

IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR,
HON'BLE TECHNICAL MEMBER

IA (IBC) No. 189/JPR/2025
In CP No. (IB)- 21/95/JPR/2025

IN THE MATTER OF:

CANARA BANK

...Applicant/ Creditor

VERSUS

SACHIN GOYAL

...Respondent/ Personal Guarantor

IA (IBC) No. 189/JPR/2025

MEMO OF PARTIES

MR. JAI PRAKASH RAWAT,
Resolution Professional,
22-B, New Colony, Chandni Chowk,
Jhotwara, Jaipur- 302012, Rajasthan

.....Resolution Professional

FOR THE RP	:	J.P. Rawat, In person
FOR THE RESPONDENT	:	Gulafsha Kureshi, Adv.
FOR THE BANK	:	Karan Pratap Singh, Adv.

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Order Pronounced on: 07.10.2025


ORDER

Per: Ms. Kavita Bhatnagar, Technical Member

1. This Application bearing *IA(IBC) No. 189/JPR/2025* has been filed by *Mr. Jai Prakash Rawat*, the Resolution Professional, under Section 99 of the Insolvency and Bankruptcy Code, 2016 ('Code'/ 'IBC') recommending the admission of the Application filed by *Canara Bank* ('Creditor'/ 'Bank') under Section 95 of the Code wherein it has sought commencement of the Insolvency Resolution Process ('IRP') against the Personal Guarantor, namely *Mr. Sachin Goyal* ('Personal Guarantor'/ 'Debtor'), of *M/s Shree Om Prime Foods Pvt. Ltd.* ('Corporate Debtor').
2. The Creditor had filed the main Application bearing *CP No. (IB)-21/95/JPR/2025* under Section 95 of the Code read with Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rules, 2019 ('Rules'), seeking initiation of IRP against the Personal Guarantor of the Corporate Debtor for an amount of Rs. 7,50,67,355.72/- (Rupees Seven Crores Fifty Lakhs Sixty- Seven Thousand Three Hundred Fifty- Five and Seventy- Two Paise Only). This Adjudicating Authority *vide* Order dated 07.04.2025 had appointed *Mr. Jai Prakash Rawat* as the Resolution Professional and directed him to file a report under Section 99 of

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IBC, 2016 and the same has been filed through the instant Interlocutory Application i.e., *IA(IBC)No. 189/JPR/2025*.

3. The Petitioner has filed the present petition seeking insolvency resolution process against the Respondent (Personal Guarantor). The Petitioner submitted that it extended credit facilities to the tune of Rs. 475.00 Lakhs to the Corporate Debtor vide sanction letter dated 25.02.2015. In relation to the aforementioned facility, the Respondent herein executed a Guarantee Agreement dated 27.02.2015. Thereafter, the Corporate Debtor sought extension of SODH from Rs. 200 Lakhs to Rs. 450 Lakhs which was granted vide sanction letter dated 10.08.2018. The Respondent executed another Guarantee Agreement for the aforementioned loan on 10.08.2018. The Corporate Debtor again sought enhancement in SODH from Rs. 450 Lakhs to Rs. 550 Lakhs and the same was allowed vide sanction letter dated 02.03.2020. The Respondent herein individual capacity executed a Guarantee Agreement in favour of the Petitioner on 07.03.2020 for Rs. 860.00 Lakhs.
4. Due to non-adherence to the financial discipline, the bank account of the Corporate Debtor was classified as non-performing asset on 29.01.2022. Subsequently, the Petitioner sent a demand notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 dated 31.01.2022 to the Respondent.


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5. The Petitioner contended that a copy of the Petition has already been served upon the Personal Guarantor. It was submitted that a demand notice dated 27.05.2024 under Rule 7(1) of the Personal Guarantors Rules was sent to the Respondent and the instant Petition has been filed in form C as mandated by Rule 7(2) of the Personal Guarantor Rules. Further, it was submitted that the Petitioner had issued a notice under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 dated 31.01.2022 thereby invoking the guarantee.
6. Hence, this Application has been filed by the Resolution Professional seeking admission of the Application filed under Section 95 on the following grounds:
- 6.1. That the Applicant/ Personal Guarantor, namely *Mr. Sachin Goyal*, in *CP No. (IB)- 21/95/JPR/2025* appears to have committed default in repayment of his liabilities in terms of debt arising on account of invocation of the personal guarantee given by the Financial Creditor in relation to the loan availed by Corporate Debtor from Canara Bank pursuant to which a demand notice was issued u/s 13(2) of SARFAESI Act, 2002 and the liabilities remained unpaid and accordingly, the requirement set out in Rule 7(2) of Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for personal Guarantors to Corporate Debtors) Rules, 2019 is satisfied.



- 6.2. That the Corporate Debtor as well as the Personal Guarantor had committed a default in re-payment of their liabilities and therefore, the requirement set out in section 95 of IBC is satisfied as the application has been filed in compliance with the provisions of Section 95(6) duly accompanied by documents prescribed under Section 95(4) of the IBC.
- 6.3. That the Financial Creditor had issued demand notice dated 27.05.2024 under clause (b) sub- section (4) of Section 95 and the same has been served on the guarantor demanding re-payment of amount in Default under form B. In response to such demand notice, the Personal Guarantor in its reply while not disputed the existence of debt and default has requested the Financial Institution not to proceed further on humanitarian grounds.
- 6.4. That the Financial Creditor is entitled to file the said application under Section 95(1) of the IBC and the same appears to be in compliance of the provisions of Chapter III of Part III to the Insolvency Resolution and Bankruptcy for Individuals and Partnership Firms under the IBC.
- 6.5. That the said application has been filed by the Financial Creditor in compliance with Section 95(6) of the IBC in 'Form C' r/w Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019 along with an application fee of Rs. 2000/-.
- 6.6. That the application filed u/s 95 is accompanied with details and documents relating to:

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- a) The debts owed by the Corporate Debtor (in relation to which the Personal Guarantee has been given by the Personal Guarantor) to the Financial Creditor submitting the application for insolvency resolution process as on the date of the application
 - b) The failure by the debtor and the personal guarantor to pay the debt within a period of fourteen days of the service of the notice of demand; and
 - c) Relevant evidence of such default on non- repayment of debt.

7. The Personal Guarantor has filed its Reply Affidavit *vide* Diary No. 1752/2025 dated 05.08.2025, stated the following:

- a) The Personal Guarantor has submitted that on 28.07.2022, this Adjudicating Authority had initiated the CIRP against the Corporate Debtor. However, no resolution plan was approved by the CoC and accordingly, the CoC unanimously resolved to initiate liquidation proceedings against the Corporate Debtor. It is stated that the Corporate Debtor is undergoing the liquidation process, the Personal Guarantor has no other means to fulfil the obligations arising out of the Guarantee Agreement. The entire business of the Corporate Debtor has been shut due to the ongoing CIRP/ Liquidation process and as such the personal guarantor is not in a financial position to submit any settlement plan/ repayment plan to the Bank.



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8. This Adjudicating Authority has perused the Petition, Report filed by the Resolution Professional and the Reply filed by the Debtor and all the documents enclosed therewith.
9. On perusal of the facts, it transpires that the Bank had sanctioned the credit facilities to the Corporate Debtor vide Sanction Letter dated 25.02.2015 for an amount of Rs. 475 lakhs. In relation to that, the Personal Guarantor executed guarantee deed dated 27.02.2015 in favour of the Bank. On 10.08.2018, the Corporate Debtor approached the Bank for enhancement of Secured Overdraft Limit from 200 lakhs to 450 lakhs which enhanced the total exposure to Rs. 725 lakhs.
10. Subsequently, the Corporate Debtor requested the Bank for another enhancement of SODH limit from 450 lakhs to 550 lakhs with grant of additional terms loan of Rs. 35 lakhs and the same was allowed vide Sanction letter dated 02.03.2020. The Personal Guarantor kept on extending their Personal Guarantee vide Guarantee Agreements dated 27.02.2015, 10.08.2018, 07.03.2020.
11. In October 2020, another term loan of Rs. 115 Lakhs was availed. On 29.01.2022, the loan account of the Corporate Debtor was classified as NPA. Consequently, on 31.01.2022, the Bank served a demand notice under Section 13(2) of the SARFAESI, 2002 and also invoked personal guarantee of the Guarantors including the Personal Guarantor herein. The Corporate

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Debtor along with its Guarantors failed to comply with the demand notice which led to occurrence of default.

12. On 27.05.2024, the Bank issued the Demand notice under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to the Corporate Debtors) Rules, 2019. Further, the Personal Guarantor has submitted a reply on 21.06.2024 to the demand notice wherein it has been stated that he has lost control and ownership over the Corporate Debtor due to financially distressed condition. In this reply, the Guarantor has also requested that no further proceedings be undertaken against him.
13. Thus, it transpires that there was a valid deed of guarantee executed by the Debtor in favour of the Financial Creditor qua the debt facilities availed by the Corporate Debtor. Further, the guarantee has been validly invoked by the Financial Creditor as per the documents on record.
14. Before, we delve into the merits of the case, it is incumbent to adjudicate upon whether the instant Application is within the purview of the Laws of Limitation. A perusal of the Application and the documents enclosed therewith reveals that the Corporate Debtor had availed various credit facilities from the Financial Creditor. The said credit facilities were availed by the Corporate Debtor against the security of equitable mortgage of immovable properties.
15. Further, the compliance of the relevant Sections of the Code is as follows:






Sr. No.	Requirements under Relevant provisions of Section 99 of the Code	Compliance by RP
I.	<i>Section 99(1):</i> The RP shall examine the application referred u/s 94 or 95 within 10 days of appointment and submit a report to Adjudicating Authority for approval/rejection of the application	Yes The RP examined the application submitted by the Bank and prepared a comprehensive report.
II.	<i>Section 99(2):</i> Where the application has been filed under Section 95, the resolution professional may require the debtor to prove repayment of the debt claimed as unpaid by the creditor by furnishing: (a) evidence of electronic transfer of the unpaid amount from the bank account of the debtor; (b) evidence of encashment of a cheque issued by the debtor; or (c) signed acknowledgment by the creditor accepting receipt of dues.	Yes The RP requested relevant details from the PG via email dated 11.04.2025, 15.04.2025, 17.04.2025, 19.04.2025 and 23.04.2025. No response or documents were received. The report was prepared based on the applicant bank's documents.
III.	<i>Section 99(3):</i> Where the debt for which an application has been filed by a creditor is registered with the information utility, the debtor shall not be entitled to dispute the validity of such debt.	Yes The debt was not registered with an information utility
IV.	<i>Section 99(4):</i> For the purposes of examining an application, the resolution professional may seek such further information or explanation in connection with the application as may be required from the debtor or the creditor or any other person who, in the opinion of the resolution professional, may provide such information.	Yes The RP requested necessary documents and information from both the Applicant bank and the Personal Guarantor at various stages. The Personal Guarantor did not respond, while the applicant bank provided the required documents.

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<i>Sr. No.</i>	<i>Requirements under Relevant provisions of Section 99 of the Code</i>	<i>Compliance by RP</i>
V.	<i>Section 99(5):</i> The person from whom information or explanation is sought under sub-section (4) shall furnish such information or explanation within seven days of receipt of the request.	No The Personal Guarantor did not respond to the RP's requests. The Applicant Bank responded on 19.04.2025, with a delay of two days.
VI.	<i>Section 99(6):</i> The Resolution Professional shall examine the application and ascertain that - (a) the application satisfies the requirements set out in Section 94 or 95; (b) the applicant has provided information and given explanation sought by the resolution professional under sub-section (4).	Yes The RP confirmed that the application (CP No. 21/95/JPR/2025) met the requirements of Section 95, as detailed in the report.
VII.	<i>Section 99(7):</i> After examination of the application under sub-section (6), he may recommend acceptance or rejection of the application in his report.	Yes The RP has examined the various application extensively with all the relevant documents annexed therein and recommends acceptance of the application in his report.
VIII.	<i>Section 99(8):</i> Where the resolution professional finds that the debtor is eligible for a fresh start under Chapter II, the resolution professional shall submit a report recommending that the application by the debtor under Section 94 be treated as an application under Section 81 by the Adjudicating Authority.	Not Applicable
IX.	<i>Section 99(9):</i> The Resolution Professional shall record the reasons for recommending the acceptance or	Yes Detailed reasons for

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<i>Sr. No.</i>	<i>Requirements under Relevant provisions of Section 99 of the Code</i>	<i>Compliance by RP</i>
	rejection of the application in the report under sub-section (7).	recommending the admission of the application have been set out in this report.
X.	<i>Section 99(10):</i> The Resolution Professional shall give a copy of the report under sub-section (7) to the debtor or the creditor, as the case may be.	Yes A copy of the report was served on both the debtor and the bank via email dated 26.04.2025.

16. Since, the parameters laid down under the provisions of law are satisfied, we are inclined to admit the Application filed by the Creditor concerning the initiation of the Individual Insolvency Resolution Process of the Personal Guarantor. The Creditor is directed to deposit Rs. 1,00,000/- (Rupees One Lakh Only) in the bank account of the Resolution Professional within one week of the passing of the order towards his fees and expenses which shall be subject to the rules and regulations prescribed under law.
17. Resultantly, moratorium is declared as provided under Section 101 of IBC, which begins with the date of admission of the Application and shall cease to have effect at the end of the period of 180 days or on the date the Adjudicating Authority passes an order on the repayment plan under Section 114, whichever is earlier. During the moratorium period inter alia the following provisions shall be in effect;


- a. Any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed; and

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- b. The creditors of the debtor shall not initiate any legal action or proceedings in respect of any debt; and
- c. The debtor shall not transfer, alienate, encumber, or dispose of any of his assets or his legal rights or beneficial interest therein;
- d. The provisions of this Section shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
18. The Resolution Professional viz., *Mr. Jai Prakash Rawat*, who has been appointed under Section 97 of the Code *vide* Order dated 07.04.2025, is directed to cause a public notice to be published on behalf of the Adjudicating Authority within 7 days from the date of this Order, inviting claims from all Creditors, who shall register their claims as provided under Section 103 within 21 days of such issuance. The notice shall contain the necessary information as provided under Section 102(2) of the IBC. The publication of the notice shall be made in two newspapers, one in English and other in Vernacular, which have wide circulation in the state where the Personal Guarantor resides. The Resolution Professional shall furnish two copies of the notice to the Registry. One shall be placed by the Registry on the website of this Adjudicating Authority and the other shall be affixed in the premises of this Authority.
19. The Resolution Professional in exercise of the powers conferred under Section 104 shall prepare a list of creditors within 30 days from the date of



the notice. The Personal Guarantor shall prepare a Repayment Plan in consultation with the Resolution Professional as provided under Section 105 which shall include the provisions for payment of fee to the Resolution Professional. The Resolution Professional shall submit the Repayment Plan along with his report on the plan to this Authority within a period of 21 days from the last date of submission of claims as provided under Section 106.

20. 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, the same shall be specified in detail as provided under Section 106(3). The meeting shall be held in accordance with Section 107 of the Code.
21. 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 in accordance with Section 112 of the Code and submit the same to this Authority and its copies of which shall be provided to the Personal Guarantor 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 IBC, 2016.
22. In terms of the above, *CP No. (IB)- 21/95/JPR/2025* filed under Section 95 of the IBC is admitted and the Insolvency Resolution Process stands initiated



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against the Debtor/Personal Guarantor i.e. *Mr. Sachin Goyal*. Accordingly,
IA (IBC) No. 189/JPR/2025 is taken on record and stands disposed off.

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**REETA KOHLI,
JUDICIAL MEMBER**

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**KAVITA BHATNAGAR,
TECHNICAL MEMBER**