

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT – 1, AHMEDABAD

ITEM No.301 - C.P.(IB)/333(AHM)2025
With
ITEM No.302 – IA/1042(AHM)2025

C.P.(IB)/333(AHM)2025

Under Section 95 IBC

IN THE MATTER OF:

Equentia Financial Service Pvt. Ltd
V/s
Mr. Puneet Singh Jaggi

.....Applicant

.....Respondent

IA/1042(AHM)2025

Under Section 99 of IB Code, 2016 r.w. Rule 11 NCLT Rules, 2016

Ativ Hasmukhbhai Patel Interim RP of PG
Mr. Puneet Singh Jaggi & Ors.
Vs.
Mr. Puneet Singh Jaggi & Ors.

.....Applicant

.....Respondent

Order delivered on: 13/10/2025

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (J)
MR. SANJEEV SHARMA, HON'BLE MEMBER (T)

ORDER
(Hybrid Mode)

The case is fixed for pronouncement of order. The order is pronounced in the open court, vide separate sheet.

Sd/-

SANJEEV SHARMA
MEMBER (TECHNICAL)

Sd/-

SHAMMI KHAN
MEMBER (JUDICIAL)



**BEFORE THE ADJUDICATING AUTHORITY
NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH, COURT-I, AHMEDABAD BENCH**

C.P. (IB) No. 333/NCLT/(AHM) /2025

WITH

I.A. No.1042/NCLT/AHM/2025

[Company Petition under Section 95 of the Insolvency and Bankruptcy Code, 2016 r.w. Rule 7 (2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantor to Corporate Debtor) Rules, 2019]

In the matter of **Puneet Singh Jaggi**

CP (IB) No.333/NCLT/AHM/2025

Equentia Financial Service Private Limited

Having its registered Office at- 5th Floor,
Satyam Tower Off. Govandi Station Road,
Deonar, Mumbai-400088.

...Petitioner/Financial Creditor

VERSUS

Puneet Singh Jaggi

Having present address at- A2/12th Floor,
Palladium Building, Corporate Road,
Pralhad Nagar, Ahmedabad-380015.

...Respondent/Personal Guarantor

I.A. No.1042/NCLT/AHM/2025



Ativ Hasmukhbhai Patel

Interim Resolution Professional
of Personal Guarantor-Puneet Singh Jaggi,
Having office at 306, Zion Prime,
Near Copper Stone, Thaltej-Shilaj
Main Road, Thaltej, Ahmedabad, Gujarat-380059.

....Resolution Professional

VERSUS

- 1. Puneet Singh Jaggi,**
Personal Guarantor of
Gensol Engineering Limited,
Having address at- A2/12th Floor,
Palladium Building, Corporate Road,
Prahlad Nagar, Ahmedabad-380015.

Alternate address at A-706,
DLF The Camellias, Sector-42,
Golf Course Road, Gurugram,
Haryana, India-122002.
E-Mail id; Puneet.s.jaggi@gmail.com

.....Respondent No. 1/Personal Guarantor

- 2. Equentia Financial Services Private Limited,**
Having its office at 5th Floor,
Satyam Tower, Off. Govandi Station Road,
Deonar, Mumbai-400088.
E-Mail id; deepak.thm@credable.in
Manu.prakash@credable.in
Ketan.mehta@credable.in

...Respondent No. 2/Financial Creditor

- 3. Gensol Engineering Limited,**
Represented through its RP
Mr. Keshav Khaneja,



Having office at 824, 1st Floor, Sector-14,
Gurugram, Haryana-122001.
E-Mail id; khanejakes@gmail.com

...Respondent No. 3/Corporate Debtor

Order Pronounced on 13.10.2025

C O R A M:

MR. SHAMMI KHAN, HON'BLE MEMBER (JUDICIAL)
MR. SANJEEV SHARMA, HON'BLE MEMBER (TECHNICAL)

A P P E A R A N C E:

For the Petitioner/FC : Ms. Nisha Ojha, Advocate.
For the IRP : Mr. Arjun M Padhiyar, Advocate.
For Respondent/PG : Mr. Rahul K Kanoujia, Advocate


O R D E R
(Per Bench)

1. This Company Petition is filed on 07.08.2025 by **Equentia Financial Service Private Limited** (the Applicant- Financial Creditor) under Section 95(1) of the Insolvency and Bankruptcy Code 2016 read with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules 2019 seeking initiation of Insolvency Resolution Process against **Puneet Singh Jaggi** (the Respondent Personal Guarantor to the Corporate Debtor




Gensol Engineering Limited) for a default amount of Rs. 9,91,39,155 in respect of Deed of Guarantee dated 22.08.2023 annexed as Annexure-B in favour of the Applicant/Financial Creditor.

2. In so far as the Personal Guarantor to Corporate Debtor is concerned, the Hon'ble Supreme Court of India in the matter of **Lalit Kumar Jain vs. Union of India & Ors. in the Transferred Case (Civil) No. 245/2020** has upheld the vires of the notification issued by the Central Government vide S.O. 4126(E) dated 15.11.2019, in so far as it relates to coming into force of Insolvency and Bankruptcy Process of Personal Guarantors to Corporate Debtor. Thus, when a Corporate Insolvency Resolution Process in relation to a Corporate Debtor is pending before this Adjudicating Authority, then as per Section 60(2) of IBC, 2016, the NCLT would be a competent forum to file an Application for Personal Guarantor in relation to such Corporate Debtor.
3. The Financial Creditor has placed the facts through this Petition in the following manner: -
 - (i) It is stated that on 22.08.2023 the petitioner granted purchase invoice discounting facility to Gensol




Engineering Limited for Rs. 15,00,00,000 through Sanction Letter dated 22.08.2023. A facility agreement dated 22.08.2023 was executed between the petitioner and Gensol Engineering Limited for the same amount. The facility was secured by five undated cheques from Gensol Engineering Limited cash collateral of 20 percent of facility amount and personal guarantees from Mr. Puneet Singh Jaggi and Mr. Anmol Singh Jaggi through Guarantee deeds dated 22.08.2023.

- (ii) The facility agreement was amended on 04.03.2024 through an amendatory agreement. The facility was extended for 18 days from 13.11.2024 to 30.11.2024 through a letter dated 13.11.2024. On 13.11.2024 and 14.11.2024, the petitioner disbursed Rs. 15 00 00 000 to Gensol Engineering Limited and its vendor Baritech Infra Private Limited. The disbursement was made to Gensol account number 058605001635 with ICICI Bank IFSC ICIC0000586 and the Baritech account number 50200065390191 with HDFC Bank IFSC HDFC0000734.
- (iii) Gensol Engineering Limited defaulted on repayment for disbursements due on 13.03.2025 for amount disbursed on 13.11.2024 and on 14.03.2025 for amount disbursed on 14.11.2024. On 11.03.2025 Gensol Engineering Limited proposed repayment plan in tranches by 31.03.2025 through WhatsApp communication. The corporate debtor defaulted even on




the repayment plan. On 22.04.2025 the petitioner sent a letter to Gensol Engineering Limited on the status of the repayment proposal, but received no reply.

- (iv) On 15.04.2025 Securities and Exchange Board of India passed order under Sections 11(1), 11(4) and 11B of SEBI Act 1992. The order held Mr. Anmol Singh Jaggi managing director and Mr. Puneet Singh Jaggi whole time director of Gensol Engineering Limited responsible for mis-utilization and diversion of funds in fraudulent manner. The order noted credit rating downgrade to D due to delayed debt payments governance issues and falsified documents.
- (v) On 24.04.2025 the petitioner issued loan recall notice to Gensol Engineering Limited and personal guarantors for immediate payment of Rs. 9,13,29,796 as on 23.04.2025 with interest and charges at contractual rates. The corporate debtor did not make payments. The petitioner retained 20 percent cash collateral against outstanding debt. On 23.04.2025 the petitioner presented cheque number 082120 from security which was returned unrealised on 30.04.2025. Proceedings under Negotiable Instruments Act 1881 were initiated.
- (vi) On 24.04.2025 the petitioner issued demand certificate to personal guarantors Mr. Anmol Singh Jaggi and Mr. Puneet Singh Jaggi to invoke guarantee under Guarantee Deed dated 22.08.2023. The demand was for Rs.



9,13,29,796 due as on 23.04.2025. The personal guarantors did not repay despite the receipt of a demand certificate. On 29.04.2025 the petitioner issued demand notice in **Form B** under Insolvency and Bankruptcy Code 2016 to personal guarantors.

- (vii) On 25.04.2025 Commercial Court at Gurugram passed order in CNR No. HRGRO1-005809-2025 under Section 9 of the Arbitration and Conciliation Act 1996. The order attached bank account number 058605001635 of Gensol Engineering Limited with ICICI Bank Ahmedabad 10 Feet Road branch, for Rs. 9,00,00,000 till next hearing. The order was subject to compliance of Order 39 Rule 3 CPC. Notice issued to respondents for 14.05.2025.
- (viii) Mr. Puneet Singh Jaggi is whole time director of Gensol Engineering Limited. He holds directorships in entities including Lmev Logistics Private Limited as additional director Blu-Smart Premium Fleet Private Limited as nominee director Anvi Power Investments Private Limited as additional director and Khwab Luxury Products Private Limited as additional director. He is designated partner in Param Renewables LLP, Param Wise LLP, and Capbridge Venture LLP. His Aadhaar number is 431315795297 and PAN is AHRPJ5583H.
- (ix) As on 21.07.2025 the Respondent owes Rs. 9,91,39,155 to the petitioner after net adjustment of cash collateral



with interest and charges at the contractual rate until full repayment. The amount is jointly and several liability of the corporate debtor and personal guarantors. The corporate debtor and personal guarantors defaulted in payment of debt. Hence, the petitioner has submitted **Form C** application under Rule 7(2) of Insolvency and Bankruptcy Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors Rules 2019.

4. The Financial Creditor has relied upon the following documents to establish the existence of debt and default, which are as under: -

- (a) Deed of Personal Guarantee dated 22.08.2023 executed by Mr. Anmol Singh Jaggi (Annexure-A).
- (b) Deed of Personal Guarantee dated 22.08.2023 executed by Mr. Puneet Singh Jaggi (Annexure-B).
- (c) NeSL Certificate Form D Record of Default (Annexure-C).
- (d) Order dated 25.04.2025 passed by Commercial Court at Gurugram (Annexure-D).
- (e) Sanction Letter dated 22.08.2023 (Annexure-E).
- (f) Facility Agreement dated 22.08.2023 (Annexure-F).
- (g) Amendatory Agreement dated 04.03.2024 (Annexure-G).
- (h) Letter of Extension dated 13.11.2024 (Annexure-H).

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- (i) Drawdown Request dated 13.11.2024 (Annexure-I).
- (j) Documents between Gensol Engineering Limited and End Clients (Annexure-J Colly).
- (k) Table of disbursements (Annexure-K).
- (l) WhatsApp Communication dated 11.03.2025 (Annexure-L).
- (m) Letter dated 22.04.2025 (Annexure-M).
- (n) Loan Recall Notice dated 24.04.2025 (Annexure-N).

5. On presentation of the Company Petition by the Financial Creditor, this Tribunal vide order dated 26.08.2025, appointed Interim Resolution Professional (hereinafter referred to as "IRP") as suggested by the Financial Creditor viz. **Mr. Ativ Hasmukhbhai Patel**, having registration number IBBI/IPA-001/IP-P-02585/2021-2022/13984, to carry out the Insolvency Resolution Process of the Personal Guarantor as per section 97(3) of IBC, 2016, with a direction to submit the report under Section 99 of the IB Code, 2016, within ten days. The IRP was also directed to file its report through a separate IA.

6. The Interim Resolution Professional has filed the report through IA No. 1042 of 2025, vide inward diary No. E-00731, dated 11.09.2025, recommending the admission of the




Company Petition filed under Section 95 of IBC, 2016. The IRP submitted an observation and recommendation as regards the admission of the Company Petition in his report dated 10.09.2025.

7. The grounds for admission of the Company Petition as per the Report are inter alia as follows: -

(a) The report examined the application filed by Equentia Financial Services Private Limited under Section 95 on 07.08.2025 against Mr. Puneet Singh Jaggi. Mr. Puneet Singh Jaggi serves as a personal guarantor to M/s. Gensol Engineering Limited. The application claims default on the guarantee for the loan of Rs. 15,00,00,000. The guarantee was invoked on 24.04.2025 through a demand certificate. The report verifies the service of the demand certificate via email on 24.04.2025.

(b) The report confirms receipt of application documents from the financial creditor on 28.08.2025. The documents include a loan agreement, a guarantee deed, a statement of account, and a board resolution. The personal guarantor received an advance copy of the petition on 07.08.2025 via email. Form B was served on 29.04.2025 via email. No payments received by the financial creditor after filing of the application. The report notes a corporate debtor under the



Corporate Insolvency Resolution Process with Mr. Keshav Khaneja as Resolution Professional appointed on a date not specified.

- (c) The report details information sought from the personal guarantor on 29.08.2025. The request covers repayments, communication details, net worth, income tax returns, and other documents. Response received on 08.09.2025 with Aadhaar copy, income tax returns for assessment years 2023-24 and 2024-25, computations, and Excel file. Net worth certificate pending submission. The report lists the addresses of the personal guarantor as A2/12th Floor, Palladium Building, Ahmedabad-380015 and A-706, DLF The Camellias, Gurugram-122002. Contact number 9998025820 and email puneet.s.jaggi@gmail.com.
- (d) The report notes personal guarantor as director of Gensol Engineering Limited. The corporate debtor filed for insolvency on date not specified. The report confirms personal guarantee covers corporate debt.
- (e) The report states that the IRP had allowed the Debtor concerned to prove repayment of the debt and provide additional documents/information. However, the debtor did not revert to the letter sent by the RP till the time of signing of this report.



- (f) The report states that the Debtor, Personal Guarantor, is not eligible for the fresh start Process under Chapter II of Part III of the Code.
- (g) The report states that the Petition meets requirements under Section 95. Default exists on the guaranteed amount. Financial creditor holds a valid claim. No grounds for rejection found. The report recommends acceptance of application for initiation of insolvency resolution process. The process to commence from date of the order under Section 100. The report was served on 10.09.2025 to parties via email and speed post.
- (h) The report lists annexures, including order dated 26.08.2025, emails, responses, tax returns, net worth certificate, and service proofs. Filing delayed by five days from 05.09.2025 due to response timelines.
8. Vide order dated 16.09.2025, this Tribunal recorded that the Respondent/Personal Guarantor, as well as Financial Creditor, appeared through their respective counsels on advance service of the copy of the IA by waiving the notice. Ld. counsel, Mr. Rahul Kumar Kanoujia appeared for the Respondent/Personal Guarantor. Accordingly, the Tribunal granted seven days to the Respondent/Personal Guarantor & Financial Creditor to file a Reply/Objection. Thereafter,



rejoinder, if any, by the Financial Creditor as well as IRP within a period of seven days.


9. The Respondent/Personal Guarantor filed the joint reply to the Company Petition as well as to the IA & Report of IRP on 08.10.2025, vide inward diary No. D-3360. The Respondent/Personal Guarantor has placed the facts through the reply in his defence in the following manner: -

- (i) It is stated that the Respondent is a guarantor for Gensol Engineering Limited towards the credit facilities sanctioned by the applicant. It is further stated that Gensol Engineering Limited achieved significant progress initially. However, governance issues and concerns over falsified documents led to downgrade of credit rating to D and financial difficulties and so the Respondent was not able to pay the dues in time.
- (ii) However, the Respondent denies each averment in the petition and Interim Resolution Professional report. The petition is premature, it contains conjectures and surmises, it is vague, it lacks merit, and it is misconceived. The Financial Creditor concealed material facts and documents. The petition is not maintainable. The Interim Resolution Professional report is incomplete. The report lacks objectivity.
- (iii) The Interim Resolution Professional acted in a manner that treats filing as a procedural formality. No effort was



made to verify information on the alleged debt. The Interim Resolution Professional proceeded on the assumption of debt existence. No independent assessment was conducted. The application is premature. The application is speculative. The application lacks merit. The application is not maintainable in law. All actions by the Interim Resolution Professional are without jurisdiction.

- (iv) The Financial Creditor suppresses material facts. It misleads the Tribunal. The petition mentions the date of default as 26.02.2025. No basis is disclosed for this date. Default is required for Section 95 jurisdiction. Without default, no cause of action exists. The petition is silent on how the debt became due and remained unpaid on 26.02.2025. Section 95(4) requires proof of default for admission.
- (v) The Loan Recall Notice dated 24.04.2025 refers to letter dated 22.04.2025. This letter is an agreement for a repayment plan. The agreement is between Petitioner and Respondent. Default cannot occur on 26.02.2025 due to this plan. The Financial Creditor did not annex the letter dated 22.04.2025. It concealed the existence of this letter. The repayment plan extends the schedule till 31.03.2025.
- (vi) This makes the claimed default date incorrect. The foundation of the petition is vitiated. No default




occurred on the stated date. The Interim Resolution Professional failed to scrutinise documents. The Interim Resolution Professional omitted to deal with the basis of the default date. The report is unreliable. The report is unfit for initiating a process against the Respondent.

- (vii) The petition follows SEBI interim order dated 15.04.2025. It is filed after this order. The conduct is a pressure tactic for recovery. It uses the Code process. The Respondent is solvent. The Respondent is in a sound position. No amount is due from Respondent. The alleged debt is non-existent. The Interim Resolution Professional failed to discharge duties under the Code.
- (viii) The petition concerns the dues of Gensol Engineering Limited. The Tribunal admitted a petition against Gensol Engineering Limited on 13.06.2025 in C.P. (IB) No. 195/AHM/2025. Keshav Khaneja was appointed as Interim Resolution Professional. The Corporate Insolvency Resolution Process commenced. The Financial Creditor submitted a claim of Rs. 9,69,30,255 in this process. The claim was admitted on 07.07.2025.
- (ix) The claim in the Corporate Insolvency Resolution Process is identical to this petition. Parallel proceedings for the same claim are not permitted. It amounts to duplicity. The Financial Creditor suppressed this fact. The Interim Resolution Professional failed to consider the admitted claim. Admission of a claim in the



Corporate Insolvency Resolution Process discharges the guarantee. No proceedings are maintainable against the Respondent.

- (x) Default by the principal borrower is a prerequisite for Section 95. The demand notice dated 29.04.2025 is vitiated. No unpaid debt exists from Gensol Engineering Limited. The cause of action is extinguished. The petition is filed with an ulterior motive. It seeks recovery, not resolution. The Code is not for debt recovery. It is against the intent of the Code. Proceedings are not a substitute for a recovery forum.
- (xi) The Financial Creditor invoked Code after the SEBI order dated 15.04.2025. It is coercive pressure on the Respondent. Parallel proceedings exist under Section 9 of the Arbitration and Conciliation Act, 1996. Filed before the Commercial Court, Gurugram in CNR No. HRGR01-005809-2025. Ex-parte attachment order dated 25.04.2025 freezes the bank account. A lien of Rs. 9.00 crore is created. The claim is secured. Insolvency petition is redundant.
- (xii) The account is classified as a Special Mention Account. It is not a Non-Performing Asset. This is evident from the NeSL report. The Interim Resolution Professional failed to consider this classification. Initiation of the process is not justified. The Code is for resolution, not recovery. The Facility Agreement dated 22.08.2023



provided a credit facility of Rs. 15,00,00,000. The extension letter dated 13.11.2024 is extended till 30.11.2024.

(xiii) Disbursements of Rs. 14,99,99,996 on 13.11.2024 and 14.11.2024. No Specified Documents annexed for these. No linkage to original agreement. Corporate Debtor repaid amounts post 14.11.2024. Repayments include Rs. 48,87,187.72 on 27.02.2025 and Rs. 99,53,244.78 on 28.02.2025. Total repayments are Rs. 3,48,15,416.16 till 20.03.2025.

(xiv) Cash collateral of Rs. 3 crore adjusted on 02.04.2025. No cure notice issued for 15 days period. The petition lacks an evidentiary basis for default. The report is liable to be set aside. The Respondent reserves the right to amend objections. The Respondent reserves the right to raise additional grounds. The contents of the report are denied. The Respondent puts the Interim Resolution Professional to the proof of contentions.


10. We heard the Ld. Counsel for the Financial Creditor, Ld. Counsel for the IRP, Ld. Counsel for the Personal Guarantor and perused the documents on record. We have also gone through the report dated 10.09.2025 filed by the IRP.

11. On perusal of the record, it is seen that the existence of debt and default stands established through the documents



annexed to the petition, including the Facility Agreement dated 22.08.2023, Guarantee Deed dated 22.08.2023 NeSL Certificate recording default Loan Recall Notice dated 24.04.2025 and Demand Certificate dated 24.04.2025. The disbursements were made strictly in accordance with the Facility Agreement and its amendments. The table of disbursements reflects the exact amounts transferred to the accounts of Gensol Engineering Limited and Baritech Infra Private Limited on 13.11.2024 and 14.11.2024. The Specified Documents for disbursements include the Drawdown Request dated 13.11.2024 and invoices from end clients which establish the linkage to the original facility.

- 12.** The default occurred on 26.02.2025 and 27.02.2025 as per the repayment schedule under the Facility Agreement, which required repayment within 120 days from disbursement as verified via date computation from disbursement dates in Annexure-K. The disbursements on 13.11.2024 and 14.11.2024 became due on 13.03.2025 and 14.03.2025 respectively, but were not paid, leading to default declaration on 26.02.2025 and 27.02.2025 upon non-receipt of payments. The WhatsApp communication dated 11.03.2025



from Gensol Engineering Limited proposing a repayment plan by 31.03.2025 does not constitute a binding extension of the due date, as it was conditional, unaccepted formally, and preceded the due dates of 13.03.2025/14.03.2025.

- 13.** The repayment plan proposal via WhatsApp on 11.03.2025 was made after the due dates had lapsed and does not retroactively alter the default dates. The Loan Recall Notice dated 24.04.2025 explicitly recalls the entire facility due to non-payment and invokes the guarantees without reference to any extension. The repayments totalling Rs. 3,48,15,416.16 till 20.03.2025 were partial and applied towards interest and principal, but did not cure the default in full as the outstanding exceeded the threshold under the agreement. The cash collateral of Rs. 3,00,00,000 was adjusted on 02.04.2025 against the outstanding, but the balance remains Rs. 9,91,39,155 as on 21.07.2025 inclusive of interest at contractual rates of 18 percent per annum compounded monthly.
- 14.** The NeSL Certificate Form D records the default and classifies the account based on the information provided at




the time but the classification as Special Mention Account does not negate the occurrence of default under the Facility Agreement. Section 95 of the Insolvency and Bankruptcy Code 2016 requires the existence of financial debt and default by the Corporate Debtor, which triggers the guarantee liability. The default by Gensol Engineering Limited stands admitted in the Corporate Insolvency Resolution Process, where the claim of Rs. 9,69,30,255 was admitted on 07.07.2025. Admission of claim in Corporate Insolvency Resolution Process does not discharge the personal guarantor. The personal guarantee creates an independent obligation enforceable separately from the corporate debt. Parallel proceedings against the personal guarantor are permissible and do not amount to duplicity. As per section 128 of the Contract Act, 1872, a guarantor's liability is co-extensive with that of the principal debtor. The creditor can take action against both the principal debtor and guarantor at the same time.

15. The SEBI order dated 15.04.2025 confirms mis-utilization of funds by the directors, including the Personal Guarantor, which contributed to the default, but does not impact the



validity of the guarantee or the debt. The attachment order dated 25.04.2025 by the Commercial Court Gurugram secures the claim against the Corporate Debtor but does not extinguish the liability of the Personal Guarantor. The guarantee deed dated 22.08.2023 provides for an unconditional and irrevocable guarantee covering the entire facility amount with interest and charges. Invocation through a demand certificate dated 24.04.2025 and Form B notice dated 29.04.2025 complies with the procedural requirements under the Insolvency and Bankruptcy Code 2016.

16. The Interim Resolution Professional in his report dated 10.09.2025 has independently verified the documents and sought information from the Personal Guarantor on 29.08.2025, including details of repayments, net worth and income tax returns. The response received on 08.09.2025 included partial documents but no evidence of full repayment or discharge of liability. The Personal Guarantor did not provide the net worth certificate despite the request and did not rebut the default through concrete evidence. The report notes that no payments were received post-filing of the Petition and confirms that the Personal Guarantor is



ineligible for the fresh start process under Chapter II of Part III of the Insolvency and Bankruptcy Code 2016 due to the nature of the debt and his directorship in the Corporate Debtor.

- 17.** The contention that the petition is filed with ulterior motive for recovery is not sustainable as Section 95 allows any financial creditor to initiate proceedings upon default. The Insolvency and Bankruptcy Code 2016 aims at the resolution of insolvency and the process against personal guarantors facilitates maximisation of value for creditors. The solvency of the Personal Guarantor is to be determined during the Insolvency Resolution Process and not at the admission stage. The petition discloses the complete cause of action with details of debt default and the invocation of the guarantee.
- 18.** The documents establish that the debt is financial debt under Section 5(8) of the Insolvency and Bankruptcy Code 2016 as it arises from the time value of money disbursed against consideration of interest. The default exceeds Rs. 1,00,00,000 as required under Section 4(1) read with Section




78 of the Insolvency and Bankruptcy Code 2016 as held on **Mudraksh Investfin Pvt. Ltd. v. Gursev Singh, (2025) ibclaw.in 323 NCLAT.** The guarantee deed dated 22.08.2023 executed by the Personal Guarantor, creates a contingent liability that crystallises upon default by the Corporate Debtor. The demand certificate and Form B notice were served via email to the addresses provided by the Personal Guarantor, confirming deemed service under the rules.

19. The cheque number 082120 presented on 23.04.2025 was returned unpaid on 30.04.2025, evidencing the inability to repay. Proceedings under Section 138 of the Negotiable Instruments Act 1881 initiated on 15.05.2025 corroborate the default. The outstanding calculation as on 21.07.2025 at Rs. 9,91,39,155 is derived from the statement of account annexed showing principal disbursed Rs. 15,00,00,000, less repayments Rs. 3,48,15,416.16, less cash collateral Rs. 3,00,00,000, plus interest at 18% p.a. compounded monthly as per Facility Agreement (Annexure-F), compliant with Section 5(12) IBC from due dates till 21.07.2025.

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20. The contention regarding the absence of a cure notice for a 15-day period is not supported by the Facility Agreement, which does not mandate such notice prior to default declaration. The agreement provides for immediate acceleration upon non-payment. The disbursements were supported by invoices and drawdown requests linking them to the original facility for purchase invoice discounting.
21. The Interim Resolution Professional has discharged his duties under Section 99 of the Insolvency and Bankruptcy Code 2016 by examining the application verifying service of notices seeking information from the Personal Guarantor and recommending admission based on the existence of default. The report is comprehensive and addresses the material aspects, including eligibility for a fresh start and verification of claim.
22. The Personal Guarantor's response to the information request on 08.09.2025 included income tax returns for assessment years 2023-24 and 2024-25 showing income from salary and business, but no disclosure of assets sufficient to discharge the liability. The Excel file provided



details of partial repayments by the Corporate Debtor, but confirms the outstanding balance. The failure to submit a net worth certificate indicates the absence of immediate ability to repay.

- 23.** Under Section 95(4) of the Insolvency and Bankruptcy Code 2016 the Adjudicating Authority is required to satisfy itself that a default has occurred and the application is complete. The evidence, including the NeSL Certificate Loan Recall Notice and admitted claim in the Corporate Insolvency Resolution Process, establishes the default. The application is complete with all required forms and documents under Rule 7(2).
- 24.** The contention that the process is not justified due to a secured claim through attachment is incorrect as the attachment is against the Corporate Debtor's account and the guarantee liability remains independent. The Insolvency and Bankruptcy Code 2016 permits simultaneous proceedings against the principal borrower and guarantor to ensure creditor protection.



25. The petition has been filed in bona fide to initiate the resolution process and not merely for recovery, as the Financial Creditor has participated in the Corporate Insolvency Resolution Process by submitting a claim. The SEBI order dated 15.04.2025 highlights governance issues but does not invalidate the guarantee which was executed prior on 22.08.2023.
26. In view of the above, the Company Petition under Section 95 of the Insolvency and Bankruptcy Code 2016 is complete. The existence of financial debt and default stands established and there is no evidence of repayment or dispute under Section 99(3). The requirements under Sections 95 and 99 are met, warranting admission under Section 100(1) for Insolvency Resolution Process against the Personal Guarantor - Puneet Singh Jaggi.
27. Accordingly, the application is admitted under Section 100 of the IBC, 2016, initiating the insolvency resolution process against the Personal Guarantor-Puneet Singh Jaggi.



28. The moratorium under Section 101 commences on the date of admission and shall cease at the end of 180 days or on order under Section 114, whichever is earlier.

29. During the moratorium period, the following provisions shall be in effect: -

- (i). any pending legal action or proceeding in respect of any debt are stayed;
- (ii). Creditors shall not initiate legal actions or legal proceedings in respect of any debt;
- (iii). The debtor shall not transfer, alienate, encumber, or dispose of any of his assets or his legal rights or beneficial interest therein;
- (iv). Provisions do not apply to notified transactions by the Central Government.

30. **Mr. Ativ Hasmukhbhai Patel** (Reg. No. IBBI/IPA-001/IP-P-02585/2021-2022/13984) is appointed as Resolution Professional. The RP shall:

- a. cause a public notice to be published within 7 days on the NCLT website, inviting claims within 21 days from the date of issuance, including details under Section 102(2);
- b. publish in one English and one vernacular newspaper with wide circulation in the state where the debtor resides, affix the notice in the premises of the Adjudicating Authority as per Section 102(3);

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- c. prepare a list of creditors under Section 104 within 30 days from the date of admission;
- d. assist debtor in preparing repayment plan under Section 105, including justifications, Provisions for the RP fees, etc.;
- e. submit a repayment plan and report under Section 106 within 21 days from claim submission;
- f. if a meeting is recommended, specify details under Section 106(3), including the date and time of such meeting, which shall not be less than 14 days or more than 28 days from the date of submission of the report under Section 106(1), with at least 14 days' notice under Section 107(2).
- g. conduct a meeting under Sections 108-111;
- h. prepare a meeting report under Section 112 and submit to the Tribunal with copies;
- i. perform duties as provided under Section 208;
- j. The Registry is directed to communicate a copy of the order, report and application within seven working days to the Applicant, Respondent/PG, and Resolution Professional and upload on the website immediately after the pronouncement of the order.



31. In terms of the above, **CP (IB)/333 (AHM)/2025** filed under Section 95 (1) of the IBC, 2016 is admitted and the Insolvency Resolution Process stands initiated against the Respondent/Personal Guarantor. Accordingly, **IA/1042 (AHM) 2025** stands disposed of accordingly.

Sd/-

**SANJEEV SHARMA
MEMBER (TECHNICAL)**

Sd/-

**SHAMMI KHAN
MEMBER (JUDICIAL)**