NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH COURT III

Item No. 01

C.P.(IB)111(MB)/2022

CORAM:

SH. HARIHARAN NEELAKANTA IYER
Member (Technical)

MS. LAKSHMI GURUNG
Member (Judicial)

ORDER SHEET OF THE HEARING ON **09.10.2026**
(HEARING THROUGH: HYBRID MODE)

NAME OF THE PARTIES: Unity Small Finance Bank Ltd.

V/s.

Mr. Sarang Rakesh Wadhawan

Appearance

For Petitioner : Adv. Princi Jaiswal i/b Dhir and Dhir Associates (VC)

SECTION 95(1) OF THE IBC, 2016

ORDER

This Petition is listed for pronouncement of order. The same is pronounced in open court, vide a separate order.

Sd/-
HARIHARAN NEELAKANTA IYER
Member (Technical)

Sd/-
LAKSHMI GURUNG
Member (Judicial)

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IN THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH COURT III

C.P. No. (IB) 111/MB/C-III/2022

Under Section 95 r/w Section 100 of the Insolvency and Bankruptcy Code, 2016

Unity Small Finance Bank Limited
(Erstwhile Punjab and Maharashtra Cooperative Bank Limited)
A Small Finance Bank incorporated in India under Companies Act, 2013 (18 of 2013)
Having registered office address at:
40, Basant Lok, Vasant Vihar,
New Delhi - 110057
Corporate Office:
2nd Floor, Centrum House, C.S.T. Road, Vidyanagari Marg Kalina, Santacruz (East),Mumbai -400098

... Financial Creditor/ Applicant

Vs.

Mr. Sarang Rakesh Wadhawan
Personal Guarantor of M/s Guruashish Construction Private Limited
Address at:
Wadhawan House, Plot No. 32 A,
Union Park Road, Near J.B. Pettit School,
Bandra (West), Mumbai - 400050

... ***Personal Guarantor/ Respondent***

Order pronounced on: 09.10.2026

Coram:

Shri. Hariharan Neelakanta Iyer,
Member (Technical)

Smt. Lakshmi Gurung,
Member (Judicial)

IBC Laws | www.ibclaw.in

Appearances:

For the Petitioner: Adv. Alok Dhir a/w Adv. Varsha Banerjee,
Adv. Princi Jaiswal, Adv. Aishwarya
i/b Dhir and Dhir Associates (PH)

For the Personal Guarantor: Adv. Zalak Mody (VC) a/w
Adv. Biswajeet Dubey,
Adv. Shivansh Jadhav
i/b A & P Partners (PH)

Per: Smt. Lakshmi Gurung, Member (Judicial)

ORDER

1. The Company Petition No. 111 of 2022 was filed by Punjab and Maharashtra Cooperative Bank Limited (**'Original lender'**) under section 95 of the Insolvency and Bankruptcy Code, 2016 (hereinafter referred as ('**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 (**'PG Rules'**) seeking to initiate Insolvency Resolution Process against, Mr. Sarang Rakesh Wadhawan (**'Personal Guarantor'/ 'Respondent'**) being the Personal Guarantor of M/s Guruashish Construction Private Limited ('**Corporate Debtor'**) having registered office at Round Floor, Siddharth Nagar No. 1 Opp. Siddharth Nagar P.O. Goregaon (W), Mumbai - 400104.

Brief Facts

2. The original lender had sanctioned term loan for INR 75,00,00,000/- (Rupees Seventy Five Crore) vide Sanction Letter no. PM/CO/SEC/ 154/16-17 dated 04.03.2017. Subsequently revised Sanction Letter dated 20.04.2017 was issued. Copies of Sanction Letters dated

04.03.2017 and 20.04.2017 are annexed to the petition as *Exhibit A1* and *Exhibit A2*, respectively.

3. To secure the above loan following documents were executed:

   i. Deed of Hypothecation dated 29.04.2017 by the corporate debot in favour of the original lender.

   ii. Deed of Mortgage dated 29.04.2017 bearing registration no. Vasai 1-12374-2017 on piece and parcel of Non-Agricultural land admeasuring 50,020 Sq. Mtrs. Situated in Village Shirgaon, Taluka Vasai, District Palghar - 401303 along with structures construed/ to be constructed thereon standing in the name of M/s. Privilege Power and Infrastructure Pvt. Ltd ("PPIPL").

   iii. Demand Promissory Note dated 29.04.2017 for INR 75,00,00,000/- issued by the Corporate Debtor in favour of the original lender on.

   iv. Common Letter of Guarantee dated 29.04.2017 executed in favour of the original lender by Mr. Rakeshkumar Kuldipsingh Wadhawan, Respondent and PPIPL.
   Copy of the said Letter of Guarantee dated 29.04.2017 is annexed to the petition as *Exhibit E*.

4. It is submitted that a sum of Rs. 35,00,00,000/- was disbursed to the corporate debtor on 29.04.2017 and a sum of Rs. 62,00,168/- was disbursed on 05.06.2017.

5. In the meantime, upon an application filed by Union Bank of India, under section 7 of the Code, the Corporate Debtor was admitted into corporate insolvency resolution process on **24.07.2017** in C.P.(IB) No. 1061/MB/2017. Thereafter, vide order dated **04.09.2020**, the corporate debtor was directed to be liquidated in IA 24/2018.

6. On account of default by the corporate debtor, the original lender invoked issued guarantee invocation letter dated 06.11.2021, inter alia to the Respondent and demanded a sum of Rs. 69,07,10,842/- due as on 31.10.2021. Copy of the guarantee invocation letter dated 06.11.2021 is annexed to the petition as *Exhibit H*.

7. Subsequently, the original lender issued Demand Notice dated 15.11.2021 in Form B under Rule 7(1) of the PG Rules, 2019 for repayment of an outstanding amount of Rs. 69,07,10,842/- within 14 days. The said Demand Notice dated 15.11.2021 is annexed to the petition as *Exhibit I*.

8. Thereafter, the present petition was filed on 18.12.2021. The amount in default as mentioned in Part III of the application is Rs. 69,07,10,842/- as of 31.10.2021 along with further interest at the rate of 15% p.a. and penal interest at the rate of 2% p.a. from the date of default and the date of default has been mentioned as 14.11.2021.

9. In the meantime, the original lender was merged with the Unity Small Finance Bank Ltd. **('the Financial Creditor')** vide RBI Gazettee Notification dated 25.01.2022.

10. This Tribunal vide order dated 04.03.2022, appointed CA Amit Gupta having Registration No. IBBI/IPA-001/IP-P00016/2016-17/10040 as the Resolution Professional (**'RP'**) and directed him to examine the petition and submit his report.

Report of Resolution Professional

11. The RP filed first report dated 05.04.2022 and then on directions of this Tribunal filed amended Report on 05.07.2022 under section 99 of the Code. The RP in its report has stated that he informed the Respondent vide email dated 25.03.2022, about this Tribunal's order dated 04.03.2022 appointing him as the Resolution Professional and asked him to submit proof of repayment of debt. The RP, vide email dated

26.03.2022, also intimated Adv. Disha Shah of SDS Advocates, the advocate on record of the Respondent, which was duly acknowledged by Adv. Disha Shah vide email dated 28.03.2022.

12. After examining the petition and after confirming from the Financial creditor non-receipt of any payment from the Respondent, the RP recommended that present Application under section 95 (1) of the Code be admitted under Section 100 of the Code and Insolvency Resolution Process be commenced against Mr. Sarang Rakesh Wadhawan, Personal Guarantor to Guruashish Constructions Private Limited for the following reasons:

a) That the Application filed by the Creditor satisfies the requirement as set out in Section 95 of the Code.

b) That the Corporate Debtor, Guruashish Constructions Private Limited, has committed default in repayment of Loan/Credit Facility granted by the Applicant/Creditor Unity Small Finance Bank Limited (erstwhile Punjab and Maharashtra Cooperative bank Ltd).

c) That Mr. Sarang Rakesh Wadhawan, Personal Guarantor to Guruashish Constructions Private Limited has also committed default in repayment of Loan Facility demanded by the Applicant/ Creditor Unity Small Finance Bank Limited (erstwhile Punjab and Maharashtra Cooperative bank Ltd) after invocation of personal guarantee.

d) That no evidence proving contrary as to the existence of debt has been provided by the Personal Guarantor.

e) That Applicant, vide email dated 29.03.2022 stated that, "Mr. Sarang Rakesh Wadhawan has NOT MADE ANY PAYMENT towards the unpaid debt pursuant to filing of application u/s 95 before NCLT."

13. This Tribunal, vide order dated 06.07.02022 had issued notice to the Respondent to be served on Respondent through the Superintendent of Arthur Road Jail and opportunity was given to file reply. In compliance thereof, the RP filed Affidavit of service dated 26.07.2022, evidencing service on the Respondent by hand delivery, vide service letter dated 22.07.2022, through the Superintendent of Arthur Road Jail, Sane Guruji Marg, Adarsh Nagar, Mumbai, Maharashtra – 40001 along with intimation of next date of hearing.

Affidavit in Reply on behalf of the Personal Guarantor/Respondent

14. The Respondent filed reply dated 20.06.2025, inter alia making following submissions:

i. The Respondent was incarcerated from December 2019 to April 2024. The corporate debtor was admitted into CIRP and then into liquidation therefore, the Respondent did not have custody and control of requisite papers and documents.

ii. It is submitted that the RP did not investigate the matter independently but simply relied on the reply of the Financial Creditor asserting non-payment by the Respondent.

iii. It is alleged that the RP did not act fairly. Even after receiving reply from the Advocates for the Respondent the RP made no efforts to engage with the authorized counsel to seek clarification, information response from the Respondent.

iv. The Respondent could not provide any response because he was in judicial custody and therefore there was violation of principles of natural justice.

v. The Respondent also alleged the Financial Creditor being guilty of suppression of material fact that the Economic Offences Wing (EOW) is seized of the subject matter and has filed a Charge-sheet stating that the Bank itself had played a

part in the fraud. It is alleged that there were irregularities in the way the loan was sanctioned and disbursed without properly following the established procedures. It is therefore submitted that the default amount does not fall under the definition of 'Financial Debt' under section 5(8) of the Code. It is submitted that the RP has not examined these aspects particularly the absence of Board authorization.

vi. The Respondent further submitted that the RP was fully aware that the corporate debtor was undergoing liquidation when the RP was appointed to submit report, yet he did not obtain any information or clarification from the Liquidator of the corporate debtor.

vii. The next submission by Respondent was that he was not served with the Guarantee invocation notice dated 06.11.2021 and the demand Notice dated 05.11.2021 as he was in judicial custody during the relevant period and mere delivery of such notices to the Superintendent of the Jail cannot, by any stretch of legal interpretation, constitute service upon the Respondent.

viii. Further objection to RP's report is non-submission of report within 10 days.

15. The Respondent has also replied to the main Company Petition (IB) No. 111 of 2022 raising issue on the maintainability of the petition in view of EOW charge-sheet that loan was granted by the original lender without following due process. It is submitted that the lender cannot be permitted to approbate and reprobative, assert the existence of fraud when it serves their interests in one proceeding and simultaneously seek enforcement of the same transaction when it suits them in another.

16. The Respondent has also raised objection that the date of default mentioned in the petition is incorrect.

Rejoinder by the Financial Creditor

17. The Financial Creditor has filed Rejoinder dated 08.09.2025 and made following submissions:

- The Applicant, along with the captioned petition has filed Affidavit of service dated 21.02.2022 and dated 03.03.2022.

- The Erstwhile RP has duly complied with the requirements of the IBC and submitted his 1st Report in the captioned Company Petition before this Tribunal on 05.04.2022, and subsequent to the order dated 11.05.2022 also filed Amended Report dated 05.07.2022.

- It is further submitted that pursuant to the revelation of the fraud committed by Housing Development and Infrastructure Ltd ("HDIL") and its sister concerns in connivance with the former managing director of Punjab and Maharashtra Cooperative Bank ("PMC Bank") in September 2019, the RBI took control of PMC Bank. Subsequently, the Ministry of Finance vide gazette notification dated 25.01.2022, amalgamated PMC Bank with the Petitioner for recovery of the public monies due from HDIL and its group companies in order to return the same to the innocent lenders of PMC Bank. Subsequent to the said amalgamation, the petitioner stepped into the shoes of PMC Bank and have been vested with all the rights and obligations of PMC Bank.

- Pursuant to the said amalgamation of PMC Bank with the Petitioner, the Petitioner filed an IA No. 1307 of 2022 on 11.05.2022, inter alia seeking to amend the cause title of the captioned Company Petition i.e. to change the name of the PMC Bank with the Petitioner as the Financial Creditor. The said I.A.

was allowed vide order dated 03.06.2022 and further directed the Erstwhile RP to revise the Report filed under Section 99 of IBC in the light of the change of the name of the Bank. In compliance to the said order the Erstwhile RP filed amended Report under section 99 of the code on 05.07.2022.

- It is further submitted that the Disciplinary Committee of the IBBI issued a Show Cause Notice dated 14.03.2023 to the Erstwhile RP. Pursuant thereto, the IBBI vide order dated 26.11.2024 cancelled the registration of the erstwhile RP, inter alia on the ground of charging excess fees in the liquidation proceedings of certain corporate debtors where he was appointed as liquidator. Further when the Report dated 05.04.2022 and amended report dated 05.07.2022 were filed under section 99 of the Code, the registration of the Erstwhile RP was valid and subsisting and no inquiry or investigation was pending by the IBBI.

- IA No 2371 of 2025 was filed by the Personal Guarantor inter alia seeking to set aside the Reports filed by the Erstwhile RP, which was dismissed by this Tribunal vide order dated 06.06.2025.

- As far as the merits of the loan transaction, disbursement of loan, and execution of the Personal Guarantee are concerned they are undisputed and the amalgamation of the PMC Bank with the Petitioner pursuant to RBI directions does not affect the enforceability of the debt or the liability of the Respondent as guarantor.

- The RP's Report dated 05.04.2022 and Amended Report dated 05.07.2022, reflect detailed analysis of the documents, facts and claims in accordance with the provisions of the IBC and the applicable Rules.

- In terms of the Guarantee Agreement/ Letter of Guarantee dated 29.04.2017, the Respondent has unequivocally acknowledged that his liability as guarantor to repay the default committed by the Corporate Debtor shall arise upon a written demand being made by the Bank and delivered to his last known address. In the present case, such demand notice was duly issued in accordance with law, thereby fastening liability on the Respondent.

- As the Personal Guarantor was under the judicial custody, the invocation letter dated 06.11.2021 and demand notice dated 15.11.2021 were served upon the Respondent through the Superintended of the Central Jail on 08.11.2021 and 16.11.2021, respectively. The said invocation letter and demand notice were also sent at the residential address of the Respondent but were returned un-delivered.

Discussion & Findings

18. We have heard learned counsel for the parties on both sides and have perused the material on record and including the reports of the Resolution Professional.

19. The RP has recommended that Application may be admitted under section 95 of the Code to initiate insolvency proceedings against the Personal Guarantor.

20. Unrebutted facts are that the Corporate Debtor had availed loan facilities from the original lender but defaulted in repayment of the said loan and the account of the corporate debtor was declared as a Non-Performing Asset on 31.08.2017. The corporate debtor was admitted into insolvency proceedings and later ordered to be liquidated. The Respondent had executed guarantee in favour of the original lender to secure the loan given to the corporate debtor.

21. It is the case of the Financial Creditor that Invocation letter dated 06.11.2021 calling upon the Respondent and others to pay the outstanding dues of Rs.69,07,10,842/- within 7 days from the date of receipt of the notice was served upon the Respondent. The Demand Notice (Form B) dated 15.11.2021 was also served on the Personal Guarantor for outstanding debt of Rs 69,07,10,842.00 as on 30.10.2021, to be paid within 14 days. As the Respondent failed to repay the loan amount, the present petition was filed.

22. The total amount in default according to Part III of the Petition is Rs. 69,07,10,842/- as on 31.10.2021 along with interest at the rate of 15% p.a. and penal interest at the rate of 2% from the date of default i.e., 14.11.2021.

23. In the present case, it is noted that the Invocation Notice dated 06.11.2021 and the Demand Notice dated 15.11.2021 were served upon the Personal Guarantor through the Superintendent of Central Jail at Arthur Road Jail. The primary defence of the Respondent is that he was not served with these notices as he was under judicial custody and service through Superintendent of Jail cannot be treated as meaningful service. This defence is liable to be rejected for the following reasons:

- This Tribunal vide order dated 04.03.2022 specifically recorded that the Demand Notice dated 15.11.2021 had been duly served upon the Respondent through Registered Post and accordingly appointed the Erstwhile RP.

- Aggrieved by the said order dated 04.03.2022 Respondent had preferred an appeal before the Hon'ble NCLAT in Company Appeal (AT) No. 778 of 2022. The Hon'ble NCLAT, vide order dated 20.07.2022 has dismissed the said appeal after observing as follows:

  "The tracking report on which reliance has been placed by the Appellant indicates that delivery of the item was

confirmed. The fact that it does not record delivery of the item at Central Jail at Arthur Road does not indicate that the item was not taken to the Superintendent of Central Jail at Arthur Road, which may have been received by Jacob Circle SOS mentioned in the tracking report. When items are sent by registered post, a presumption has to be drawn about service unless successfully rebutted."

Therefore, the Respondent is barred from raising the same issue on the ground of *res-judicata*.

- Similarly, the guarantee invocation letter was also served on the Respondent through the Superintendent of Jail in the same manner as the Demand Notice was served.

24. Since the guarantee was invoked vide Invocation Letter dated 06.11.2021, whereby the Personal Guarantor was called upon to discharge the outstanding debt within seven days, the cause of action against the Personal Guarantor arose upon failure to comply with the said demand. Accordingly, the date of default, for the purpose of the present proceeding, is mentioned as 14.11.2021, which in our view is not incorrect or a material aspect warranting rejection of the petition. Therefore, Personal Guarantor's contention regarding date of default is devoid of merits.

25. It is pertinent to note that the Respondent had earlier filed an I.A. 2371/2025 raising objections to the conduct of RP in submission of its report. This Tribunal vide order dated 06.06.2025 dismissed the IA in following terms:

"…
6. Thus, the DC order and the allegations therein has nothing to do with the personal guarantor and the Corporate Debtor in the present case.

7. Further the DC order came to be passed on 26.11.2024 while the RP had already filed its report dated 05.04.2022. The DC order dated 26.11.2024 cancelling the registration of the RP is not retrospective in nature and his registration was valid when the RP report was filed in the present case.

8. Therefore, submission of the applicant that conduct of the RP during the period when RP submitted its report in this case is tainted, is not tenable and there is no force in the submission made by the personal guarantor.

9. Accordingly, I.A. is dismissed."

26. On perusal of the amended report dated 05.04.2024 filed by the RP, it is noticed that the RP had given reasonable opportunity to the Personal Guarantor. RP intimated initiation regarding NCLT Order dated 04.03.2022 and his appointment as Resolution Professional. Vide above mentioned email dated 25.03.2022 also requested Personal Guarantor inter alia to submit the proof for repayment of debt is made to the creditor and sought certain information pertaining to CIRP.

27. Further the RP has also sent an email dated 25.03.2022 to the Applicant requesting to confirm whether the Personal Guarantor has made any repayment towards the unpaid debt. In reply, the Applicant vide mail 29.03.2022 stated that, *"Mr Sarang Rakesh Wadhawan has NOT MADE ANY PAYMENT towards the unpaid debt pursuant to filing of application u/s 95 before NCLT"*. Thus, we find that the Resolution Professional had sent communications seeking information from the Personal Guarantors vide emails dated 25.03.2022 and 26.03.2022.

28. After examining the application and taking into consideration the documents annexed thereto, the Resolution Professional has recommended that Insolvency Resolution Process should be initiated against the Personal Guarantor. The report states that the application satisfies the requirements as set out under section 95 of the Code as:

a. The debts are owed by the debtor to creditor.

b. The demand notice was served on the personal guarantor on 15.11.2021.

c. Advocate of Mr. Sarang Rakesh Wadhawan, Disha Shah vide email dated 28.03.2022 acknowledged the receipt of the email from the RP and informed to act on behalf of the personal guarantor. However, no evidence proving contrary as to the existence of debt has been provided by the Personal Guarantor.

d. The application is complete and in the prescribed Form -C.

e. The Creditor/Applicant has mentioned that they have not received any funds from the Corporate Insolvency Resolution Process of the Corporate Debtor and therefore debt is still due from the debtor.

f. The creditor has given declaration that the present debt does not include the excluded debts and also after the analysis of documents, RP didn't find any document which proves otherwise.

29. The report is only recommendary in nature and not binding on this Tribunal, but it verifies the factual aspects of the application. We are not impressed with the submission of the Respondent that the RP did not investigate the facts of the case and merely relied on the reply by the financial creditor. Under the scheme of the Code, the role of RP is not that of an investigating agency. He is merely to examine the application whether or not the same is in accordance with the requirements of section 95 of the Code and the applicable Rules thereto. We have perused the report of RP and are of the considered opinion that he has examined the application and considered the documents annexed, communicated with both the debtor as well as the creditor and prepared the report as per the mandate of section 99 of the Code.

30. The RP had sought information through emails to the Respondent and his counsel and the communications were acknowledged. Therefore, the submission of the Respondent that there was violation of principles of natural justice is untenable.

31. Now we come to the objection of the Respondent on admission of the application on the ground of alleged fraud committed by the bank officials and the corporate debtor. Similar arguments were raised before Court No. II of NCLT Mumbai Bench in C.P. No. 112/MB/2022, wherein the Bench has observed as follows:

> "*5.10 As regards the allegation of fraud, it is noteworthy that no such allegation has ever been levelled by the Respondent/Personal Guarantor at any time after obtaining the loan from the Original Lender/PMC Bank. It is noticed from the record that the EOW filed CR No.86/2019 under Sections 406, 409, 420,465, 467 and 471 along with Section 120-B of the Indian Penal Code against certain officials as well as Directors of the Original Lender along with executives and Directors of Housing Development and Infrastructure Ltd. (HDIL) including the Respondent and its group companies for causing loss to the tune of Rs.4,355 Crore to the Original Lender. Thereafter, the ED registered a case on 03.10.2019 under Section 4 read with Section 3 of the Prevention of Money Laundering Act, 2002, wherein both the Original Lender and the Corporate Debtor along with others have been identified as the accused. It is learnt that pursuant to EOW and ED investigations, trial is in progress and several properties have been attached. However, the proceedings are yet to reach finality. Be that as it may, we are unable to accept the Respondent's contention that the Adjudicating Authority should not enforce an allegedly illegal agreement at the instance of the Original Lender who is itself a party to an illegality or fraud."*

32. The Respondent has not denied that the Corporate Debtor had availed loan from the original lender and the Respondent had executed personal guarantee to secure the said loan. What has been argued is that there were irregularities in disbursement of the loan to the corporate debtor like obtaining of board resolution after the disbursement etc. and EOW is investigating the fraud angle in the loan transaction therefore mere

existence of an alleged debt and default does not warrant admission of an application under Section 95 of the Code. This Tribunal is not impressed with the submission of the Respondent. The contract of guarantee is independent and separate contract between the guarantor and the financial creditor. The cause of action under section 95 of the Code accrues in favour of the financial creditor when the personal guarantor fails to make the payment of guaranteed amount to the financial creditor. Neither the factum of loan disbursement to corporate debtor, nor execution of guarantee by the Respondent to secure the loan to the corporate debtor is denied by the Respondent. The Respondent, who is a personal guarantor to corporate debtor, has been represented by counsel and has filed reply but has not placed anything on record to show that he has paid the guaranteed amount to the financial creditor in full. Thus, it is established that despite invocation of guarantee by the creditor, the guaranteed amount remains unpaid. What is required to be seen under section 95 of the Code are the requirement under section 95 read with the applicable rules.

33. Thus, the Adjudicating Authority is required to satisfy itself that a debt is due from the Personal Guarantor to the creditor and that the amount in default exceeds the prescribed threshold under the Code. The EOW proceedings, being independent proceedings, have no bearing on the determination of debt and default under Section 95 of the Code. Any consequences arising from such proceedings shall be subject to the final orders passed by the competent courts. The Personal Guarantor cannot avoid liability under the Code by relying upon pending charge-sheets, or the Grant Thornton forensic report. Accordingly, the contention raised by the Respondent is rejected as devoid of merit.

34. Upon perusal of the documents on record it is clearly established that the Corporate Debtor has committed defaults in repayment of loan amount granted by the Creditor. Mr. Sarang Rakesh Wadhawa, Personal Guarantor of M/s Guruashish Construction Private Limited has also committed default in repayment of debt due to the Financial

Creditor after invocation of Guarantee. The Petition filed by the Financial Creditor satisfies the requirement as set out in Section 95 of the Code.

35. It is also noted that there is a proper invocation of guarantee, there is a default, the default amount is more that Rs. 1 Crore. The guarantee was invoked vide notice dated 06.11.2021. The present Petition under section 95 of the Code is filed on 18.12.2021 and therefore is well within the limitation period. Accordingly, we hold that the Personal Guarantor is liable to be admitted to the Insolvency Resolution process in terms of Section 100(2) of the Code.

ORDER

36. Considering the above facts and circumstances and upon perusal of the documents on record, the C.P. (IB) 111/MB/C-III/2022, is hereby **admitted** and the Insolvency Resolution Process stands initiated against **Mr. Sarang Rakesh Wadhawan** with following directions:

i. Initiation of Personal Insolvency Resolution Process against the Personal Guarantor is declared.

ii. Moratorium in relation to all the debts is declared, from today i.e. date of admission of the application, and shall cease to have effect at the end of the period of 180 days, or this Tribunal passes order on the repayment plan under Section 114 whichever is earlier as provided under Section 101 of the Code.

iii. The Resolution Professional **Mr. Hemendra Paliwal** Insolvency Professional, having Registration No. IBBI/IPA-001/IP-P01830/2019-20/12788, having email id: paliwal.hemendra@gmail.com, who was appointed as Resolution Professional vide order dated 21.03.2025 in I.A. 2410/2024, is directed to cause a public notice published on behalf of the Adjudicating Authority within 7 days of passing this Order on the

website of the NCLT Mumbai Bench, inviting claims from all Creditors, within 21 days of such publication. The notice under sub-section (1) of Section 102 shall include: -

(a) details of the order admitting the application;
(b) particulars of the resolution professional with whom the claims are to be registered; and
(c) the last date for submission of claims.

iv. The publication of notice shall be made in two newspapers, one in English "Business Standard" and other in vernacular language "Lok Satta" in Marathi which have wide circulation in the State where the Corporate Debtor is situated and Personal Guarantor resides. The Resolution Professional shall furnish two spare copies of the notice to the Registry for the record.

v. The Resolution Professional shall discharge his duties in accordance with the provisions contained under the Code and applicable Regulations.

37. The Registry is directed to send copy of this order to the Resolution Professional immediately.

38. The Registry is directed to forward a copy of this order to IBBI for record purpose.

39. In terms of the above, **CP(IB)/111/MB/C-III/2022** is **admitted** and the Personal Insolvency Resolution Process (PIRP) is initiated against the Personal Guarantor.

Sd/-
HARIHARAN NEELAKANTA IYER
MEMBER (TECHNICAL)

Sd/-
LAKSHMI GURUNG
MEMBER (JUDICIAL)

Saloni, LRA