

IN THE NATIONAL COMPANY LAW TRIBUNAL
NEW DELHI BENCH
COURT-V

I.A. NO. 3228/2024
IN
CP IB NO. 288/2023

IN THE MATTER OF:

M/S INTEC CAPITAL LIMITED

....APPLICANT/FINANCIAL CREDITOR

VERSUS

MS. JANHAVI DUGGAL

....RESPONDENT/PERSONAL GUARANTOR

IN THE MATTER OF:

MR. HARISH TANEJA

IBBI/IPA-002/IP-N00088/2017-18/10229
Resolution Professional for Shiv Raman Duggal
236-L Model Town, Sonipat, Haryana-131001
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....RESOLUTION PROFESSIONAL

Versus

MS. JANHAVI DUGGAL

C-109, Defence Colony,
New Delhi-110024
EMAIL: srdugal@icriindia.com

...RESPONDENT

Order Delivered On: 21.08.2026

CORAM:

SHRI MANNI SANKARIAH SHANMUGA SUNDARAM,
HON'BLE MEMBER (JUDICIAL)

MS. REENA SINHA PURI,
HON'BLE MEMBER (TECHNICAL)

IA. 3228/2024
IN
CP (IB) 288/2023
ORDER PRONOUNCED ON: 21.08.2026

APPEARANCES:

For the Applicant : Mr. Manish Kumar, Adv.

For the RP : Mr. Harish Taneja in person, Mr. Gaurav Raj Grover, Adv.

ORDER

1. This Application contains Report under Section 99 of the IBC¹ by Mr. Harish Taneja, Resolution Professional in the insolvency resolution process of Mrs. Jahnavi Duggal, Personal Guarantor to SRD Management Company Private Limited, Corporate Debtor, brought by Intec Capital Limited, the Financial Creditor.
2. This Adjudicating Authority, vide order dated 04.06.2024 passed in CP (IB)-288/2023, appointed the Resolution Professional and directed him to file a report in terms of Section 99 of the IBC. The Resolution Professional has filed the said Report in IA-3228/2024.

Report of the RP

3. The Resolution Professional has examined the application under Section 95 of the IBC and the details furnished by the Financial Creditor. He has recorded that the application satisfies the requirements of Section 95 of the Code read with the Rules², and has recommended admission of the application.
4. As per the Report, the Financial Creditor had extended financial facilities aggregating to Rs. 3,14,00,000 to the Corporate Debtor under two loan accounts³. The Personal Guarantor is stated to have executed a Deed of Guarantee and also issued security cheques towards repayment.
5. It is further stated that, upon breach of the terms of repayment and default by the Corporate Debtor, the Financial Creditor issued an Arbitration Notice dated 21.07.2012. During pendency of the arbitration proceedings, a

¹ Insolvency and Bankruptcy Code, 2016

² Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019

³ Two loan accounts i.e. LNNHP00112130001959 and LNNHP00112130001960

settlement was entered into between the Financial Creditor and the Corporate Debtor on 19.12.2012. An arbitral award was thereafter passed on 18.01.2013. The Financial Creditor has also relied upon acknowledgment of debt reflected in the balance sheet for the year ending 31.03.2017. A demand notice under Rule 7(1) of the aforesaid Rules was issued on 05.03.2021 for a default amount of Rs. 12,18,69,945 as on 31.12.2020. Form D, issued by NeSL, the Information Utility, also records the default of the corporate debtor and the guarantors including the Personal Guarantor under consideration here⁴.

6. The Resolution Professional has concluded that the application filed by the Financial Creditor satisfies the requirements of Section 95 of the Code; that the Corporate Debtor committed default in repayment of debt; that the Personal Guarantor has not denied the existence of debt and guarantee; and that no document has been produced to show discharge of the debt. Accordingly, the Resolution Professional has recommended approval/admission of CP (IB) No. 288/ND/2023.

Objections of the Personal Guarantor.

7. The Personal Guarantor has objected to the Report and has contended that she did not execute or sign the alleged Deed of Settlement dated 30.10.2010 or any other document relied upon by the Financial Creditor in her capacity as guarantor. She has further stated that she had no knowledge of the alleged settlement dated 19.12.2012, which was also not signed by her.
8. It is further submitted that certain blank papers were obtained from her under pressure by her husband and the representative of the Financial Creditor. The Personal Guarantor has also contended that she was neither a party to the mediation proceedings nor had she authorised her husband, Mr. Shiv Raman Duggal, to represent her therein. She was also neither present nor impleaded in the arbitration proceedings.
9. The Personal Guarantor has further submitted that the Arbitrator was appointed without her knowledge or consent. According to her, the arbitral

⁴ Annexure 17, Page 304-314 of the Application u/s 95.

proceedings and the award are illegal, *non est* and unsustainable, the Arbitrator having been appointed unilaterally without her consent or participation. She has also denied receipt of any demand notice or notice of default.

10. The Personal Guarantor has denied the contents of paragraph 10 of the RP's Report and has alleged non-compliance with Sections 99(1) and 99(6) of the Code. It is contended that the statement of account filed by the Financial Creditor is false and unreliable, and that no demand notice or notice of default was received by the Corporate Debtor/Personal Guarantor.

Rejoinder by Financial Creditor

11. The Financial Creditor has submitted that the Personal Guarantor had duly executed the Guarantee Deed in its favour and that the same is available on record. It is further submitted that the Personal Guarantor was represented by her husband, Mr. Shiv Raman Duggal, in the mediation proceedings held before the Mediation Centre, Dwarka Courts on 02.01.2013.
12. The Financial Creditor has also submitted that the Personal Guarantor was aware of the arbitration proceedings and the settlement arrived at between the parties, but the arbitral award was never challenged by her in accordance with law. The allegation regarding non-execution of the Guarantee Deed is stated to be untenable, as the Personal Guarantor neither lodged any complaint nor initiated any proceedings alleging fraudulent procurement of her signatures.
13. It is further submitted that the Loan Recall Notice, informing the Personal Guarantor about initiation of arbitration proceedings, was duly served upon her, and that the demand notice was also served through Speed Post vide consignment No. ED866706440IN on 16.08.2021.

Analysis and Findings

14. We have considered the Report submitted by the Resolution Professional under Section 99 of the Code, the objections raised by the Personal Guarantor, the rejoinder filed by the Financial Creditor and the submissions advanced by the parties.

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15. The CIRP against the corporate Debtor, SRD Management Company Private Limited, was initiated vide order dated 06.03.2023 in CP (IB) No. 1058/PB/2020. The present application under Section 95 of the IBC was filed on 08.11.2022 against the Personal Guarantor.
16. From the Balance Sheet⁵ of the corporate debtor as on 31.03.2017, it is seen that the corporate debtor is a family concern, Mr Shiv Raman Duggal and his wife, Mrs Janhavi Duggal as shareholders. The directors of Corporate Debtor are Mr Shiv Raman Duggal and his daughter, Ms Sukruti Duggal. In respect of the loans obtained by the Corporate Debtor, the Financial Creditor has filed Section 95 applications against four personal guarantors, Mr Shiv Raman Duggal; his wife, Mrs Janhavi Duggal; his daughter, Ms Sukruti Duggal; and his son, Mr Kanishk Duggal.
17. The Record of Default⁶ in Form D issued by NeSL, records default by the corporate debtor, the aforementioned four personal guarantors including Mrs Janhavi Duggal and a corporate guarantor, another family concern.
18. The case of the Financial Creditor is that loan facilities were sanctioned to the Corporate Debtor vide sanction letters dated 25.03.2010, pursuant to which loan agreements and deeds of personal guarantee were executed on 27.03.2010. Upon default by the Corporate Debtor, an Addendum-cum Deed of Settlement⁷ dated 30.10.2010 was executed, which was also not honoured. This led to issuance of Loan Recall Notice⁸ dated 21.07.2012 for initiation of arbitration proceedings, addressed to the corporate debtor and all the guarantors.
19. During the pendency of arbitration proceedings, a settlement deed⁹ dated 19.12.2012 was entered into between the corporate debtor and the financial creditor. Under the said arrangement, Mrs Janhavi Duggal stood as personal guarantor and also mortgaged her property bearing no. LG-13, measuring 156

⁵ Annexure 15, Page 266-273 of the Application u/s 95.

⁶ Annexure 17, Page 292-314 of the Application u/s 95.

⁷ Annexure 10, Page 186-207 of the Application u/s 95.

⁸ Annexure 11, Page 208-219 of the Application u/s 95.

⁹ Annexure 12, Page 220-237 of the Application u/s 95.

square feet situated at B-23, Greater Kailash, Part 1, New Delhi as additional collateral security by mortgage deed¹⁰ dated 19.12.2012.

20. The corporate debtor thereafter made delayed part payments of only Rs 3,80,000 and Rs 1,90,000 towards the restructured debt, and defaulted in making the remaining payments. The loan accounts of the corporate debtor were declared NPA on 30.05.2015. The debt was acknowledged in the balance sheet¹¹ of the corporate debtor as on 31.03.2017. Thereafter, another settlement¹² was entered into on 24.09.2018 and part payment of Rs 5,00,000 was made by the corporate debtor on 29.09.2018. Since the corporate debtor defaulted again, demand notice¹³ dated 05.03.2021 was issued against the personal guarantors for an outstanding amount of Rs 12,18,69,945.
21. The principal objections raised by the Personal Guarantor relate to denial of execution of documents, non-participation in mediation/arbitration proceedings, alleged lack of consent and denial of receipt of demand notice.
22. The record indicates that the Financial Creditor has relied upon the Deed of Guarantee executed in its favour. The Personal Guarantor has denied execution of the said documents; however, no contemporaneous complaint, criminal proceedings, or independent material has been placed on record to show that her signatures were obtained fraudulently or under pressure by her husband or the representative of the Financial Creditor. A bare denial, unsupported by cogent material, cannot be accepted at this stage to defeat proceedings under Section 95 of the IBC.
23. The contention that the Personal Guarantor was not a party to the mediation or arbitration proceedings and that the arbitral award is *non est* against her is also not sufficient to reject the application. The Financial Creditor has stated that the Personal Guarantor was represented through her husband, Mr. Shiv Raman Duggal, and was aware of the proceedings. It is also not in dispute that the arbitral award was not challenged by the Personal Guarantor

¹⁰ Annexure 12, Page 238-253 of the Application u/s 95.

¹¹ Annexure 15, Page 266-273 of the Application u/s 95.

¹² Annexure 14, Page 260-265 of the Application u/s 95.

¹³ Annexure 16, Page 274-290 of the Application u/s 95.

before any competent forum. In proceedings under Section 95 of the IBC, this Adjudicating Authority is not required to sit in appeal over the arbitral award or adjudicate upon collateral challenges thereto, particularly when the award has not been set aside.

24. The material on record also shows that the Financial Creditor issued Loan Recall Notice-cum-Arbitration Notice dated 21.07.2012 to the Corporate Debtor and the guarantors, calling upon them to repay the outstanding dues. The said notice referred to the liability of the guarantors and demanded repayment of the outstanding amount. In the facts of the present case, the said notice, read with subsequent demand notices and documents on record, sufficiently establishes demand upon the Personal Guarantor and invocation of her liability under the guarantee.
25. We also note that the signature of the personal guarantor appears on the guarantor form¹⁴, the deed of guarantee¹⁵, the undertaking¹⁶, the deed of settlement and the mortgage deed, all dated 19.12.2012. The Deed of Guarantee records that the liability of the guarantor to discharge dues under the agreement shall be joint, several and co-extensive with that of the borrower and other co-guarantors. It further records that upon demand, the guarantor is required to discharge the dues without demur, reservation, contest or protest within seven days of such demand. The Deed of Guarantee further stipulates that the guarantee shall be final and binding notwithstanding any dispute pending between the borrower, guarantor and Financial Creditor, or any proceeding pending before any Court, Arbitral Tribunal or other forum. The liability under the guarantee is stated to be absolute and unequivocal, and the guarantee is recorded as continuing until all dues are discharged to the satisfaction of the Financial Creditor.
26. The outstanding debt was acknowledged in the balance sheet¹⁷ of the corporate debtor as on 31.03.2017. Another settlement¹⁸ dated 24.09.2018

¹⁴ Page 160 of the Application u/s 95.

¹⁵ Page 161-162 of the Application u/s 95.

¹⁶ Page 163 of the Application u/s 95.

¹⁷ Annexure 15, Page 266-273 of the Application u/s 95.

¹⁸ Annexure 14, Page 260-265 of the Application u/s 95.

was entered into, to which the personal guarantors were also parties. The continuing default led to issuance of demand notice dated 05.03.2021, demanding payment of the outstanding amount of Rs. 12,18,69,945 as on 31.12.2020, which was served upon the Personal Guarantor through Speed Post. Despite service of notice, the Personal Guarantor failed to discharge the debt or place any material to show repayment or satisfaction of the liability.

27. As per the terms of the agreement, the liability of the guarantor is co-extensive with that of the corporate debtor, final and binding, absolute and unequivocal, and continuing until all dues are fully discharged to the satisfaction of the financial creditor. Once the Corporate Debtor committed default and the Financial Creditor invoked the guarantee and demanded payment from the guarantor, her liability stood crystallised. No material has been placed on record to show that the guarantee stood discharged or that the debt owed to the Financial Creditor was satisfied.
28. The Resolution Professional, in his Report under Section 99 of the Code, has examined the application and material furnished by the Financial Creditor and has recommended admission. The Personal Guarantor has not placed any document to show that the debt has been discharged, satisfied or extinguished.
29. We also find no procedural infirmity in the Report submitted by the Resolution Professional. The Personal Guarantor was served with the Report and was afforded an opportunity to file objections, which have been considered herein.
30. At the stage of consideration of an application under Section 100 of the Code, this Adjudicating Authority is required to consider the report of the Resolution Professional and either admit or reject the application. Upon consideration of the material placed on record, we are satisfied that the debt and default stand established, that the Personal Guarantor had executed the guarantee, and that the requirements for admission of the application under Section 95 of the Code are fulfilled.

31. In view of the foregoing discussion, the objections raised by the Personal Guarantor are rejected. The Report submitted by the Resolution Professional under Section 99 of the Code in **IA No. 3228/2024** is **accepted**.
32. Accordingly, the application filed by the Financial Creditor under Section 95 of the Code, being **CP (IB) No. 288/ND/2023**, is **admitted**. The insolvency resolution process is hereby initiated against Mrs. Jahnavi Duggal, Personal Guarantor to the Corporate Debtor.
33. Consequently, in terms of Section 101 of the Code, moratorium shall commence from the date of this order and shall cease to have effect at the end of 180 days from the date of this order, or earlier as provided under the Code. During the moratorium period:
- a. any pending legal action or proceeding in respect of any debt shall be deemed to have been stayed;
 - b. the creditors of the debtor shall not initiate any legal action or proceeding in respect of any debt;
 - c. the debtor shall not transfer, alienate, encumber or dispose of any of her assets or legal rights or beneficial interest therein; and
 - d. the provisions of Section 101 shall not apply to such transactions as may be notified by the Central Government in consultation with any financial sector regulator.
34. The Resolution Professional is directed to cause a public notice to be published within seven days from the date of uploading of this order on the website of this Adjudicating Authority, inviting claims from all creditors. The creditors shall register their claims in accordance with Section 103 of the IBC within 21 days from the date of issuance of such notice. The notice shall contain the particulars prescribed under Section 102(2) of the IBC.
35. The publication of the notice shall be made in two newspapers, one in English and one in vernacular language, having wide circulation in the State.
36. The Resolution Professional shall, in exercise of powers under Section 104 of the IBC, prepare a list of creditors within 30 days from the date of the notice.

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37. The debtor shall prepare a repayment plan in consultation with the Resolution Professional, as provided under Section 105 of the IBC. The repayment plan shall include provision for payment of fee to the Resolution Professional.
38. The Resolution Professional shall submit the repayment plan, along with his report thereon, to this Adjudicating Authority within 21 days from the last date for submission of claims, as provided under Section 106 of the IBC.
39. In case the Resolution Professional recommends that a meeting of creditors is not required to be summoned, he shall record reasons for the same. If the Resolution Professional is of the opinion that a meeting of creditors should be summoned, he shall specify the details as provided under Section 106(3) of the IBC.
40. The date of the meeting of creditors shall not be less than 14 days and not more than 28 days from the date of submission of the report under Section 106(1) of the IBC. At least 14 days' notice shall be issued to the creditors, as per the list prepared, through all relevant and feasible modes. Such notice shall contain the particulars prescribed under Section 107 of the IBC.
41. The meeting of creditors shall be conducted in accordance with Sections 108, 109, 110 and 111 of the Code. The Resolution Professional shall prepare a report of the meeting of creditors on the repayment plan, containing the particulars provided under Section 112 of the IBC, and submit the same to this Adjudicating Authority. Copies thereof shall be provided to the debtor and the creditors.
42. The Resolution Professional shall be paid an amount of Rs. 2,00,000 by the Financial Creditor to undertake further proceedings in accordance with the IBC. The public notice contemplated under Section 102 of the IBC shall be issued by the Resolution Professional on behalf of this Adjudicating Authority inviting claims. The Resolution Professional shall discharge his functions and duties in compliance with the IBC and the Code of Conduct applicable to insolvency professionals.

43. Accordingly, **IA No. 3228/2024 stands allowed** and **CP (IB) No. 288/ND/2023** filed under Section 95 of the Code is admitted and disposed of in terms of the above directions.

Sd/-

(REENA SINHA PURI)
MEMBER (TECHNICAL)

Sd/-

(MANNI SANKARIAH SHANMUGA SUNDARAM)
MEMBER (JUDICIAL)