND/2026** and admit the **CP (IB)-651/ND/2025, CP (IB)-652/ND/2025** and **CP (IB)-653/ND/2025**, ordered accordingly.

8. It goes without saying that during the Insolvency Resolution Process, the RP shall give an opportunity to the Personal Guarantor to submit his repayment plan. Nevertheless, before that, the RP shall also carry out the exercise in terms of the provisions of Section 100(2) of IBC 2016. For such purpose, it would be open to the Respondent to appear before the RP within one week from today.

9. There is no request by the RP for the purpose of conducting negotiations between the debtor and the creditor. As a sequel to the admission of the present application, a moratorium shall commence in relation to all the debts of the Respondent. During the moratorium period – (a) any pending legal action or proceedings in respect of any debt qua the Respondent shall be deemed to have been stayed; (b) the creditors shall not initiate any legal action or legal proceedings in respect of any debt qua the Respondent; and (c) the debtors shall not transfer, alienate, encumber or dispose of any of the assets or his legal right or beneficiary interest therein. The moratorium shall cease to have effect at the end of the period of 180 days.

10. A public notice shall be issued by the RP within seven days of passing of this order, inviting claims from all creditors within 21 days of such notice. The notice shall include details of the present order, particulars of the Resolution Professional with whom the claims have to be registered and the last date for the submission of the claims. The notice shall be – (a) published in two National Newspapers, one in English and the other in a

Vernacular Language, in circulation in the State where the debtor resides; (b) affixed in the premises of this Adjudicating Authority; and (c) placed on the website of the Adjudicating Authority.

11. We are sanguine that the RP shall discharge all such duties as are incumbent upon him in terms of the provisions of Sections 102, 103, 104, 105, 106, 107, 108, 112 and 113 of IBC, 2016, with the due deference of the procedure enshrined in Regulations 5, 7, 8, 9, 11, 12, 13, 14, 15 and 17 of IBBI (Insolvency Resolution Process for Personal Guarantor to Corporate Debtors) Regulations, 2019 and also in terms of the other extent provisions of the aforementioned code/ regulations and/or any other provisions of law applicable to him, in discharge of his duties as RP.

12. A copy of this order, along with the copy of the application as also the report of the Resolution Professional, shall be provided to the Creditor (Applicant), Personal Guarantor (Respondent) and IBBI, by the Registry/Court Master within 7 days from today by email.

13. The **IA-798/ND/2026, IA-638/ND/2026 and IA-972/ND/2026 and admit the CP (IB)-651/ND/2025, CP (IB)-652/ND/2025 and CP (IB)-653/ND/2025 respectively stand admitted. To come up for consideration of the Status Report to be filed by the RP within 8 weeks.**

14. It goes without saying that whatever amount is paid to the creditor by the Principal Borrower (Corporate Debtor) and other guarantors would be deducted from the liability of the Respondent to repay.

Sd/-
(ATUL CHATURVEDI)
MEMBER (T)

Sd/-
(ASHOK KUMAR BHARDWAJ)
MEMBER (J)

Abhijat/Vishal