

IN THE NATIONAL COMPANY LAW TRIBUNAL

ALLAHABAD BENCH, PRAYAGRAJ

CP (IB) NO.25/ALD/2025

(An Application filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 read with Rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules 2016)

IN THE MATTER OF

Punjab National Bank

Registered Office:

Plot No. 4 Sector 10, Dwarka, New Delhi

Also at:-

Having its Circle SASTRA Office at:

Punjab National Bank

KKM Complex, Katra Shamsheer Khan

Near Mahendra Showroom

Etawah Pin 206001

...Applicant/Financial Creditor

Versus

M/s. Jay Ambey Rice Mills Ltd.

Agra Bye Pass Road,

Mampur- 205001

.....Respondent/ Corporate Guarantor as Corporate Debtor

Order Pronounced on: 20.01.2026

Coram:

Mr. Praveen Gupta

: Member (Judicial)

Mr. Ashish Verma

: Member (Technical)

Appearances:

Sh. Prakhar Shukla, Adv.

: *For the Financial Creditor*

Sh. Amit Dhall, Adv.

: *For the Corporate Debtor*

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ORDER

1. This Application has been filed under Section 7 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred as the "IBC/Code") on 15.01.2025 by Punjab National Bank (hereinafter referred to as "Applicant/Financial Creditor") seeking initiation of Corporate Insolvency Resolution Process (hereinafter referred as "CIRP") against M/s Jay Ambey Rice Mills Private Limited (hereinafter referred to as 'Respondent/Corporate Debtor') being Corporate Guarantor of the M/s Bhagwati Rice Mills Private Limited (hereinafter referred to as "Principal Borrower").
2. In Part-I of the Application, details of Applicant M/s Punjab National Bank is given, mentioning its branch office at Circle SASTRA Office at KKM Complex, Katra Shamsher Khan, Near Mahendra showroom, Etawah PIN 206001 with one of its branch offices at Club Ghar, District Mainpuri, Uttar Pradesh. The present Petition is filed by Mr. Ramesh Kumar Shukla and Prakhar Shukla, Advocates duly authorised by the Applicant Bank, being Financial Creditor.
3. In Part II of the application, the details of the Corporate Debtor are mentioned wherein it is stated that the Corporate Debtor was incorporated on 23.07.2001 having CIN U15312UP2001PTC026143. It has its Registered office located at Agra Bye Pass Road, Mainpuri 205001. The Corporate Debtor herein stood as Corporate Guarantor for the Credit Facility and Working Capital Term Loan availed by the Principal Borrower M/s Bhagwati Rice Mills Private Limited executed by the Corporate Guarantor vide Agreements of Guarantee dated



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16.09.2019. The Principal Borrower for which the Corporate Debtor herein gave Corporate Guarantee was admitted for CIRP by this Tribunal vide order dated 03.12.2025. Therefore, as per Section 60(2) of the Code, the present application is under the jurisdiction of this Tribunal.

4. In Part III of the Application, the Financial Creditor has proposed Mrs. Babita Jain, having IBBI Registration No. IBBI/IPA-002/IP-N00321 /2017-18/10926, as the Interim Resolution Professional (hereinafter referred as "IRP").
5. In Part-IV of the Application, the applicant has stated that the amount in default is Rs. 74,35,42,374/- (Indian Rupees Seventy-Four Crores Thirty-Five Lakhs Forty-Two Thousand Three Hundred and Seventy-Four Only) as on 31.11.2024 along with applicable rate of interest, penal interest. The Date of Default is mentioned as 08.06.2023.
6. It is submitted that M/s Bhagwati Rice Mills Private Limited, the Principal Borrower, had availed various credit facilities from Punjab National Bank, the Financial Creditor herein, including Cash Credit and Working Capital Term Loan facilities. The credit facilities were initially sanctioned and thereafter enhanced from time to time upon the request of the Principal Borrower. The total sanctioned limits aggregated to Rs. 66,00,00,000/-, comprising Cash Credit facilities and Working Capital Term Loans, as per sanction letters dated 11.09.2019, 24.12.2020, 04.12.2021 and 22.11.2022.

7. The Cash Credit facility, was enhanced to Rs. 45,00,00,000/- vide sanction letter dated 12.09.2019, with a further ad-hoc enhancement of Rs. 7,50,00,000/- vide



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sanction letter dated 22.11.2022. Additionally, Working Capital Term Loans of Rs. 9,00,00,000/- and Rs. 4,50,00,000/- were sanctioned in favour of the Principal Borrower vide sanction letters dated 24.12.2020 and 04.12.2021 respectively. The said sanction facilities were further secured by creating charge over primary and collateral securities.

8. In order to secure the due repayment of the aforesaid credit facilities, the Principal Borrower/Corporate Guarantors executed various security and loan documents including Terms of Agreement and Deeds of Hypothecation. Further, M/s Jay Ambey Rice Mills Ltd., the Respondent herein, executed a Corporate Guarantee dated 23.11.2022 pursuant to a Board Resolution dated 20.12.2022, thereby guaranteeing repayment of the credit facilities to the extent of Rs. 52,77,00,000/- in favour of the Financial Creditor.
9. Despite availing the credit facilities, the Principal Borrower failed to adhere to the repayment obligations and became irregular in servicing the debt. Consequently, the loan accounts were classified as Non-Performing Asset (NPA) on 08.06.2023. The Financial Creditor has placed on record the statement of account evidencing outstanding dues under the various facilities. It is submitted that since the Principal Borrower's account was classified as NPA, neither the Principal Borrower nor the Guarantor/Corporate Debtor herein made payment of the outstanding amount.



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10. As on 30.11.2024, the total outstanding debt payable by the Principal Borrower stood at Rs. 74,35,42,374/-, comprising dues under Cash Credit and Working Capital Term Loan facilities, as detailed below:

S.No.	Account No.	Facility	Default Amount as on 30.11.2024
1.	0348008700002109	Cash Credit	62,56,56,724
2.	034800EG00000010	WCTL	5,30,42,146
3.	034800IL000000260	WCTL	6,48,43,504

11. The Financial Creditor has also placed on record the Records of Default in Form D issued by the National E-Governance Services Ltd. (NeSL), the Information Utility notified under the Insolvency and Bankruptcy Code, 2016. The said records reflect the status of default as "Authenticated" as on 10.12.2024 and pertain to the financial facilities extended to the Principal Borrower, copies whereof are annexed with the Application. The data of NeSL reflects as follows:

Account No.	Date on which default occurred	Default Amount
0348008700002109	08.06.2023	62,07,34,366
034800EG00000010	08.06.2023	1,70,16,293
034800IL000000260	08.06.2023	5,93,54,235

12. Following the occurrence of default, the Financial Creditor issued notice dated 04.01.2024 to the Principal Borrower as well as the Guarantors, calling upon

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them to repay the outstanding dues within 7 days from the date of receipt of the notice, and thus invoking the Corporate Guarantee against the Applicant Corporate Guarantor. Despite issuance of the said notices, neither the Principal Borrower nor the guarantors, including the Corporate Guarantor herein, discharged the outstanding liability.

13. Thereafter, the Financial Creditor initiated recovery proceedings by filing OA No. 296/2024 before the Debt Recovery Tribunal, Allahabad on 25.02.2024, which proceedings are presently pending.
14. In view of the continuing default by the Principal Borrower and the invocation of the Corporate Guarantee, the Financial Creditor has approached this Tribunal seeking initiation of the Corporate Insolvency Resolution Process against M/s Jay Ambey Rice Mills Ltd., the Corporate Guarantor, under Section 7 of the Insolvency and Bankruptcy Code, 2016.

REPLY ON BEHALF OF THE CORPORATE DEBTOR

15. The Respondent filed a reply having Dairy No. 2355 dated 28.11.2025, countering the averments of the Applicant Financial Creditor based on the following major contentions stated as below: -

- a. It is contended by the Respondent Corporate Debtor herein that the present petition has been filed without making due compliance of the provisions of the Code, particularly when the Respondent is a Corporate Guarantor to the Corporate Debtor to which the Financial Creditor has not invoked any guarantee as per clause in the Deed of Guarantee in accordance with law.

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- b. It is also submitted that the present petition is not sustainable as the Financial Creditor has suppressed various vital information. It is further submitted that the present petition is liable to be rejected for the reason that the Applicant has mentioned the date of default / NPA as 08.06.2023, as mentioned in Part IV Para 1 whereas in the notice issued by the Applicant, the date of default is 09.06.2023. Hence, as per the Respondent, the Applicant cannot institute the present petition on the basis of two dates of default.
- c. It is submitted that the petition is nothing but an abuse of process of law for the reason that the Financial Creditor in the earlier instances, had also issued the demand notice u/s 13(2) of the SARFAESI Act dated 13.06.2023, mentioning compliance with the mandatory RBI guidelines and notifications whereas as per the Respondent, the account has been wrongly classified as NPA, thus violating the RBI guidelines. Further, the petition has been instituted on the basis of cause of action i.e., declaring the account as NPA, however, as submitted, the present petition has been instituted on the basis of wrongful cause of action. It is asserted that the Financial Creditor has inconsistently averred the date of default at different places: 08.06.2023, 09.06.2023 and 30.11.2023, and that the amounts on those dates do not match the statement of account or the notice relied upon.
- d. Further, as submitted, the present petition is liable to be rejected solely on the ground that the Financial Creditor has already filed the OA under Recovery of Debts & Bankruptcy Act, 1993, for the purpose of adjudication of the Debt/ amount as per Section 2(g) of the Recovery of Debts & Bankruptcy Act, 1993, whereby surrendering the right in respect to the amount claimed including the interest which is pending for adjudication.
- e. The Respondent has opposed the Application contending that it is not maintainable in law. It is submitted that the Financial Creditor has already



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initiated recovery proceedings by filing an Original Application under the Recovery of Debts and Bankruptcy Act, 1993 before the Debt Recovery Tribunal for adjudication of the same debt, wherein written statement and counter-claims have been filed, and therefore the present proceedings under Section 7 of the Insolvency and Bankruptcy Code amount to impermissible. Reliance has been placed on various decisions to contend that the IBC cannot be invoked as a recovery mechanism when adjudication of debt is already pending before the DRT.

- f. It is further contended that the liability of the Corporate Guarantor arises only upon invocation of the corporate guarantee and that the date of default for the purpose of maintaining a Section 7 petition against a corporate guarantor must be reckoned from the date of first invocation notice. In this regard, reliance has been placed on the judgments in *IDBI Trusteeship Services Ltd. v. Direct Media Distribution Ventures Pvt. Ltd.*, *Piramal Capital & Housing Finance Ltd. v. Township Developers India Ltd.*
- g. The Respondent has also relied upon the judgment of the Hon'ble NCLAT in *Ram Dass Dutta v. IDBI Bank Ltd.* to contend that the date of default cannot be altered by the bank and that the date of NPA cannot be treated as the date of default for the purpose of limitation, in view of the law laid down by the Hon'ble Supreme Court. On these grounds, it is submitted that the present Application suffers from serious defects regarding limitation and maintainability and is liable to be dismissed.



- 16. The Applicant has filed a written submission in compliance with the order dated 12.01.2026. The written submissions have been taken on record and not reproduced herein for the sake of brevity.
- 17. When the matter came up for hearing on 09.12.2025, a discrepancy was noted with respect to the date of the notice issued for invoking the corporate guarantee,

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wherein the notice was dated 04.01.2024 while the postal receipt reflected the date of dispatch as 03.01.2024. The learned counsel for the Financial Creditor submitted that the notice was dispatched on 03.01.2024 and that the date mentioned on the notice was due to a typographical error. In view thereof, this Tribunal directed both the Financial Creditor and the Corporate Guarantor to file affidavits clarifying the discrepancy, including the context and receipt of the communication.

18. In compliance with the order dated 09.12.2025, the Respondent filed a compliance affidavit vide diary no. 80 dated 09.01.2026, contending that a notice dated 04.01.2024 could not have been dispatched by Indian Post on 03.01.2024. It was further submitted that the corporate guarantee was not invoked in accordance with the terms of the Deed of Guarantee and that the alleged notice does not constitute a valid invocation of guarantee. Reliance was also placed on the judgment of the Hon'ble NCLAT in *Pooja Ramesh Singh v. State Bank of India* [Company Appeal (AT)/329/23] to contend that default in respect of a guarantee arises only upon valid invocation thereof.

19. Further, in compliance with the aforesaid order, the Applicant filed a compliance affidavit vide diary no. 86 dated 12.01.2026, stating that although the notice invoking the guarantee was dispatched on 03.01.2024, a typographical error occurred in the head of the notice wherein the date was inadvertently mentioned as "04.01.2024" instead of "03.01.2024". It was further submitted that such an error does not vitiate the issuance or validity of the notice invoking the corporate

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guarantee and does not alter the fact that the Corporate Guarantor had executed the guarantee in respect of the loan availed by the Corporate Debtor, which remains in default.

FINDINGS AND ORDER

20. We have heard the Ld. Counsels of both parties and also perused the records and examined the pleadings filed before us. The main issues which are before us to be decided in respect of the present Application u/s 7 are:

- i. **Whether the present application is filed within the prescribed period of limitation?**
- ii. **Whether there are debt and default within the meaning of the IBC?**

- i. **Whether the present application is filed within the prescribed period of limitation**

21. For examining the first issue relating to limitation, we have carefully gone through the documents placed on record. It is evident from the material available that the Principal Borrower, M/s Bhagwati Rice Mills Private Limited, availed various credit facilities from the Applicant Financial Creditor, pursuant to which the Respondent herein executed Corporate Guarantee dated 23.11.2022 securing the said credit facilities. Upon failure of the Principal Borrower to service the debt, the loan accounts were classified as Non-Performing Asset (NPA) on 08.06.2023, which has also been disclosed as the date of default in Part IV of the present Application. In this regard, the Respondent has contended that the date of NPA cannot be treated as the date of default.



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22. For examining this contention, it is necessary to take into account the subsequent events. After the occurrence of default by the Principal Borrower, the Financial Creditor issued a notice invoking the Corporate Guarantee on 03.01.2025 (which was inadvertently mentioned as dated 04.01.2025 on account of a typographical error), granting seven days' time from the date of receipt of the notice to the Corporate Guarantor as well as the Principal Borrower to discharge the outstanding liability. It is not disputed that despite receipt of the said notice, the Principal Borrower as well as the Corporate Guarantor failed to make payment of the outstanding amount within the stipulated period. Consequently, the default on the part of the Corporate Guarantor arose upon expiry of 7 days, i.e., on 10.01.2025.

23. In terms of Article 137 of the Limitation Act, 1963, the Financial Creditor is entitled to a period of three years from the date of default to initiate proceedings under Section 7 of the Insolvency and Bankruptcy Code, 2016. On taking the date of default for the Corporate Guarantor to be reckoned from 10.01.2025, being the date immediately following the expiry of the notice period granted in the guarantee invocation notice, the present Application is clearly within the prescribed period of limitation.

24. As regards the Corporate Debtor's reliance on the judgments of the Hon'ble NCLAT in *Pooja Ramesh Singh v. State Bank of India* [Company Appeal (AT) No. 329 of 2023] and *Ram Dass Dutta v. IDBI Bank Ltd.* [Company Appeal (AT) (Ins.) No. 1285 of 2022] to contend that, in the case of a corporate



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guarantor, default arises only upon valid invocation of the guarantee and that the date of NPA of the Principal Borrower cannot be treated as the date of default for the purpose of limitation respectively, the said legal propositions are well settled and are not in dispute. In the present case, however, the Financial Creditor has not sought to compute limitation from the date of NPA of the Principal Borrower. On the contrary, limitation has to be reckoned from the date of invocation of the Corporate Guarantee, i.e., 03.01.2025, whereby seven days' time was granted to the Corporate Guarantor to discharge the outstanding liability in terms of the Deed of Guarantee dated 23.11.2022.

25. Upon failure to pay within the stipulated period, default on the part of the Corporate Guarantor crystallized on 10.01.2025. Thus, the date of default has neither been altered nor artificially shifted by the Financial Creditor. The guarantee having been validly invoked within the subsisting limitation period arising from the Principal Borrower's default dated 08.06.2023, a fresh and independent cause of action arose against the Corporate Guarantor, hence, even after applying the ratio laid down in the aforesaid judgments, the present Application is found to be within limitation.

Accordingly, in view of the foregoing discussion and upon consideration of the material placed on record, we hold that the present Application under Section 7 of the Insolvency and Bankruptcy Code, 2016, having been filed on 15.01.2025, is well within the prescribed period of limitation, whether reckoned from the date



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of default of the Principal Borrower or from the date of default of the Corporate Guarantor arising upon valid invocation of the Corporate Guarantee.

ii. **Whether there are debt and default within the meaning of the I&B Code, 2016?**

27. With regard to the second issue concerning the determination of debt and default, it is evident from the record that the Principal Borrower M/s Bhagwati Rice Mills Private Limited, availed various credit facilities from the Applicant Financial Creditor, including Cash Credit and Working Capital Term Loans, which were sanctioned and enhanced from time to time, aggregating to Rs. 66,00,00,000/-. The execution of loan and security documents by the Principal Borrower is not disputed.

28. It is also evident that the Respondent, M/s Jay Ambey Rice Mills Private Limited, executed a Corporate Guarantee dated 23.11.2022, guaranteeing repayment of the credit facilities to the extent of Rs. 52,77,00,000/-. The guarantee document specifically records that the guarantee is a continuing guarantee and that the guarantor is jointly and severally liable to pay all amounts due to the Bank from the Borrower upon demand.

29. The Financial Creditor has placed on record the statement of account evidencing that as on 30.11.2024, a total amount of Rs. 74,35,42,374/- remained outstanding under the Cash Credit and Working Capital Term Loan facilities. The Respondent has not disputed the execution of the guarantee or the sanction of the facilities,



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but has sought to raise objections relating to invocation of guarantee, alleged procedural irregularities, and pendency of proceedings before the DRT.

30. The Financial Creditor has also produced the Records of Default in "Form D" issued by NeSL, the Information Utility notified under the Code, reflecting the status of default as "Authenticated" as on 10.12.2024. Hence, we are of the view that the said records, coupled with the statement of account and notice of invocation of guarantee, sufficiently establish the occurrence of default. At the stage of Section 7 proceedings, the Adjudicating Authority is only required to be satisfied as to the existence of a financial debt and default, and not to conduct an enquiry into disputed claims or defences.

31. We have considered the contention of the Respondent that the Agreement of Guarantee was not validly invoked in accordance with law. From the perusal of the Agreement of Guarantee dated 23.11.2022, we note that the guarantee is a continuing guarantee and in Clause 2 expressly stipulates that the Corporate Guarantor shall be liable to pay the outstanding dues "*after demand in writing*" by the Bank. The relevant excerpts of Clause no. 2 of the Agreement of Guarantee are reproduced below:

2. *The Guarantor(s) hereby guarantee(s) jointly and severally to pay to the Bank after demand in writing with all principal, interest, cost, charges and expenses due and which may at any time become due to the Bank from the Borrower...."*

32. Similarly, Clause no. 20 of the Agreement of Guarantee states:

"20. Any notice by the Bank in writing under this Agreement or a demand in writing shall be deemed to have been duly given to the Guarantor(s) by sending

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the same by post addressed to him/her/them at the address herein written and shall be effectual notwithstanding any change of residence or death and notwithstanding the notice thereof to the Bank and such demand shall be deemed to have been received by the Guarantor(s) 24 hours after the posting thereof and shall be sufficient to prove that the letter containing the demand was properly addressed and posted."

33. Therefore, it is evident that the notice dated 04.01.2024 which was later explained by the Applicant Financial Creditor to be issued on 03.01.2024, issued on behalf of the Financial Creditor and addressed inter alia to the Corporate Guarantor, clearly calls upon the Respondent to discharge the outstanding liability of the Principal Borrower within the stipulated time in line with the aforesaid clauses of the Agreement of Guarantee regarding the invocation of guarantee, failing which legal proceedings were to be initiated. Hence, the substance of the notice unequivocally reflects invocation of the corporate guarantee. Also, in a Section 7 proceeding, what is required to be seen is whether demand has been made upon the guarantor and default has ensued; hyper-technical objections regarding the form of the notice cannot defeat a valid invocation when the intent to invoke the guarantee is manifest from the record.

34. As regards the dispute raised by the Corporate Debtor with respect to the issuance and date of the corporate guarantee invocation notice, we have considered the affidavits filed pursuant to the order dated 09.12.2025, whereas the Corporate Debtor disputed the issuance of the corporate guarantee notice on the ground that the same has been issued on 03.01.2024 as per the postal receipts, while making such submissions, however, no substantial objection has been



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raised by the Corporate Debtor on merits as to the issuance of the notice, the contents thereof, or even with respect to the notice having been issued in terms of the provisions of the Agreement of Guarantee. The submissions are largely confined only to the date of issuance of the notice, which are merely hyper-technical in nature. The Financial Creditor has clarified that though the notice was dispatched on 03.01.2024, the date mentioned on the said notice as 04.01.2024 instead of 03.01.2024 was on account of a typographical error. Though an opportunity was granted to the Corporate Debtor to file an affidavit to apprise us as to what communication was actually received pursuant to the dispatch dated 03.01.2024, no specific reply could be furnished in this regard except reiterating that the notice bears the date 04.01.2024.

35. In this background, we do not find any force in the submissions of the learned counsel for the Corporate Debtor insofar as the issuance of the notice dated 04.01.2024 is concerned, particularly when the substance of the notice clearly calls upon the guarantor to discharge the outstanding liability. The Respondent, despite filing a compliance affidavit, has not placed on record any material to show what communication was actually received, whether it was same notice dated 04.01.2024 or some other document which was dispatched on 03.01.2024 as alleged by them or how the alleged discrepancy due to the typographical error, could invalidate the guarantee invocation notice. In the absence of such material, the Respondent cannot be permitted to rely on conjectures to challenge the invocation of the guarantee. We therefore find that the technical objection based



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on the discrepancy in dates is devoid of substance and does not invalidate the invocation of the corporate guarantee, which, in substance, amounts to a valid invocation in terms of the Agreement of Guarantee.

36. The contention that the pendency of recovery proceedings before the Debt Recovery Tribunal bars initiation of proceedings under the Code is also devoid of merit. It is well settled that proceedings under the IBC are independent and distinct from recovery proceedings, and mere pendency of an OA before the DRT does not preclude initiation of CIRP once debt and default are established.
37. In light of the documents on record, including the sanction letters, corporate guarantee, notice of invocation of guarantee, statement of account and authenticated NeSL Records of Default, we are satisfied that a financial debt exists and that default has occurred within the meaning of Sections 3(11), 3(12) and 5(8) of the Insolvency and Bankruptcy Code, 2016.
38. Having considered the specific facts and circumstances of the present case, as discussed hereinabove, we find that the liability of the Respondent Corporate Debtor, being the Corporate Guarantor, stands attracted in terms of the Deed of Corporate Guarantee, the said liability being co-extensive with that of the Principal Borrower. The outstanding debt, as found by us in the preceding paragraphs, continues to remain unpaid and is admittedly above the threshold limit of Rs. 1 crore. It is also not in dispute that the Application filed against the Principal Borrower under Section 7 of the Code, has already been admitted by this Tribunal vide order dated 03.12.2025. Subsequent thereto, upon issuance of



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the guarantee invocation notice dated 03.01.2025 calling upon the Corporate Guarantor to discharge the outstanding liability, the Respondent in the present case also failed to make payment within the stipulated period, thereby committing default in its capacity as Corporate Guarantor. In view of the foregoing facts and circumstances of the case discussed so far, the contentions raised by the Corporate Debtor in its reply do not merit acceptance. The existence of financial debt and the occurrence of default, both on the part of the Principal Borrower as well as the Corporate Guarantor, stand conclusively established from the material placed on record.

39. After considering the entire facts and circumstances of the case, as discussed hereinabove, we are of the considered opinion that default in repayment of the financial debt has clearly occurred. The default on the part of the Principal Borrower has already been established, which resulted in initiation of CIRP against the Principal Borrower by this Tribunal vide order dated 03.12.2025. Further, upon invocation of the Corporate Guarantee, the Corporate Guarantor has also failed to discharge the outstanding liability within the stipulated period, thereby committing default in its capacity as Corporate Guarantor. We further find that the Section 7 Application filed by the Financial Creditor and the Respondent Corporate Debtor herein being a Corporate Guarantor, is complete in all respects, furnishing the details of financial debt and default as required under Part IV of Form 1 and enclosing all necessary supporting documents in terms of Part V thereof. Since all the conditions prescribed under Section 7 of



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the Insolvency and Bankruptcy Code, 2016 stand satisfied, we are of the view that the present Application deserves to be admitted for initiation of the Corporate Insolvency Resolution Process against the Respondent Corporate Debtor/Corporate Guarantor.

40. Accordingly, this Tribunal admits this petition and orders to initiate the Corporate Insolvency Resolution Process against the Corporate Debtor/Guarantor.

41. The Financial Creditor has proposed the name of Ms. Babita Jain, having Registration No. IBBI/IPA-002/IP-N00321/2017-2018/10926, R/o 35B/6 Ram Mohan Plaza, Madho Kunj Master Zahurul Hasan Road, Allahabad, Uttar Pradesh, 211002, 226031, Email ID: jainbabita06@gmail.com as the Interim Resolution Professional ("IRP") who has also filed her consent in Form – 2 and upon verification from the IBBI website, it is seen that the said person holds a valid Authorisation for Assignment till 31.12.2026, hence she is fit to be appointed as IRP in this matter.

42. Accordingly, this application is admitted u/s 7 of the Code, 2016, under the following terms and conditions.

- i. The application filed by the Financial Creditor under Section 7 of the Insolvency & Bankruptcy Code, 2016, for initiating the Corporate Insolvency Resolution Process against the Corporate Debtor, i.e., Jay Ambey Rice Mills Private Limited, is hereby admitted.
- ii. We hereby declare a moratorium and public announcement in accordance with Sections 13 and 15 of the I & B Code, 2016.



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- iii. This Adjudicating Authority hereby appoints Ms. Babita Jain to act as the IRP under Section 13(1)(c) of the Code as decided by us in para 41 above.
- iv. The IRP shall cause a public announcement for the initiation of the Corporate Insolvency Resolution Process against the Corporate Debtor and call for the submission of claims under Section 15. The public announcement referred to in clause (b) of sub-section (1) of Section 15 of the Insolvency & Bankruptcy Code, 2016 shall be made immediately.
- v. Moratorium under Section 14 of the Insolvency & Bankruptcy Code, 2016 has commenced from the date of this order prohibiting the following:
- a) The institution of suits or continuation of pending suits or proceedings against the Corporate Debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;
 - b) Transferring, encumbering, alienating or disposing of by the Corporate Debtor any of its assets or any legal right or beneficial interest therein;
 - c) Any action to foreclose, recover or enforce any security interest created by the Corporate Debtor in respect of its property including any action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);
 - d) The recovery of any property by an owner or lessor where such property is occupied by or in the possession of the Corporate Debtor.
- vi. Apart from above prohibitions in respect of the corporate debtor, it is further directed that the supply of essential goods or services to the



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corporate debtor as may be specified, shall not be terminated or suspended or interrupted during the moratorium period.

- vii. The provisions of Section 14(3) shall, however, not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator and to a surety in a contract of guarantee to a corporate debtor.
- viii. The order of moratorium shall have effect from the date of this order till completion of the corporate insolvency resolution process or until this Bench approves the resolution plan under sub-section (1) of Section 31 or passes an order for liquidation of the corporate debtor under Section 33 as the case may be.
- ix. The IRP is directed to take steps as mandated under section 13 and 15 of the IBC for making public announcement about the commencement of CIRP against the Corporate Debtor and moratorium against it, u/s 14, and also take necessary actions as per sections 17, 18, 20 and 21 of IBC, 2016.
- x. The IRP shall after collation of all the claims received against the Corporate Debtor and the determination of the financial position of the Corporate Debtor and to constitute a Committee of Creditors (hereinafter referred as "**COC**") and shall file a report certifying the constitution of the COC to this Tribunal on or before the expiry of thirty days from the date of his appointment, and shall convene the first meeting of the COC within seven days of filing the report of the constitution of the COC.
- xi. The COC in its first meeting shall appoint a Resolution Professional (hereinafter referred as "**RP**") as per the provision of section 22(2) and file an application before this Tribunal for confirmation of the appointment of the RP.
- xii. The Suspended Board of Directors of the corporate debtor is directed to give to IRP/RP complete access to the Books of Accounts of the corporate



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debtor maintained under section 128 of the Companies Act. In case, the books are maintained in the electronic mode, the Suspended Board of Directors are to share with the IRP/RP all the information regarding maintaining the Backup and regarding service provider kept under Rule 3(5) and Rule 3(6) of the Companies Accounts Rules, 2014 respectively as effective from 11.08.2022, especially the name of the service provider, the internet protocol of the service provider and its location, and also address of the location of the Books of Accounts maintained in the cloud. In case, accounting software for maintaining the books of accounts is used by the corporate debtor, then IRP/RP is to check that the audit trail in the same is not disabled as required under the notification dated 24.03.2021 of the Ministry of Corporate Affairs.

- xiii. The Statutory Auditor is directed to share with the Resolution Professional the audit documentation and the audit trails, which they are mandated to retain pursuant to SA-230 (Audit Documentation) prescribed by the Auditing and Assurance Standards Board ICAI.
- xiv. The IRP/RP is directed to take custody and control of all the records of information relating to assets of the Corporate Debtor, its Books of Account in physical form or the computer systems storing the electronic records at the earliest in accordance with the provision of Regulation 3A of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (hereinafter referred to as "CIRP Regulations, 2016").
- xv. The Financial Creditor shall also provide necessary assistance to IRP/RP in obtaining the necessary information about the Corporate Debtor as envisaged in Regulation 4(3) of the CIRP Regulations, 2016.

In case of any non-cooperation by the Suspended Board of Directors or the Statutory Auditors, IRP/RP may take the help of the police authorities to enforce this order. The concerned police authorities are directed to



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extend help to the IRP/RP in implementing this order for the retrieval of relevant information from the systems of the corporate debtor.

- xvii. The IRP/RP may take the assistance of Digital Forensic Experts empanelled with this Bench/IBBI/MCA for this purpose.
- xviii. The Suspended Board of Directors is also directed to hand over all user IDs and passwords relating to the corporate debtor, particularly for government portals, for various compliances.
- xix. The IRP/RP is also directed to make a specific mention of non-compliance, if any, in this regard in his status report filed before this Adjudicating Authority immediately after a month of the initiation of the CIRP.
- xx. The IRP/RP is directed to approach the Government Departments, Banks, Corporate Bodies and other entities with requests for information/documents available with those authorities'/institutions/ others pertaining to the Corporate Debtor which would be relevant in the CIR proceedings.
- xxi. The IRP/RP is directed to approach all the concerned Government Departments and authorities as discernible from the books of account of the Corporate Debtor requesting them to file claims if any amount is outstanding against the Corporate Debtor.
- xxii. The Government Departments, Banks, Corporate Bodies and other entities are directed to render the necessary information and cooperation to the IRP/RP to enable him to conduct the CIR Proceedings as per law.
- xxiii. The IRP/RP shall collate the data obtained from (a) the claim(s) made before it and (b) information gathered from the records including those maintained by the Corporate Debtor.



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xxiv. The IRP/RP is further directed to send regular progress reports to this Tribunal every month.

xxv. We direct the Financial Creditor to deposit a sum of Rs. 2,00,000/- with the Interim Resolution Professional, to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Person) Regulations, 2016. The amount, however, is subject to adjustment by the Committee of Creditors as accounted for by the Interim Resolution Professional on the conclusion of CIRP.

43. A certified copy of the order shall be communicated to both the Applicant Financial Creditor and the Respondent Corporate Debtor. The learned counsel for the Applicant Financial Creditor shall deliver a certified copy of this order to the IRP forthwith. The Registry is also directed to send a certified copy of this order to the IRP at his e-mail address forthwith.

44. List CP (IB) 25/ALD/2025 on 25.02.2026 for filing of the progress report/further proceeding.



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(Ashish Verma)
Member (Technical)

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(Praveen Gupta)
Member (Judicial)

Date: 20.01.2026

CERTIFIED TO BE TRUE COPY
OF THE ORIGINAL

FREE OF COST

Compared by Me
Mahesh Chauhan
23/01/2026


V. K. Asthana
Deputy Registrar
National Company Law Tribunal
Allahabad Bench, Prayagraj (U.P.)

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