

**IN THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH**

IA-833/2025

In
CP No.: IB-785 (PB)/2024

(Under Section 100 of the Insolvency and Bankruptcy Code, 2016)

IN THE MATTER OF:

IDBI Bank Limited

...

Petitioner

Smt. Raj Kumari Garg

**Respondent /
Personal Guarantor**

In
IA-833/2025

Mr. Rahul Jindal

...

Applicant

vs

Smt. Raj Kumari Garg

Respondent

Order Pronounced on: 30.09.2026

CORAM:

**JUSTICE ANUPINDER SINGH GREWAL
HON'BLE PRESIDENT**

**SHRI RAVINDRA CHATURVEDI
HON'BLE MEMBER (TECHNICAL)**

Present:

For the : Mr. Harshit Gupta & Ms. Avani Jain, Advs.
Petitioner

For the : Appearance not marked
Respondent

ORDER

1. The main petition is filed under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 (**IBC/Code**) read with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rules, 2019 (**“Personal Guarantor Rules 2019”**) by **IDBI Bank Limited (“Petitioner” / “Financial Creditor”)** seeking to initiate the Personal Insolvency Resolution Process (**“PIRP”**) against Smt. Raj Kumari Garg (**“Respondent” / “Personal Guarantor” / “PG”**), personal guarantor of M/s SMS Paryavaran Ltd. (**“Corporate Debtor”/“CD”/ “Principal Borrower”**).
2. This Adjudicating Authority, vide order dated 13.12.2024, appointed Mr. Rahul Jindal, bearing Registration No. IBBI/IPA--001/IP- P- 02649/2021-2022/14048, E-mail ID: jindalrahul60@gmail.com (**“Resolution Professional” / “RP”**), as the Resolution Professional to submit a report as per Section 99 of the Code.
3. The Resolution Professional submitted a report under Section 99 of the Code through IA-833/2025, which also forms a part of the subject matter under consideration in the present adjudication.

Brief facts of the case:

As submitted by the parties in the pleadings and submissions made before this Adjudicating Authority, the following are the relevant facts of the case: -

4. The Petitioner/Financial Creditor sanctioned Working Capital facilities of Rs. 20,00,00,000/- (Rupees Twenty Crores only) in favour of the Corporate Debtor vide Sanction Letter dated 21.08.2010. The said sanction contemplated personal guarantees as part of the security structure. The Respondent, however, was not a signatory to the original

sanction documents of 2010. Subsequently, upon the request of the Corporate Debtor, the Financial Creditor enhanced the Working Capital facilities from Rs. 20,00,00,000/- to Rs. 33,00,00,000/- vide Sanction Letter dated 20.05.2013.

5. In connection with the enhanced financial assistance of Rs. 33,00,00,000/-, the Respondent executed a Guarantee Agreement dated 06.06.2013 (Guarantee Agreement/Deed) in favour of the Financial Creditor (Annexure-D of the petition). The Guarantee Agreement records that the Bank had agreed to provide the facilities to the Borrower for a sum not exceeding, in aggregate, Rs. 33,00,00,000/-. The Guarantor/Respondent had agreed to furnish the guarantee for the due payment of the sums due under the Facilities Agreement. The guarantee is expressly stated to be unconditional, absolute and irrevocable.
6. The Respondent also created a mortgage over her immovable property situated at Unit Nos. G-8 and G-9, City Central Mall, Plot No. 1B3, Twin District Centre, Sector-10, Rohini, Delhi, jointly owned by her and Sh. Phool Kumar Garg, in favour of the Financial Creditor in connection with the enhanced financial assistance. The said property was subsequently released by IDBI Bank, SBI and Canara Bank on 14.09.2020 pursuant to the order of the Debts Recovery Tribunal dated 11.03.2020 and payment of Rs. 2.70 Crores by the mortgagor.
7. The Guarantee Agreement dated 06.06.2013 specifically provides that the guarantee shall be a continuing guarantee for all amounts advanced by the Bank to the Borrower in respect of or under the Facilities, together with interest, costs and other monies becoming due and remaining unpaid. It further provides that the guarantee shall not be affected by accounts being closed and fresh accounts being opened in respect of fresh facilities being granted within the overall limits sanctioned to the Borrower.

8. The Guarantee Agreement further expressly provides that notwithstanding any variation made in the terms of the Facilities Agreement or security documents, including variation in the rate of interest, extension of the date for payment of instalments, composition between the Bank and the Borrower, giving time to or not suing the Borrower, or the Bank parting with any securities, the Guarantors shall not be released or discharged from their obligations under the Guarantee.
9. Thereafter, the Financial Creditor herein agreed to participate in a consortium of lenders and the Corporate Debtor executed a Working Capital Consortium Agreement and Deed of Hypothecation dated 08.05.2014 for total Working Capital Limits of Rs. 149 Crores, including the Financial Creditor's limit of Rs. 33 Crores.
10. Subsequently, upon the request of the Corporate Debtor, the Financial Creditor restructured the existing Working Capital facilities to Rs. 35.25 Crores vide letter dated 29.06.2015. The Corporate Debtor thereafter executed the Loan Agreement, Facilities Agreement and Deed of Hypothecation dated 03.07.2015.
11. Thereafter, on 05.04.2016, a Master Restructuring Agreement, Deed of Hypothecation and Trust & Retention Account Agreement were executed in relation to restructured facilities aggregating to Rs. 125.51 Crores amongst the Corporate Debtor and the consortium lenders, including IDBI Bank.
12. The Corporate Debtor failed to repay the financial assistance and its loan account was classified as a Non-Performing Asset on 28.02.2018.
13. Thereafter, the Financial Creditor issued a Recall Notice dated 24.05.2018 to the Corporate Debtor and the Personal Guarantors, followed by a Corrigendum dated 09.10.2018. The Financial Creditor also issued Guarantee Invocation Notices dated 15.06.2018 to the Personal

Guarantors, including the Respondent, followed by a Corrigendum dated 16.10.2018.

14. The Financial Creditor also issued a Notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") dated 27.06.2018, followed by a Corrigendum dated 31.10.2018, to the Corporate Debtor and the Respondent, amongst others.
15. Further, the company petition filed by ICICI Bank Limited under Section 7 of the Code for initiation of CIRP against the Corporate Debtor was admitted by this Adjudicating Authority vide order dated 03.01.2020 in CP (IB) No. 1935 of 2019. Sh. Sajeve Bhushan Deora was appointed as IRP and was subsequently confirmed as Resolution Professional vide order dated 05.03.2020.
16. The Resolution Plan in respect of the Corporate Debtor was approved by this Adjudicating Authority vide order dated 21.02.2023. The approved Resolution Plan specifically dealt with the personal guarantees and collateral securities furnished for the borrowings of the Corporate Debtor. The relevant provision stipulates that the personal guarantees and collateral securities shall continue to be held by the Financial Creditors and that the Personal Guarantors shall continue to remain liable towards the Financial Creditors, with release contemplated only upon complete implementation of the Resolution Plan and the payments contemplated therein and/or payments pursuant to an OTS/settlement/compromise, whichever is later, unless otherwise discharged by the Financial Creditors.
17. Various proposals for settlement/OTS were submitted in relation to the dues of the consortium lenders during the period from 2021 to 2023. It is submitted that the OTS proposals dated 15.02.2021, 22.02.2021, 06.03.2021, 08.04.2021, 13.02.2023 and 21.06.2023, were submitted,

with the last proposal being submitted on 06.11.2023. However, none of the proposals was accepted by the consortium lenders.

18. The Financial Creditor thereafter issued a Demand Notice under Rule 7(1) of the Personal Guarantor Rules, 2019 dated 15.06.2024 in Form-B, demanding payment of Rs. 67,70,47,092.82/- as on 05.06.2024, together with applicable future interest, penal interest, charges and expenses from 06.06.2024. The notice was sent to the Respondent at her recorded address.
19. The Respondent failed to pay the demand within fourteen days of service of the Demand Notice. Consequently, the present application under Section 95(1) of the Code was filed seeking initiation of the PIRP against the Respondent/Personal Guarantor.
20. Vide order dated 13.12.2024, this Adjudicating Authority appointed Mr. Rahul Jindal, bearing IBBI Registration Number IBBI/IPA-001/IP-P-02649/2021-2022/14048, email id: jindalrahul60@gmail.com, as the Resolution Professional (“RP”) under Section 97 of the Code, and directed him to submit a report under Section 99 of the Code. The relevant portion of the order dated 13.12.2024 is extracted below:

4. The Petitioner Bank has proposed the name of Mr. Rahul Jindal, IP as the RP. His details have been filed with the application. Accordingly, this Bench appoints Mr. Rahul Jindal as Resolution Professional, whose details are given below:

IBBI Registration No	:	IBBI/IPA-001/IP-P-02649/2021-2022/14048
Address	:	<u>52/24, Ramjas Road, Karol Bagh, New Delhi, National Capital Territory of Delhi, 110005</u>
Email-id	:	<u>jindalrahul60@gmail.com</u>

21. In compliance with the order dated 13.12.2024, the Resolution Professional submitted a report under Section 99 of the Code vide IA-833/2025 on 11.02.2025 on the DMS e-portal. The submissions of the Resolution Professional regarding the present application are as extracted below:

**RECOMMENDATION BY RESOLUTION PROFESSIONAL U/S
99(1 & 7) OF IB CODE.**

I, Rahul Jindal an Insolvency Professional having IP reg. no. IBBI/IPA-001/IP-P-02649/2021-2022/14048, appointed as Resolution Professional under sub section (5) of Section 97 vide order dated 13.12.2024, (which was accessed on 04.02.2025) in connection with the insolvency resolution process of Smt Raj Kumari Garg (Personal Guarantor), hereby, on the basis of the gathered facts and figure is of the view that the application of creditor (IDBI Bank) satisfies all the requirement u/s 95 of IB Code read with PG 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.

22. The Resolution Professional has opined that, in view of the foregoing facts and circumstances, and considering that the petition filed by the Creditor satisfies the requirements stipulated under Section 95 of the Code, and that the Personal Guarantor has failed to establish repayment of the debt in question, the petition filed by the Creditor u/s be admitted under the provisions of Section 100 of the Code.

23. This report of the RP was listed for the first time on 19.02.2025, wherein the following order was passed by this Adjudicating Authority:

New IA-833/2025

Notice be issued to the Respondent(s)/Non-Applicant(s) returnable on **17.03.2025**.

24. In compliance with the aforesaid order, an affidavit of service dated 07.03.2025 was uploaded on 11.03.2025 on the DMS e-portal by the Applicant /RP.

25. On 17.03.2025. the following order was passed by the Adjudicating Authority:

IA-833/2025

Ld. Counsel appeared on behalf of the Resolution Professional.
Ld. Counsel appeared on behalf of the Personal Guarantor and sought further two days-time to file their response. Response be filed within a period of three days.
At request and with consent list the matter on **16.04.2025**.

26. On 16.04.2025 the following order was passed:

IA-833/2025

Ld. Counsel, Mr. Harshit Gupta appeared for the Applicant.

Ld. Counsel, Mr. Rajata Shrivastava appeared for the Respondent/ PG and sought time to file reply. He is permitted to do so and also upload the same on the DMS.

Mr. Karan Gandhi, appeared for Resolution Professional.

At request and with consent, list the matter on **22.05.2025**.

27. In compliance with the aforesaid orders, the Respondent filed her reply to the Report submitted by the Resolution Professional under Section 99 of the Code, raising objections to the maintainability of the present application and the liability sought to be enforced against her.

28. The matter was heard at length on various dates. On 11.03.2026, this Adjudicating Authority directed the parties to file short notes along with a list of dates and events for effective adjudication. The relevant portion of the order dated 11.03.2026 is extracted hereinbelow:

IA-833/2025

1. Ld. Counsels for the parties appeared.
2. List the matter on **30.03.2026** for further consideration.
3. Meantime, the parties are directed to file short notes along with a list of dates & events for effective adjudication.

29. In compliance with the aforesaid direction, the Applicant filed its short note along with the list of dates and events on 01.04.2026, while the Respondent filed the same on 10.08.2026.

30. On 17.08.2026 the following order was passed by this Adjudicating Authority:

IA-833/2025

1. Ld. Counsel for the applicant prays for time to seek instruction and satisfy this Court, as to whether this petition is under limitation.
2. List on **09.09.2026**.

31. The matter was thereafter heard at length, and on 09.09.2026, after hearing the parties orders in the matter were reserved. The parties were directed to file a short note confined to the issue of limitation by 14.09.2026. A short note on the issue of limitation was uploaded by both the parties on the DMS e-portal on 14.09.2026. The same has been duly considered by this Adjudicating Authority while preparing this order.

SUBMISSIONS OF RESPONDENT:

32. Before moving further, it is pertinent to discuss here the objections raised by the respondent. Learned Counsel for the Respondent opposed the present application and submitted that the same is misconceived and unsustainable. It was contended that the Respondent had neither signed nor consented to the original sanction letters or the subsequent renewals and restructuring of the facilities, except for the separate Guarantee Agreement executed in 2013. The Consortium Agreement dated 08.05.2014 and the subsequent restructuring documents, including the Master Restructuring Agreement dated 05.04.2016, were also stated to have been executed without her consent or signature.
33. It was further submitted that the subsequent alteration, renewal and restructuring of the facilities amounted to novation of the original contract and consequently discharged the Respondent from her liability as a Personal Guarantor. Reliance was placed upon Section 62 of the Indian Contract Act, 1872 and *Punjab National Bank and Others v. M/S Chintpurni School Education* passed by the Punjab- Haryana High Court.
34. Ld. Counsel for the Respondent submitted that the Demand Notice dated 15.06.2024 was defective as it did not correctly state the date of default/NPA and did not incorporate material facts concerning the consortium and subsequent restructuring of the facilities. It was contended that the Demand Notice could not, in any event, constitute a fresh invocation of the guarantee.
35. On the issue of limitation, the Respondent submitted that the guarantee was invoked on 15.06.2018, whereas the present application was filed on 09.10.2024 and was thus barred by limitation. It was contended that there was no acknowledgment, OTS or settlement executed by the Respondent within the prescribed period. The OTS proposals relied upon by the Applicant were stated to have neither been signed nor authorised

by the Respondent. Reliance was placed upon *Laxmi Pat Surana v. Union Bank of India & Anr.*, *Sesh Nath Singh v. Baidyabati Sheoraphuli Co-operative Bank Ltd.*, *Noharlal Verma v. District Cooperative Central Bank Ltd.*, *Jagdarpur* and *Shankar Khandelwal v. Omkara Asset Reconstruction Pvt. Ltd. & Anr.*

36. It was further submitted that the amount claimed by the Applicant was disputed, particularly with respect to interest, penal interest, miscellaneous charges, capitalization and compounding, and the same is pending before the DRT -wherein objections concerning the outstanding amount and interest had been raised.

37. Ld. Counsel submitted that the debt of the Corporate Debtor had already been dealt with under the Resolution Plan approved on 21.02.2023 and that the present proceedings amounted to an attempt to recover amounts despite such resolution. It was also contended that the Resolution Professional had failed to consider the objections regarding novation, limitation and the absence of any subsequent documentation by the Respondent.

38. The Respondent has also disputed the authority under which the present proceedings were instituted and raised an objection regarding the authentication of debt through NeSL.

39. In view of the aforesaid submissions, Learned Counsel for the Respondent has prayed that the report of the Resolution Professional be rejected and the present application under Section 95 of the Code be dismissed with costs.

40. The Resolution Professional, in his short note on limitation dated 14.09.2026 has contended that the submissions of the Respondent are not tenable, as the Personal Guarantee was invoked on 15.06.2018 and that the limitation period was thereafter extended by successive written

acknowledgments in the form of OTS proposals dated 15.02.2021, 22.02.2021, 06.03.2021 and 08.04.2021, wherein the Respondent was named as a beneficiary of the proposed release of the Personal Guarantees. Reliance was also placed by the RP on Clause 17 of the Deed of Personal Guarantee, which binds the Guarantors by acknowledgments made by the Borrower for the purposes of Sections 18 and 19 of the Limitation Act.

41. The Resolution Professional further contended that the OTS proposals dated 13.02.2023 and 21.06.2023 constituted further acknowledgements, both having been signed by an authorised signatory on behalf of the Personal Guarantors, including the Respondent. It was further contended that the Resolution Plan approved on 21.02.2023 did not discharge the Personal Guarantee, as the release of the guarantees was subject to a separate OTS mechanism, which had been rejected by the Financial Creditors. On this basis, the Resolution Professional submits that the application filed on 09.10.2024 is within limitation.

Analysis and Findings:

42. We have carefully considered the submissions and pleadings advanced by the parties and have perused the material available on record, including the application filed under Section 95 of the Code, the Report submitted by the Resolution Professional under Section 99, the reply filed by the Respondent/Personal Guarantor, the subsequent written submissions, the Guarantee Agreement dated 06.06.2013, the relevant financial documents, the Demand Notice and the material relating to the approved Resolution Plan and OTS proposals.

43. In view of the submissions raised, the following issues fall for determination:

- I. Whether the application filed under Section 95 of the Code on 09.10.2024 is barred by limitation, and whether any subsequent acknowledgement of liability extended the period of limitation?

- II. Whether the Respondent was discharged from her liability under the Guarantee Agreement dated 06.06.2013 due to the subsequent renewal, restructuring or alteration of the facilities without her consent?
- III. Whether the objection raised by the Respondent regarding the correctness of the date of default/NPA mentioned in the Demand Notice is sustainable, and whether the Applicant had the requisite authority to institute the present proceedings under Section 95 of the Code?
44. On the first issue, it is necessary to set out the legal position governing limitation in proceedings against a Personal Guarantor under the Code, since the objection raised by the Respondent must be tested against this settled framework.
45. It is well settled that an application under Section 95 of the Code is governed by Article 137 of the Limitation Act, 1963, and must accordingly be filed within three years from the date on which the right to apply accrues.
46. This position has been affirmed by the Supreme Court in *B.K. Educational Services (P) Ltd. v. Parag Gupta & Associates*, Civil Appeal No. 23988 of 2017, and in *Gaurav Hargovindbhai Dave v. Asset Reconstruction Company (India) Ltd.*, Civil Appeal No. 4952 of 2019, wherein it was held that proceedings under the Code are subject to the three-year period prescribed under Article 137, and are not exempt from the law of limitation merely because they arise under a special statute.
47. The right to apply against a Personal Guarantor does not accrue on the same date as the default of the principal borrower. A guarantee must first be invoked in the manner contemplated under the guarantee deed, whether by a formal demand, a recall notice, or other communication calling upon the guarantor to discharge the liability. The guarantor must

further be afforded a reasonable opportunity to comply with that demand. It is only upon failure to honour a validly invoked demand that the guarantor's own default, and consequently the starting point of limitation against the guarantor, commences. The date of invocation of the guarantee is, therefore, the relevant starting point for computing limitation, and not the date of default of the principal borrower.

48. Further, Section 18 of the Limitation Act, 1963 provides that where a person liable to pay a debt makes an acknowledgement of a subsisting liability, in writing and signed by such person, before the expiry of the applicable limitation period, a fresh period of limitation begins to run from the date of such acknowledgement. It is relevant to refer here to Section 18 of the Limitation Act, 1963 to understand when an acknowledgement will be treated as a valid acknowledgement;

“18. Effect of acknowledgment in writing.—

- (1) Where, before the expiration of the prescribed period for a suit of application in respect of any property or right, an acknowledgment of liability in respect of such property or right has been made in writing signed by the party against whom such property or right is claimed, or by any person through whom he derives his title or liability, a fresh period of limitation shall be computed from the time when the acknowledgment was so signed.*
- (2) Where the writing containing the acknowledgment is undated, oral evidence may be given of the time when it was signed; but subject to the provisions of the Indian Evidence Act, 1872 (1 of 1872), oral evidence of its contents shall not be received.*

Explanation.—

For the purposes of this section,—

- (a) an acknowledgment may be sufficient though it omits to specify the exact nature of the property or right, or avers that the time for payment, delivery, performance or enjoyment has not yet come or is accompanied by a refusal to pay, deliver, perform or permit to enjoy, or is coupled with a claim to set-off, or is addressed to a person other than a person entitled to the property or right;*
- (b) the word “signed” means signed either personally or by an agent duly authorised in this behalf; and*
- (c) an application for the execution of a decree or order shall not be deemed to be an application in respect of any property or right.”*

49. Thus, for an acknowledgement to be valid under Section 18, four requirements must be satisfied: it must be made before the original period of limitation expires; it must be in writing and signed by the party making it; it must relate to a present, subsisting liability; and it must reflect the existence of a debtor-creditor relationship between the parties. An acknowledgement need not contain an express admission of liability in specific terms i.e. the intention to acknowledge a subsisting debt may be gathered from the tenor, context and surrounding circumstances of the document, as held by the Supreme Court in *Asset Reconstruction Company (India) Ltd. v. Bishal Jaiswal*, (2021) 6 SCC 366.

50. One Time Settlement proposals have been recognised as constituting valid acknowledgements of debt for the purposes of Section 18, provided they otherwise meet the statutory requirements. In *Laxmi Pat Surana v. Union Bank of India*, Civil Appeal No. 2734 of 2020, the Supreme Court held that an acknowledgement within the limitation period by the principal borrower only and not by the guarantor would not absolve the guarantor of its liability arising from the letter of guarantee. Similarly, entries in the audited balance sheet or financial statements of a corporate debtor, reflecting an outstanding debt as a subsisting liability, have been held to constitute a valid acknowledgement for the purposes of Section 18 of the Limitation Act, provided such entry is made before the expiry of the then-subsisting limitation period, and the balance sheet is duly approved and signed by the persons authorised to do so. This position was laid down in *Asset Reconstruction Company (India) Ltd. v. Bishal Jaiswal* (supra), and has since been reaffirmed by the Supreme Court in *IL&FS Financial Services Limited v. Adhunik Meghalaya Steels Private Limited*, Civil Appeal No. 5787 of 2025.

51. As regards the specific application of Section 18 to the liability of a Personal Guarantor, the Supreme Court in *Dena Bank v. C. Shivakumar Reddy*, (2021) 10 SCC 330, held that Section 18 of the Limitation Act cannot be construed with pedantic rigidity in proceedings under the IBC

and that an offer of One Time Settlement of a live claim, made within the period of limitation, can be construed as an acknowledgement so as to attract Section 18 of the Limitation Act. It was further clarified that such acknowledgement gives rise to a fresh period of limitation from the date of acknowledgement, though it cannot revive a claim which had already become time-barred. The NCLAT, in *State Bank of India v. Shri Bernard John [Personal Guarantor]*, Company Appeal (AT) (Ins.) No. 1742 of 2024, decided on 17.10.2025, has further held that where the guarantee deed contains an express contractual stipulation making an acknowledgment by the principal borrower binding on the guarantor, such acknowledgment, if it otherwise satisfies the requirements of Section 18 can operate to extend the period of limitation against the Personal Guarantor as well, even where the guarantor has not personally signed the acknowledgment. It is this settled legal framework that falls to be applied to the facts of the present case.

52. The Respondent has contended that the present application is barred by limitation. It is submitted that the Personal Guarantee was invoked on 15.06.2018, whereas the application under Section 95 of the Code was filed only on 09.10.2024. It is submitted that, reckoning the period of limitation from the date of invocation, the period of three years expired on 14.06.2021 and that the subsequent OTS proposals or communications cannot revive a claim which had already become time-barred. The Respondent has further contended that she had neither personally signed nor authorised any acknowledgement of liability.

53. In considering the aforesaid objection, it is relevant to examine the terms of the Guarantee Agreement dated 06.06.2013 executed by the Respondent. Clause 7 thereof provides that the guarantee is a **continuing guarantee** in respect of all amounts advanced under the Facilities and remaining due and unpaid. Clause 17 specifically provides for the effect of an acknowledgment or part-payment made by the

Borrower upon the liability of the Guarantors. Clause 17 is extracted below:

17. The Guarantors agree that any admission or acknowledgement in writing signed by the Borrower of the liability or indebtedness of the Borrower or otherwise in relation to the Facilities and or any part payment as may be made by the Borrower towards the principal sum hereby guaranteed or any judgment, award or order obtained by the Bank against the Borrower shall be binding on the Guarantors and the Guarantors accept the correctness of any statement of account that may be served on the Borrower which is duly certified by any officer of the Bank and the same shall be binding and conclusive as against the Guarantors also and the Guarantors further agree that in the Borrower making an acknowledgment or making a payment the Borrower shall in addition to his personal capacity be deemed to act as the Guarantors duly authorised agent in that behalf for the purposes of Sections 18 and 19 of the Limitation Act of 1963

54. A plain reading of the aforesaid clause makes it evident that the Respondent, while executing the Guarantee Agreement, expressly agreed that any admission or acknowledgment in writing made by the Borrower in respect of its liability or indebtedness under the Facilities, as well as any part-payment towards the guaranteed principal sum, would be binding upon the Guarantors. The clause further contains an express stipulation that, for the purposes of Sections 18 and 19 of the Limitation Act, 1963, the Borrower shall be deemed to act as the duly authorised agent of the Guarantors while making such acknowledgment or payment. The contractual stipulation is, therefore, not merely in respect of the subsistence of the guarantee but specifically extends to the consequences of an acknowledgment for the purposes of limitation.

55. In the instant case, the guarantee was invoked on 15.06.2018. Ordinarily, in the absence of any intervening event having the effect of extending limitation, the period of three years would have expired on 14.06.2021. However, the record discloses that the Corporate Debtor and/or the Respondent submitted various One Time Settlement (OTS) proposals acknowledging the subsisting liability. The OTS proposals

placed on record include those dated 15.02.2021, 22.02.2021, 06.03.2021, 08.04.2021, 13.02.2023, 21.06.2023 and 06.11.2023. These successive proposals constitute relevant material for determining whether the subsisting liability was acknowledged within the meaning of Section 18 of the Limitation Act.

56. The principal question which arises for consideration is whether, notwithstanding the invocation of the Personal Guarantee on 15.06.2018, the subsequent acknowledgements and the events which followed had the effect of keeping the liability alive within the meaning of Section 18 of the Limitation Act, 1963. In this regard, the first OTS proposal dated 15.02.2021 assumes significance. The said proposal was made before expiry of the initial period of limitation on 14.06.2021. Consequently, if the said OTS proposal constitutes an acknowledgement of the subsisting liability, a fresh period of limitation would commence from the date of such acknowledgement.

57. The objection of the Respondent that the OTS proposals cannot operate as an acknowledgement against her on the ground that she did not personally execute each of them also does not persuade this Adjudicating Authority. Apart from the express stipulation contained in Clause 17 of the Guarantee Agreement, the record discloses that the OTS documents bore the signature of the authorised signatory of the Personal Guarantors. The Respondent herein was also a beneficiary under the OTS proposals. The OTS proposals were, moreover, made by the promoters/directors of the Corporate Debtor in the context of settlement of the very financial liability for which the Personal Guarantees had been furnished. Thus, the OTS proposals cannot be considered in isolation from the contractual relationship between the parties or the continuing liability under the Personal Guarantees.

58. The above position assumes greater significance having regard to the continuing nature of the Personal Guarantee. The Guarantee Agreement expressly contemplated the continuance of the guarantee in respect of the underlying liability and did not treat the liability as discharged merely by a variation in the terms of repayment or by restructuring of the debt. The liability secured by the Personal Guarantee, therefore, continued notwithstanding the successive attempts at settlement.

59. In this backdrop, the continuing nature of the Personal Guarantees is further reinforced by the Resolution Plan approved by this Adjudicating Authority for the Corporate Debtor on 21.02.2023. The Plan was submitted by the promoters/directors of the Corporate Debtor and was thereafter approved by the Committee of Creditors and this Adjudicating Authority. Upon approval, the Plan became binding upon the stakeholders. It is further borne out from the Report of the Resolution Professional dated 11.02.2025, which records the relevant terms of the approved Resolution Plan and refers to the order dated 09.09.2022 passed in IA No. 2713/2022. In the said order, this Adjudicating Authority, while considering the release of the Personal Guarantees and collateral securities, noted that the Resolution Plan provided for payment of Rs. 24.42 crores to the Financial Creditors, while the amount of Rs. 18.08 crores proposed under the OTS/settlement was to be separately arrived at between the Financial Creditors and the Promoters/Directors. It was accordingly held that the Resolution Plan and the OTS settlement operated separately and that, under the relevant clause of the Plan, the Personal Guarantees and collateral securities would continue till the successful resolution of the OTS proposal. The relevant portion of the order dated 09.09.2022 is extracted hereunder:



For the purpose of the release of the Personal Guarantees and Collateral Securities of Third parties, a method has been provided in the Resolution Plan, which simpliciter states that a sum of Rs. 24.42 crores will be paid to the financial creditor under the plan.

In addition to the above, it is further stated by the proponent of the plan that the payment which is to be made to the Financial Creditor by the Promoters / Directors under any OTS / settlement / compromise of whatever nature will be in sum of Rs. 18.08 crores. The said amount will be decided under the OTS plan as may be arrived between the Financial Creditor and the Promoters / Directors. While the plan amount is fixed, the OTS is contingent and undetermined pending finalisation between the parties.

On reading the above-quoted paragraphs and on the basis of submissions made w.r.t the discharge of Promoters/ Directors and Third parties from the Personal Guarantees and Collateral Securities given by them, as the case may be, it is clear that one is not contingent on the other. The payment under the plan and the payment under the OTS are separate. It however has to be complied with in its entirety by the applicants, if they want to seek relief of total discharge under OTS.

The discharge under OTS is not relatable to the Resolution Plan. This is so because the amount of Rs. 18.08 cores is an offer by the Guarantors which can be decided by the Bank on its own terms, as the case may be. Therefore, the amount under OTS will be decided on the final settlement in the OTS, as may be arrived between them. The plan will however be dealt with separately.

As

Page 6 of 7

60. The OTS proposals, however, did not culminate in a settlement and were not accepted by the Financial Creditors. Consequently, the condition for release of the Personal Guarantees was not fulfilled. The Personal Guarantees, therefore, continued and the liability secured thereunder remained subsisting.

61. Further, the decision of the Supreme Court in *Shankar Khandelwal v. Omkara Asset Reconstruction Pvt. Ltd. & Anr.*, 2026 INSC 429, relied upon by the respondent does not alter the aforesaid position. In the aforementioned case, the Court held that a mere admission of a claim by the IRP/RP is an administrative act and, by itself, does not constitute an acknowledgement under Section 18 of the Limitation Act. The present case stands on a different footing, as the acknowledgement relied upon is not the mere admission of a claim by the RP, but the approved Resolution Plan which recognised the subsisting liability and continuation of the security structure, read with the continuing Personal Guarantee and the subsequent OTS proposals, keeps the liability intact. Thus, *Shankar Khandelwal* is distinguishable on facts and does not preclude consideration of these substantive acknowledgements for determining limitation.

62. Accordingly, the limitation cannot be computed by treating the invocation of the Personal Guarantee on 15.06.2018 as the final point from which no subsequent event could have any effect. The contractual stipulations governing the continuing guarantee, the Resolution Plan approved on 21.02.2023, and the subsequent OTS proposals have to be considered cumulatively. On such consideration, the record discloses a continuing recognition of the liability secured by the Personal Guarantee, attracting the consequence of a fresh period of limitation upon a valid acknowledgement under Section 18 of the Limitation Act.

63. In view of the foregoing discussion, Issue No. (I) is answered against the Respondent. Therefore, the application filed under Section 95 of the Code on 09.10.2024 cannot be held to be barred by limitation.

64. In the **2nd issue**, the Respondent has contended that the subsequent renewal, restructuring and alteration of the credit facilities, including the revision and enhancement of the sanctioned limits, were undertaken without her consent and that she was neither a party to the subsequent

sanction/renewal documents nor did she execute any fresh or revised guarantee in respect thereof. It is specifically contended that the Consortium Agreement dated 08.05.2014, the subsequent restructuring of the facilities on 29.06.2015, the fresh facility documents executed pursuant thereto, and the Master Restructuring Agreement and other restructuring documents dated 05.04.2016 were not executed by the Respondent. On this basis, the Respondent has contended that the subsequent changes in the facilities amounted to a material variation and/or novation of the original arrangement, thereby discharging her from the obligations under the Guarantee Agreement dated 06.06.2013.

65. The aforesaid contention, however, has to be examined in the context of the express terms and scope of the Guarantee Agreement dated 06.06.2013 itself. The record shows that the Respondent executed the said Guarantee Agreement in favour of the Financial Creditor in respect of the enhanced facilities of the Corporate Debtor. The Guarantee Agreement was expressly made continuing, irrevocable and enforceable and contained specific provisions dealing with subsequent variations in the facilities and security arrangements. The fact that the Respondent did not execute each subsequent renewal or restructuring document is, therefore, required to be considered in light of the contractual undertaking already given by her under the Guarantee Agreement.

66. Clause 7 of the Guarantee Agreement expressly provides that the Guarantee is a continuing guarantee for all amounts advanced by the Bank to the Borrower under the Facilities, together with interest, costs and other monies which may from time to time become due and remain unpaid. For ready reference, the relevant portion of Clause 7 of the Guarantee Agreement dated 06.06.2013 is extracted hereinbelow:

7. The Guarantee herein contained is a continuing one for all amounts advanced by the Bank to the Borrower in respect of or under the Facilities as also for all interest, costs and all other monies which may from time to time become due and remain unpaid to the Bank under the Facilities Agreement and shall not be determined or in any way be affected by any account or accounts opened or to be opened by the Bank becoming nil or coming into credits at any time or from time to time or by reason of the said account or accounts being closed and fresh account or accounts being opened in respect of fresh facilities being granted within the overall limit sanctioned to the Borrower.

67. The language of Clause 7 is significant. The Guarantee was not confined to the liability existing on the date of its execution. It was expressly contemplated to continue in respect of amounts which may “from time to time” become due and remain unpaid under the Facilities. The clause further contemplates the opening of fresh accounts and the grant of fresh facilities within the overall sanctioned limits would not affect the continuance of the Guarantee Deed. Thus, the contractual scope of the Guarantee extended beyond the particular outstanding amount existing on 06.06.2013.

68. More importantly, the Guarantee Agreement contains a specific stipulation dealing with variation of the Facilities and the security documents. For ready reference, the relevant portion of Clause 12 of the Guarantee Agreement is extracted hereinbelow:

12. The Guarantors hereby agree that notwithstanding any variation made in the terms of the Facilities Agreement and/or any of the said security documents including reallocation/interchange of the individual limits within the principal sum variation

Page 4 of 9

in the rate of interest, extension of the date for payment of the instalments, or any composition made between the Bank and the Borrower to give time to or not to sue the Borrower, or the Bank parting with any of the securities given by the Borrower, the Guarantors shall not be released or discharged of their obligation under this Guarantee provided that in the event of any such variation or composition or agreement the liability of the Guarantors shall notwithstanding anything herein contained be deemed to have accrued and the Guarantors shall be deemed to have become liable hereunder on the date or dates on which the Borrower shall become liable to pay the amount/amounts due under the said Agreement and/or any of the said security documents as a result of such variation or composition or agreement.

69. The aforesaid stipulation directly addresses the very circumstances relied upon by the Respondent. Clause 12 expressly provides that, notwithstanding any variation in the Facilities Agreement or security documents, including reallocation or interchange of individual limits, variation in the principal sum, variation in the rate of interest, extension of payment dates, composition or granting of time to the Borrower, or the Bank parting with any security, the Guarantors shall not be released or discharged from their obligations under the Guarantee. The subsequent

renewal, restructuring and alteration of the facilities, therefore, cannot be treated as circumstances outside the contractual contemplation of the Respondent.

70. In the present case, the facilities were initially sanctioned at ₹20 Crores on 21.08.2010 and were subsequently renewed and revised, with the facilities being enhanced to ₹33 Crores on 20.05.2013. It was in this context that the Respondent executed the Guarantee Agreement dated 06.06.2013. Thereafter, the Corporate Debtor entered into the Consortium Agreement dated 08.05.2014 for aggregate facilities of ₹149 Crores, the existing working capital facilities were renewed on 26.06.2014, and the financial facilities were subsequently restructured to ₹35.25 Crores on 29.06.2015. Fresh loan and facility documents were thereafter executed by the Corporate Debtor on 03.07.2015, followed by the Master Restructuring Agreement, Trust & Retention Account Agreement and other inter-creditor documents dated 05.04.2016. The Respondent's contention is that she was not a signatory to these subsequent documents.

71. However, the mere fact that the Respondent did not sign the aforesaid subsequent documents does not, by itself, establish that the original Guarantee Agreement stood discharged. The liability of the Respondent flows from the Guarantee Agreement dated 06.06.2013, and not from her being a party to each subsequent facility or restructuring document. Where the very Guarantee Agreement expressly contemplates subsequent variations in the facilities and provides that such variations shall not release or discharge the Guarantors, the absence of a fresh signature on each subsequent document cannot, without more, result in cessation of the guarantee.

72. This interpretation is further reinforced by Clause 10 of the Guarantee Agreement, which makes the Guarantee irrevocable and enforceable notwithstanding any dispute between the Bank and the Borrower. For

ready reference, the relevant portion of Clause 10 is extracted hereinbelow:

10. The Guarantee shall be irrevocable and enforceable against the Guarantors notwithstanding any dispute between the Bank and the Borrower.

73. Furthermore, the Respondent has also sought to invoke the principles relating to discharge of a surety on account of variance in the terms of the underlying contract and has relied upon Section 62 and Section 133 of the Indian Contract Act, 1872, contending that the subsequent restructuring amounted to novation. However, in the facts of the present case, no document has been placed on record to establish that the Financial Creditor and the Respondent mutually agreed to substitute the original Guarantee Agreement or that the Respondent was expressly released from the obligations undertaken thereunder. On the contrary, the terms of the original Guarantee specifically contemplated variations in the Facilities without discharge of the Guarantors.

74. The aforesaid position is also supported by the decision of the NCLAT in *Nakul Gupta v. State Bank of India & Anr. & Ors.*, Company Appeal (AT) (Insolvency) No. 494 of 2024, decided on 06.07.2026. While considering Sections 62, 129, 130 and 133 of the Indian Contract Act, 1872, the NCLAT observed that a continuing guarantee extends to a series of transactions and, on the facts of that case, the NCLAT also observed that renewal of the facilities would not amount to variation. The Tribunal consequently did not find the deed of guarantee to have been revoked or the guarantor discharged merely on account of the subsequent renewal.

75. The aforesaid position also finds support from the decision of the NCLAT in *Hardeep Singh v. Gagan Gulati*, Company Appeal (AT) (Ins.) No. 2239 of 2024, decided on 27.11.2025, wherein, while considering a similar contention regarding subsequent arrangements and non-execution of a fresh guarantee, the Tribunal examined the terms of the original guarantee providing for its continuing and irrevocable nature and held

that subsequent changes in the loan arrangement, in the absence of circumstances demonstrating discharge in terms of the guarantee, do not by themselves extinguish the guarantor's liability.

76. There is another aspect of the Respondent's contention which also requires consideration. The record shows that the Respondent had created a mortgage over Unit G-8 and G-9, Rohini, in favour of the consortium lenders on 12.11.2013. Pursuant to the proceedings before the Debt Recovery Tribunal and the order dated 11.03.2020, a payment of ₹2.70 Crores was made by the mortgagor, following which the said mortgaged property was released by IDBI Bank, SBI and Canara Bank on 14.09.2020. The release of the mortgaged property, however, cannot be equated with the discharge of the independent personal guarantee. The said payment is required to be duly accounted for towards the outstanding liability, but the release of the security does not, in itself, extinguish the Respondent's independent contractual obligation under the Guarantee.

77. This position is also consistent with the express terms of Clause 16 of the Guarantee Agreement. For ready reference, the relevant clause is extracted hereinbelow:

16. The Guarantee hereby given is independent and distinct from any security that the Bank has taken or may take in any manner whatsoever whether it be by way of hypothecation pledge and/or mortgage and/or any other charge over goods, movables or other assets and/or any other property movable or immovable and

that the Guarantors have not given this Guarantee upon any understanding faith or belief that the Bank has taken and/or may hereafter take any or other such security and that notwithstanding the provisions of Sections 140 and 141 of the Indian Contract Act, 1872 or other section of that Act or any other law, the Guarantors will not claim to be discharged to any extent because of the Bank's failure to take any or other such security or in requiring or obtaining any or other such security or losing for any reason whatsoever including reasons attributable to its default and negligence benefit of any or other such security or any of rights to any or other such security that have been or could have been taken.

78. Clause 16 makes the position unequivocal that the Guarantee is independent and distinct from the securities taken by the Bank and that the Guarantors would not claim discharge merely on account of the Bank's failure to take, obtain or retain the benefit of any security. Accordingly, the release of the mortgaged property pursuant to the DRT proceedings, upon receipt of ₹2.70 Crores, cannot by itself operate as a discharge of the Respondent's liability under the Personal Guarantee. The amount of ₹2.70 Crores, however, would necessarily be given due credit while determining the amount recoverable from the Respondent.

79. The Respondent has further relied upon the approval of the Resolution Plan of the Corporate Debtor by this Adjudicating Authority on 21.02.2023 and has contended that the approval of the Resolution Plan had resolved the underlying debt and consequently no further proceedings could be maintained against her. This contention also does not, by itself, result in the discharge of the Personal Guarantee. The Supreme Court in *Lalit Kumar Jain v. Union of India*, (2021) 9 SCC 321, has held that the approval of a resolution plan in respect of the Corporate Debtor does not ipso facto discharge the liability of the Personal Guarantor. The extent to which any amount has been realised or is payable pursuant to the Resolution Plan would, of course, be duly accounted for in determining the subsisting liability, but the approval of the Resolution Plan does not, in the absence of a specific release, extinguish the Personal Guarantee.

80. Thus, the subsequent course of the financial relationship including renewal of the facilities, the Consortium Agreement, restructuring of the facilities to ₹35.25 Crores, execution of fresh facility documents by the Corporate Debtor, and the Master Restructuring Agreement and related documents has to be viewed against the express contractual provisions of the Guarantee Agreement dated 06.06.2013. The Respondent had agreed under Clause 7 that the Guarantee would continue in respect of amounts becoming due from time to time and had expressly agreed

under Clause 12 that variations in the Facilities and security arrangements would not release or discharge the Guarantors. Clause 10 further rendered the Guarantee irrevocable, while Clause 16 made the Guarantee independent and distinct from the securities.

81. In these circumstances, the Respondent's non-signing of the subsequent renewal, consortium or restructuring documents, and the absence of execution of any fresh guarantee after restructuring, cannot, in the face of the express terms of the Guarantee Agreement, by themselves constitute a discharge of the liability already undertaken by her. No specific agreement evidencing release, discharge or revocation of the Guarantee dated 06.06.2013 has been shown to exist.

82. Accordingly, the subsequent renewal, restructuring or alteration of the facilities, including variation or enhancement of the sanctioned limits, did not discharge the Respondent from her obligations under the Guarantee Agreement dated 06.06.2013. Likewise, the release of the mortgaged property pursuant to the DRT proceedings and the approval of the Resolution Plan of the Corporate Debtor do not, by themselves, extinguish the independent liability of the Respondent as Personal Guarantor, subject, however, to giving due credit for any amount actually realised towards the underlying debt.

83. On **the third issue**: The Respondent has disputed the correctness of the date of default/NPA mentioned in the Demand Notice and has contended that the Demand Notice does not correctly set out the relevant date. The objection, however, does not advance the Respondent's case. The record shows that the account of the Corporate Debtor was classified as NPA on 28.02.2018, followed by the Recall Notice dated 24.05.2018 and invocation of the Personal Guarantee on 15.06.2018. In response to the objection raised by the Respondent, the Applicant has also placed on record the Compliance Proforma evidencing the relevant particulars concerning the default and classification of the account. The Demand Notice dated 15.06.2024 was thereafter issued under Rule 7(1) of the

Personal Guarantor Rules, 2019 in the prescribed Form-B. Thus, the objection as to the date of default/NPA mentioned in the Demand Notice does not affect the maintainability of the present proceedings, particularly when the liability of the Personal Guarantor had already been invoked on 15.06.2018.

84. As regards the objection concerning the authority of the Applicant to institute the present proceedings, the record shows that the application has been instituted through the Resolution Professional and that the Petition under Section 95 was signed by Mr. Ashish Agarwal pursuant to the authorisation issued by IDBI Bank in October 2024. The said authorisation has been placed on record as Annexure A. Further, the Resolution Professional was appointed by this Adjudicating Authority vide order dated 13.12.2024 under Section 97 of the Code and thereafter submitted the report under Section 99. In view thereof, the objection raised by the Respondent regarding want of authority to institute the present proceedings is not substantiated from the record.

85. The Resolution Professional, in his report submitted pursuant to Section 99 of the Code, has examined the application and recommended its admission, observing that the application satisfies the requirements under Section 95 of the Code and that the Respondent/Personal Guarantor has failed to establish repayment of the debt claimed by the Applicant.

86. We find no infirmity in the findings and recommendation of the Resolution Professional. The Financial Creditor has established the existence of the debt and the invocation of the Personal Guarantee. The Demand Notice under Rule 7(1) of the Personal Guarantor Rules, 2019 was issued to the Respondent for an amount of Rs. 67,70,47,092.82/- (Sixty Seven Crores Seventy Lakhs Forty Seven Thousand and Ninety Two Rupees Eighty Two Paise Only) as on 05.06.2024, and the Respondent has failed to establish repayment or discharge of the outstanding liability.

87. Thus, in terms of Section 100(1) of the Code, for admitting an application for insolvency resolution of a Personal Guarantor, the Adjudicating Authority is required to be satisfied that:

- a. the application under Section 95 is complete;
- b. the debt is due and payable by the Personal Guarantor; and
- c. the Personal Guarantor has not repaid the debt.

88. In the present case, the application is found to be complete in all respects. The debt arises from the financial facilities availed by the Corporate Debtor, M/s SMS Paryavaran Limited, from the Applicant/Financial Creditor and secured, inter alia, by the Personal Guarantee executed by the Respondent. The Personal Guarantee continued to remain valid and subsisting notwithstanding the subsequent renewal, restructuring and alteration of the facilities. Further, the release of the mortgaged property pursuant to the order dated 11.03.2020 of the DRT, upon receipt of Rs. 2.70 crore, does not amount to discharge of the independent Personal Guarantee.

89. The approval of the Resolution Plan of the Corporate Debtor vide order dated 21.02.2023 also does not, by itself, discharge the Respondent from her liability as Personal Guarantor. The liability under the Personal Guarantee continues in accordance with its terms, subject to credit being given for amounts actually realised towards the outstanding dues.

90. The debt has become due and payable and remains unpaid. The Guarantee was invoked on 15.06.2018 and the Respondent has failed to establish any valid discharge of her liability thereunder. The subsequent demand notice dated 15.06.2024 was issued for the outstanding amount of Rs. 67,70,47,092.82/- as on 05.06.2024, and the Respondent failed to make payment within the prescribed period. Accordingly, all the conditions stipulated under Section 100(1) of the Code stand satisfied. The present Petition under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 is, therefore, liable to be admitted.

Accordingly, we order as under:

91. The Petition under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 is admitted, and the Insolvency Resolution Process against the Personal Guarantor, **Smt. Raj Kumari Garg**, is hereby initiated. A moratorium under Section 101 of the Code is declared from today, to remain in force for a period of 180 days or until an order under Section 114 is passed, whichever is earlier. During the moratorium period:

- a. Any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed;
- b. The creditors of the debtor shall not initiate any legal action or proceedings in respect of any debt;
- c. The debtor shall not transfer, alienate, encumber, or dispose of any of her assets or her legal rights or beneficial interest therein; and
- 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.

92. The Resolution Professional, **Mr. Rahul Jindal**, who was appointed by this Adjudicating Authority vide order dated 13.12.2024, is hereby directed to take all further steps in accordance with Part III, Chapter III of the Code, including publication of a public notice on behalf of the Adjudicating Authority within 7 days of uploading of this Order on the website of the NCLT, inviting claims from all Creditors, who shall register their claims as provided under Section 103 of the Code within 21 days of such notice. The notice shall contain the necessary information as provided under Section 102(2) of the Code. The publication of notice shall be made in newspapers, one in English and the other in the Vernacular Language, having wide circulation in the State where the Personal Guarantor resides.

93. The Resolution Professional, in exercise of the powers conferred under Section 104 of the Code, shall prepare a list of creditors within 30 days from the date of the notice. The debtor shall prepare a Repayment Plan in consultation with the Resolution Professional as provided under Section 105 of the Code, which shall include the provisions for payment of a fee to the Resolution Professional. The Resolution Professional shall submit the Repayment Plan along with his report on the plan to this Adjudicating Authority within a period of 21 days from the last date of submission of claims, as provided under Section 106 of the Code. In terms of the newly inserted Section 106(1A), where no Repayment Plan is submitted, the Resolution Professional shall submit a report to the Adjudicating Authority accordingly.

94. In case the Resolution Professional recommends that a meeting of the creditors is not required to be summoned, he shall record the reasons thereof. If the Resolution Professional is of the opinion that the meeting of the creditors should be summoned, he shall specify the details as provided under Section 106(3) & 106(3A) of the Code. The date of the meeting should not be less than 14 days or more than 28 days from the date of submission of the Report under Section 106(1) of the Code, for which notice shall be issued to the creditors by all modes within the timeline prescribed under the law. Such notice shall contain the details as provided under Section 107 of the Code.

95. The meeting of the creditors shall be conducted in accordance with Sections 108, 109, 110 and 111 of the Code. The Resolution Professional shall prepare a report of the meeting of the creditors on the Repayment Plan with all details as provided under Section 112 of the Code and submit the same to this Adjudicating Authority, copies of which shall be provided to the debtor 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. Further, in terms of the newly inserted Regulation 11A of

Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 the Resolution Professional shall coordinate with the Resolution Professional of the Corporate Debtor in respect of transfer of assets, obtain the approval of the meeting of creditors of the Personal Guarantor for such transfer, and, where such approval is granted, ensure that the proposed transfer is duly disclosed in the reports under Sections 106 and 112 of the Code.

96. The Financial Creditor shall deposit a sum of **Rs. 1,00,000/- (Rupees One Lakh Only)** with the Resolution Professional to meet the expenses arising out of issuing public notice and inviting claims. This amount shall be adjusted towards the fees and expenses payable to the Resolution Professional.
97. The Resolution Professional shall submit a status report every 30 days before this Adjudicating Authority.
98. The Personal Guarantor/Respondent, **Smt. Raj Kumari Garg**, is directed to cooperate with the Resolution Professional and provide all requisite information for the purpose of carrying out his duties. She is further directed to submit to the Resolution Professional, within two weeks from the date of this order, complete details specifically disclosing her assets and liabilities as on the date of this order, as well as on 31.03.2024, 31.03.2025 and 31.03.2026, duly supported by copies of the corresponding Income Tax Returns for the said years. The Personal Guarantor is also directed to furnish a copy of the latest Net Worth Certificate submitted to the Financial Creditors, as well as a copy of the Net Worth Certificate submitted at the time of furnishing the Personal Guarantee. Further, in case any assets have been sold during the last two years, complete details thereof, including the nature of the asset, date of sale, consideration received and mode of transfer, shall also be disclosed.

99. Registry shall communicate a copy of this order, the report and the petition to all concerned, including the Financial Creditor, Resolution Professional and the Personal Guarantor, within 7 working days and upload the same immediately.
100. A copy of this order be sent to the IBBI by the Registry.
101. Accordingly, **IA No. 833/2025 is allowed and disposed of**, and the Insolvency Resolution Process is hereby initiated against the Personal Guarantor/Respondent, **Smt. Raj Kumari Garg**.
102. List the matter for status report by the Resolution Professional on 03.11.2026.

Sd/-
(ANUPINDER SINGH GREWAL)
(PRESIDENT)

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)