



IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH

[Through Physical hearing/ VC Mode (Hybrid)]

ITEM No.04

C.P (IB) No.134/BB/2025

IN THE MATTER OF:

Billionloans Financial Services Pv Ltd

... Petitioner

Vs

Mrs. Waheeda Khan

... Respondent

Petition under Section 95 of I & B Code,2016

Order delivered on: 01.04.2026

CORAM:

SHRI. SUNIL KUMAR AGGARWAL
HON'BLE MEMBER (JUDICIAL)

SHRI. RADHAKRISHNA SREEPADA
HON'BLE MEMBER (TECHNICAL)

PRESENT:

For the Petitioner : Shri Rajagopalan

For Respondent : Appeared

ORDER

1. Heard the Ld. Counsel for the parties.
2. **RP report is accepted. PIRP initiated vide separate order.**
3. **List the case on 08.06.2026.**

-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)

-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)



IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH
*(Exercising powers of Adjudicating Authority under
the Insolvency and Bankruptcy Code, 2016)*

I.A. No. 709/2025
in
C.P.(IB) No. 134/BB/2025

Under Section 99 & Section 60(5) of IBC, 2016 read with Rule 7 (2) of the IB
(Application to Adjudicating Authority for Insolvency Resolution Process for Personal
Guarantors to Corporate Debtors) Rules, 2019.

IN THE MATTER OF IA 709/2025:

S. Kasi Viswanathan, CA

Resolution Professional of **Mrs. Waheeda Khan**,
Personal Guarantor of **M/s. Big Truck Technologies Private Limited**
No. 8, Mahalakshmi Layout,
Subramaniam Palayam Road,
Gnanambikai Mills Post,
Coimbatore 641029.

..... Applicant/ Resolution Professional

IN THE MAIN MATTER OF:

M/s. Billionloans Financial Services Pvt. Ltd.Petitioner/ Financial Creditor
370, 4th Cross J.P. Nagar III Phase,
Bangalore- 560078.

Versus

Mrs. Waheeda Khan
Flat No. 401, Block A, Srinidhi Residency,
364/2, Basavanagar Main Road,
Bengaluru- 560037.

..... Respondent/ Personal Guarantor

Order Delivered on: 01.04.2026

Coram:

Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)
Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

ORDER

1. The present Application has been filed on 07.08.2025 by the Resolution Professional,
with the following prayer:



- a. *To accept the application filed under Section 95 of the Insolvency and Bankruptcy Code, 2016 for initiation of Insolvency Resolution Process in respect of Mrs. Waheeda Khan.*
- b. *To pay the Fee as may be decided by the Hon'ble NCLT Bench plus applicable GST @18% and reimbursement of the related expenses on actual basis for examining the application and furnishing the report.*
- c. *To condone the delay of 9 days as the report was needed to be submitted within 10 days. The intimation of appointment dated 14th July 2025 was received by the Resolution Professional only on 19th July 2025 by email and the documents requested from the Financial Creditor were received on 22nd July 2025.*

2. Brief facts of the case are as follows:

- i. The Financial Creditor, Billionloans Financial Services Private Limited, is a Non-Banking Financial Institution (NBFC) incorporated under the Companies Act, 2013, and duly registered with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934, to conduct business as an NBFC. Its registered office is located at No. 370, 4th Cross, JP Nagar III Phase, Bangalore 560078, and it is represented in this matter by its authorized representative, Mr. Rangan Vardan.
- ii. The Personal Guarantor, Mrs. Waheeda Khan, is a Director of M/s Big Truck Technologies Pvt. Ltd., the Corporate Debtor, which is a company incorporated under the Companies Act, 2013, bearing Corporate Identity Number (CIN) U74999KA2017PTC107965.
- iii. On 26.09.2022, a credit facility of Rs. 50 lakhs was granted to Corporate Debtor by the Petitioner following a request from Personal Guarantors. After which, a sanction letter was issued, and on 27.09.2022, a personal guarantee agreement was executed by the respondent.
- iv. Following a further request dated 08.10.2022, an additional Rs. 50 lakhs were sanctioned on 10.11.2022, increasing the total credit facility to Rs. 1 crore. Due to Corporate Debtor defaults, on 08.05.2023, the facility was restructured to Rs. 1,00,06,640/-. Furthermore, on 25.08.2023, the facility was restructured again to Rs. 1,05,83,334/-, with revised agreements signed on 28.08.2023. Due to continued defaults, the Corporate Debtor was declared NPA since September 2023. Cheques issued by the Corporate Debtor were dishonoured with the remark "Payment stopped by drawer."



- v. Following this, a demand notice was issued, and a complaint was filed under Sections 138 and 141 of the Negotiable Instruments Act. The complaint against the Corporate Debtor was withdrawn after the Personal Guarantor executed a latest revised personal guarantee agreement for Rs. 1,03,65,885 on 13.05.2024.
- vi. On 20.01.2025, the Financial Creditor issued a demand notice in Form B in accordance with Rule 7(1) of the Insolvency and Bankruptcy Board of India (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, to the respondent demanding repayment of outstanding dues.
- vii. Subsequently, on 27.05.2025, the Financial Creditor filed a petition under Section 95(1) of the Insolvency and Bankruptcy Code, 2016, using Form C as per Rule 7(2) of the aforementioned rules, seeking initiation of the Insolvency Resolution Process against the Personal Guarantor. The petition was registered as C.P.(IB) No. 134/2025.
- viii. On 20.05.2025, written consent to act as the Resolution Professional (RP) was submitted in Form A by Mr. S. Kasi Viswanathan, in accordance with Regulation 4(2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019.
- ix. Pursuant to an order dated 14.07.2025, Mr. S. Kasi Viswanathan was appointed as the Resolution Professional for the Personal Guarantor of which he claims to have received intimation on 19.07.2025.
- x. On 22.07.2025, the RP communicated with both the Financial Creditor and the Personal Guarantor to collate the relevant financial details. The Financial Creditor responded on the same day and furnished the requisite documents through both Google Drive and physical hard copies. However, till the date of this report, the Personal Guarantor had not responded to the RP's communication.
- xi. After reviewing the application and facts of the case, the Resolution Professional recommended to admit the application under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 and to initiate the Insolvency Resolution Process against the Personal Guarantor, Mrs. Waheeda Khan. Hence, this Application.



3. The Resolution Professional, after examining the petition filed by the Personal Guarantor under Section 95(1) read with Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, has filed this application under Section 99(1) of the Code recommending the acceptance of application as it satisfies the requirements set out under Section 99(6) of the IBC, 2016, as follows:
 - i. Corporate Debtor had availed credit facilities i.e. Fund-based facilities from the Financial Creditor of the current application.
 - ii. The Personal Guarantor has extended the Guarantee to the credit facilities sanctioned to the Corporate Debtor vide Personal Guarantor Agreement dated 26.09.2022.
 - iii. The Corporate Debtor has defaulted the debt due to the Financial Creditor and became NPA on 30.09.2023.
 - iv. The Financial Creditor has served demand notice in Form B to the Personal Guarantor to pay the debt on 20.01.2025.
 - v. The Personal Guarantor has not complied with repayment against the notice served by the Financial Creditor.
 - vi. Though the Corporate Insolvency Resolution Process (CIRP) has not been initiated against the Corporate Debtor, as per section 128 of the Indian Contract Act: "the liability of the surety is co-extensive with that of the principal debtor, unless it is otherwise provided by the contract".
 - vii. It is submitted that since the liability of the guarantor is co-extensive with that of the principal debtor, if the personal guarantor is admitted under insolvency resolution process, the Resolution Professional shall issue a public notice under Section 102 of the Insolvency and Bankruptcy Code, 2016. The amounts claimed by all the creditors shall be verified, and the actual defaulted debt shall be admitted as a claim.
4. The Respondent has filed following objections on 25-11-2025:
 - i. The corporate debtor is not under the Corporate Insolvency Resolution Process. It is settled law that the proceedings against guarantors are independent they must relate to a subsisting and crystallised debt of the Corporate Debtor. Further, the personal guarantee was never formally invoked as per the terms of



the Deed of Guarantee, and a demand notice under Rule 7(1) cannot substitute such invocation; hence, no liability has crystallised against the Respondent.

- ii. The guarantees were executed under coercion and duress, including threats of prosecution under Section 138 of the NI Act, and without independent consideration. It is submitted that the Financial Creditor compelled execution of fresh guarantees at the time of restructuring by leveraging pending criminal proceedings, rendering the guarantees voidable under Sections 15 to 19 of the Indian Contract Act.
 - iii. The loan facilities were restructured multiple times, including in 2023 and 2024 restructuring novating prior obligations. The payments were made pursuant to the restructured terms till March 2025, and therefore, the alleged outstanding and default are incorrect, inflated, and not reflective of the actual liability.
 - iv. The reliance on the Information Utility record and the RP's report, contending that "deemed authentication" is not conclusive proof of default. The RP failed to verify bank statements, repayments, and the revised repayment schedule under restructuring, thereby overlooking material facts and arriving at an erroneous conclusion regarding default.
 - v. The Financial Creditor has inflated the claim with excessive interest and charges to cross the ₹1 crore threshold, and otherwise the claim is time-barred, unsubstantiated, and does not disclose any crystallised default.
5. The Financial Creditor has filed Rejoinder on 01.12.2025 in response to the Statement of Objection filed by the Personal Guarantor stating that:
- a. The objections raised are untenable in law and unsupported by any material on record. The Section 99 report submitted by the Resolution Professional, after independent verification of the Information Utility records, loan documents, statements of account, and guarantee agreements, clearly establishes the existence of debt, occurrence of default, execution of personal guarantees, and an outstanding liability exceeding ₹1 crore. The Respondent has failed to produce any document to dislodge these findings.
 - b. The Respondent's contention regarding non-invocation of the guarantee is contrary to the express terms of the guarantee agreements dated 27.09.2022, 28.08.2023, and 14.05.2024, which provide that the guarantor's liability is



absolute, unconditional, and payable upon demand without requiring prior action against the borrower. The demand notice issued under Rule 7(1), duly verified by the Resolution Professional, constitutes valid invocation. The allegation of coercion in execution of guarantees has been denied as baseless, particularly in light of repeated execution and reaffirmation of guarantees across multiple years without any contemporaneous protest.

- c. The Financial Creditor relies on the authenticated Information Utility record, which, has been duly notified to the Respondent and not disputed. The Respondent's vague dispute regarding the quantum of liability is unsupported by any statement of account or proof of repayment, whereas the records placed on file consistently reflect the outstanding dues.
 - d. The plea of limitation is denied on the ground that subsequent execution of guarantees and restructuring documents constitutes acknowledgment under Section 18 of the Limitation Act, thereby extending the limitation period.
6. We have heard the Financial Creditor and the Personal Guarantor and perused the entire case records/documents along with the report filed by the Resolution Professional.
 7. Insofar as invocation of the guarantee is concerned, it is observed that the Financial Creditor, on 20.01.2025, issued a demand notice to the Personal Guarantor calling upon her to discharge the liability under the Deed of Guarantee. The said notice was accompanied by Form B under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019. Further, Clause 18 of the Deed of Guarantee provides that any demand or notice shall be deemed to be duly served if sent by post to the last known address of the guarantor. In the present case, the Financial Creditor has complied with the contractual stipulation by issuing a written demand in the prescribed manner and thereby calling upon the Personal Guarantor to discharge the liability under the guarantee. Accordingly, the requirement of formal invocation of the guarantee, as contemplated under the terms of the Deed of Guarantee, stands duly satisfied.



8. It is noted that the Personal Guarantor has raised objections alleging coercion in execution of the guarantee agreements and has disputed the quantum of debt as well as the Form-D issued by the Information Utility. The Respondent has further contended that payments were made post-restructuring; however, no documentary evidence has been placed on record to substantiate the same. In the absence of any supporting material, these contentions remain bald assertions and do not constitute a credible defence.
9. Insofar as limitation is concerned, it is noted that the Respondent has herself admitted that the loan was restructured on 08.05.2023, 25.08.2023, and 13.05.2024, pursuant to which the current personal guarantee agreement dated 14.05.2024 was executed. Such restructuring and execution of fresh guarantee agreement constitutes acknowledgment of debt, thereby extending the period of limitation. The Respondent's plea of duress, being unsupported by any material, whatsoever, does not dilute the effect of such acknowledgments. Accordingly, the present petition is within limitation.
10. So far as initiation of insolvency proceedings against the Personal Guarantor even when CIRP has not been initiated against the Corporate Debtor is concerned, reference may be made to **Anita Goyal v. Vistra ITCL (India) Ltd. (Company Appeal (AT) (Insolvency) Nos. 2282 & 2283 of 2024, decided on 23.01.2025)**, wherein the Hon'ble NCLAT has categorically held that proceedings against the Personal Guarantor are independent in nature and can be initiated irrespective of whether CIRP proceedings have been commenced against the Corporate Debtor, so long as the debt and default are established.
11. The Resolution Professional has examined the Application and ascertained that – (a) this Application satisfies the requirements set out under Sections 95 of the IBC, 2016; (b) the Applicant has provided information and given explanation sought by the Resolution Professional under sub-section (4) of Section 95 of the IBC, 2016. Further, based on the examination of the Application in the matter along with the information provided by the Petitioner, the Resolution Professional is of the opinion that the Application filed U/s.95 of the Code against the Personal Guarantor is satisfied and therefore recommended for acceptance of the same.



12. In light of the above reasons, the Resolution Professional having duly examined the application in accordance with the mandate of the Code and collected material and information for report, has come to a just conclusion. As such his recommendation is accepted, consequently the instant **I.A. No. 709/2025 is allowed** and C.P.(IB) No.134/BB/2025 filed under Section 95(1) of IBC, 2016 is hereby **admitted** under Section 100 of the IBC, 2016.
13. The **Insolvency Resolution Process is initiated against the Respondent/Personal Guarantor and moratorium is declared** in place of interim moratorium, 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, as provided U/s.101 of IBC, 2016.
14. During the moratorium period;
 - (i) Any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed;
 - (ii) The creditors of the debtor shall not initiate any legal action or 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) 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.
15. The Resolution Professional viz. **Mr. S Kasi Viswanathan**, already appointed vide order dated 14.07.2025 is directed to cause a public notice published on behalf of the Adjudicating Authority, inviting claims from all Creditors within 7 days of uploading of this Order on the website of the NCLT, Bengaluru, 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, 2016. The publication of the notice shall be made in newspapers, one in **English** and the other in a **Vernacular** language having wide circulation in the State where the Corporate Debtor and Personal Guarantor exist. The Resolution Professional shall furnish two copies of the notice to the Registry.



16. The Resolution Professional, in exercise of the powers conferred under Section 104 of the IBC, 2016, shall prepare a list of creditors within 30 days from the date of notice. The Respondent/PG shall prepare a repayment plan in consultation with the Resolution Professional as provided under Section 105 of the IBC, 2016, which shall include 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 of the IBC, 2016.
17. In case the Resolution Professional recommends that a meeting of the creditors is not required to be summoned, he shall record the reasons therefor. If the Resolution Professional is of the opinion that the meeting of the creditors should be summoned, he shall specify the details as provided under Section 106(3) of the IBC, 2016. The date of meeting should not be of less than 14 days or more than 28 days from the date of submission of the Report under Sub-Section (1) of Section 106 of the IBC, 2016 for which at least 14 days' notice to the creditors [as per the list prepared] shall be issued by all modes. Such notice must contain the details as provided under the provisions of Section 107 of the IBC, 2016.
18. The meeting of the creditors shall be conducted in accordance with Sections 108, 109, 110 & 111 of the IBC, 2016. The Resolution Professional shall prepare a report of the meeting of the creditors on repayment plan with all details as provided under Section 112 of the IBC, 2016 and submit to this Authority, copies of which shall be provided to the Debtor and the Creditors. It is made clear that the Resolution Professional shall perform his functions and duties in compliance with the Code of Conduct provided under Section 208 of the IBC, 2016.
19. The Resolution Professional is directed to inform this Adjudicating Authority in case no repayment plan has been prepared or submitted by the Personal Guarantor under Section 105 of the Code by filing an application in accordance with the procedure stipulated under Regulation 17B of the IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019.
20. The Fee of RP may be decided by the parties by interacting with each other. In the meanwhile, the Petitioner/Financial Creditor is directed to make initial deposit of



Rs.50,000/- (Rupees Fifty Thousand only) to the RP to enable him to carry out his duties as per order, which shall be adjustable in his remuneration to be decided as per the cost incurred and agreement between the Applicant and the RP. The Resolution Professional shall submit his periodic reports before this Adjudicating Authority, as per the relevant provisions of the Code and the Rules made thereunder.

21. Delay of 9 days has already been condoned of vide order dated 05.03.2026. In terms of the above, **I.A. No. 709 of 2025 stands disposed of.**

**-Sd-
RADHAKRISHNA SREEPADA
MEMBER (TECHNICAL)**

**-Sd-
SUNIL KUMAR AGGARWAL
MEMBER (JUDICIAL)**