**THE NATIONAL COMPANY LAW TRIBUNAL**
**"CHANDIGARH BENCH, CHANDIGARH"**
**(Exercising powers of Adjudicating Authority under the Insolvency and Bankruptcy Code, 2016)**
***(through web-based video conferencing platform)***

**CP (IB) No. 82/Chd/Chd/2021**

**Under Section 95 of Insolvency and Bankruptcy Code, 2016.**

**In the matter of:**

**Small Industries Development Bank of India**
with its registered office at
SCO. 119-120, Sector 17-B,
Chandigarh
through Sh. Vivek Bansal,
Insolvency Resolution Professional
(IBBI/IPA-001/IP-P-01475/2018-2019/12249)

…Applicant-Creditor

Vs.

**Sh. Sujjan Singh,**
S/o Sh. Sukhinder Singh,
R/o House No. 3, Sector 5,
Chandigarh

…Respondent/Personal Guarantor

**Order delivered on: 30.09.2021**

**Coram: Hon'ble Mr. Ajay Kumar Vatsavayi, Member (Judicial)**
**Hon'ble Mr. L.N. Gupta, Member (Technical)**

**<u>Present through Video Conferencing:-</u>**

For the Applicant-Creditor : 1) Mr. Gourav Goel, Advocate
2) Mr. Iqbal Singh, Advocate
For the Resolution Professional: Mr. Vivek Bansal, Resolution Professional in person

**Per: Ajay Kumar Vatsavayi, Member (Judicial)**

**ORDER**

The present application is filed by Small Industries Development Bank of India (**for brevity 'Creditor'/ 'Applicant'**), through Shri Vivek Bansal, Insolvency Resolution Professional, in Form-C under Section 95 of the Insolvency and Bankruptcy Code, 2016 (**for brevity 'IBC' /** '**Code'**)**,** read with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors), Rules, 2019 with a prayer to initiate Insolvency Resolution Process against Sh. Sujjan Singh **(hereinafter called as "Personal Guarantor/Respondent")**.

2. The Respondent/ Personal Guarantor has stood as the Guarantor in respect of the loans availed by the Principal borrower viz. M/s International Mega Food Park Limited **(Corporate Debtor)**. It is stated that various credit facilities were obtained by the Corporate Debtor from time to time from the Creditor, however the Corporate Debtor has defaulted in due repayment of the same.

3. It is further stated that the Applicant/Creditor has called upon the Respondent/Personal Guarantor to the Corporate Debtor to repay the defaulted amount and as he failed to do so, invoked the guarantee. It is also contended that the CIRP proceedings have been initiated in case of the Corporate Debtor vide order dated 28.02.2019, being titled as SIDBI Vs.

International Mega Food Park Limited bearing CP (IB) No. 174/Chd/Chd/2018.

4. It could be seen that a Demand Notice (Form B) dated 11.08.2020 was issued by the Creditor to the Personal Guarantor in respect of the unpaid debt due from the Corporate Debtor under rule 7(1) of the IBC Rules,2019. The Creditor has produced proof of evidence that the said notice was delivered to the Personal Guarantor on 11.09.2020 along with the amount of default and other particulars (Annexure P-7). It is stated that the Respondent in its reply to the above stated demand notice, has stated that he want to settle the accounts amicably with the lenders. It is also stated that the respondent has already submitted the “Amended Resolution Plan” and “One Time Settlement” proposal for the Corporate Debtor to the Applicant-Creditor and the reply of the respondent also forms part of Annexure P-7 of the application. The advance copy of this application is also stated to be served upon the respondent and the proof of service of the same i.e. the speed post receipt along with the tracking report are attached at page 141 of the application.

5. In Part III of Form C, the total debt from the Personal Guarantor by way of personal guarantee given to the corporate debtor is shown as ₹47,91,85,028/-.

6. We have heard the learned counsel for the Applicant and perused the pleadings on record.

7. It is submitted that there is a default on the part of the personal guarantor by not fulfilling the debt owed by the corporate debtor as per the deed of guarantee entered between the parties through deeds of guarantee

dated 24.07.2012 & 30.09.2014. Copy of the deeds of guarantee is found attached as Annexures P-2 of the application.

8. Hence, the application by Mr. Vivek Bansal, Insolvency Resolution Professional on behalf of **Small Industries Development Bank of India**, under Section 95 of the Code read with Rule 7 of the IBC Rules, 2019 against **Sh. Sujjan Singh**, the personal guarantor of the corporate debtor.

9. It is clarified that from the date of filing this application i.e. 01.02.2021 by the Applicant, Interim Moratorium commences as stipulated under Section 96(1) of the Code in relation to all the debts of the Personal Guarantor. During the Interim Moratorium period: (i) any pending legal action or proceedings in respect of any debt shall be deemed to have been stayed; and (ii) the creditors of the debtor shall not initiate any legal action or proceedings in respect of any debt. As per Section 96(3) of the Code, the provisions of sub-section 96(1) shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.

10. It shall be noted that the appointment of the Resolution Professional under Section 97 of the Code is critical and essential for the Applicant but also to safeguard the assets of the personal guarantor in terms of the provisions of the Code. Since the present application has been filed through the Resolution Professional, Mr. Vivek Bansal, bearing Registration No. IBBI/IPA-001/IP-P-01475/2018-2019/12249, this Bench confirms the appointment of the Resolution Professional in the matter.

11. The Applicant is directed to serve the copy of this order along with copy of the Application and documents immediately on the Resolution Professional by all modes.

12. The Resolution Professional is directed to exercise all the powers as enumerated under Section 99 of the Code read with Rules made thereunder. He is directed to make the recommendations with reasons in writing for acceptance or rejection of this application within the stipulated time as envisaged under the provisions of Section 99 of the Code. The Resolution Professional shall provide a copy of the report under sub-Section 7 of Section 99 to the Creditor as well as to the Personal Guarantor as soon as the same is filed before this Authority.

13. List the matter for further proceedings in this case on 22.11.2021.

Sd/-
(L.N. Gupta)
Member (Technical)

Sd/-
(Ajay Kumar Vatsavayi)
Member (Judicial)

September 30th, 2021
AV