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IN THE NATIONAL COMPANY LAW TRIBUNAL
JAIPUR BENCH

CORAM: MS. REETA KOHLI,
HON'BLE JUDICIAL MEMBER

MS. KAVITA BHATNAGAR,
HON'BLE TECHNICAL MEMBER

IA (IBC) No. 582/JPR/2024
In CP No. (IB)- 60/94/JPR/2024

IN THE MATTER OF:

CHANDRA KUMARI SINGH
R/o: Harnat Tower, Ground Floor,
117, PWD Road, Jodhpur

...Applicant/ Personal Guarantor

Versus

HDFC BANK LTD.
Office No. 57B, 9th Chopasani Road,
Jodhpur (Rajasthan) - 342003

...Respondent 1/ Financial Creditor

Toyota Financial Services India Ltd.
1st Floor, Centropolis No. 21,
Langford Road, Richmond Town Bangalore,
Karnataka- 560025

...Respondent 2/Financial Creditor

Tata Capital Financial Services
7th Floor, Videocon Tower,
Block E, Jhandewalan Extension,
Karol Bagh, New Delhi-110005

...Respondent 3/Financial Creditor

AU Small Finance Bank Ltd.
19A, Dhuleshwar Garden,
Ajmer Road, Jaipur, Rajasthan- 302001

...Respondent 4/ Financial Creditor

Fullerton India Credit Co. Ltd.
Megh Towers, 3rd Floor,
Old no. 307, New no. 165,

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Poonamallee High Road,
Maduravoyal, Chennai, Tamil Nadu - 600095

...Respondent 5/Financial Creditor

RBL Bank Ltd.
Plot no. 12B/58, B-59,
Rd. No. 203, Parmanand Colony,
Pocket - 8, Block B, Sector 10 Dwarka,
New Delhi – 110075

...Respondent 6/Financial Creditor

Dhani Loans & Services Ltd.
M-62 & 63, First Floor,
Connaught Place, New Delhi -110001

...Respondent 7/ Financial Creditor

Aditya Birla Finance Ltd.
Indian Rayon Compound,
Veraval, Gujrat – 362266

...Respondent 8/Financial Creditor

Central Excise and Central Goods and Services Tax, Jodhpur
G-105, New Industrial Area,
Opp. Diesel Shed, Behind AIIMS,
Jodhpur, Rajasthan – 342003

...Respondent 9

IA(IBC) No. 582/JPR/2024:

MEMO OF PARTIES

Kamal Kumar Jain
Residing at 315-A, Road No. 2,
Shanti Nagar, Gopalpura Byepass,
Durgapura, Jaipur – 302018

...Applicant/ Resolution Professional

For the Resolution Professional : Aditya Vijay, Adv.
For the Personal Guarantor : Karan Pratap Singh, Adv
Nishant Sarraf, Adv.
Rishika Pareek, Adv.

For the Respondent : Dhruv Gupta, Adv

Order Pronounced On: 12.10.2026

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ORDER

1. The instant Interlocutory Application bearing *IA No. 582/JPR/2024* has been filed by *Mr. Kamal Kumar Jain* ('Resolution Professional'/ 'Applicant'/ 'RP') in the matter of Personal Insolvency of *Chandra Kumari Singh* ('Personal Guarantor'/ 'Debtor') being Personal Guarantor of *Chandraudai Automobiles Pvt. Ltd.* ('Corporate Debtor'/ 'Principal Borrower') to put on record Report under Section 99(1) of the Insolvency and Bankruptcy Code, 2016 ('the Code') read with Rule 11 of the National Company Law Tribunal Rules, 2016 ('the NCLT Rules') in pursuance to the Order dated 11.09.2024 passed by this Adjudicating Authority.

2. The instant application arises out of the Petition under Section 94 of the Code read with Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Individuals and Firms) Rules, 2017 filed by the Personal Guarantor to initiate insolvency resolution process.

3. The submissions made by the Applicant are as follows:-

   3.1 The Applicant submitted that the Personal Guarantor had filed a Petition bearing *CP No. (IB)-60/94/JPR/2024,* under Section 94(1) of the Code read with Rule 6 of the Insolvency and Bankruptcy (Personal Guarantors to Corporate Debtor) Rules, 2019, seeking initiation of Insolvency Resolution Process against the Personal Guarantor of the Corporate Debtor. This Authority *vide* Order dated 11.09.2024

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appointed the Applicant as RP and directed him to file a Report under Section 99 of the Code.

3.2 The Applicant submitted that he sought further documents from the Personal Guarantor and creditors u/s 99(4) of the Code. The timelines of the actions taken by the Applicant are summarily reproduced herein as below: -

Date	*Particulars*
13.09.2024	*Intimation sent to the IBBI regarding the appointment of resolution professional in the matter of Case No. CP (IB)- 60/94/JPR/2024 at Hon'ble NCLT, Jaipur Bench.*
Correspondence With Personal Guarantor	
16.09.2024	*The Resolution Professional sent intimation email to the Personal Guarantor regarding the appointment of resolution professional and seeking requisite Information/Documents from Personal Guarantor in accordance with Section 99(4) of the Code.*
18.09.2024; 23.09.2024	*The RP sent a reminder email to the Personal Guarantor seeking documents/ information.*
24.09.2024	*The RP received an email received from personal guarantor providing documents/ information sought by RP.*
Correspondence with Financial Creditors	
14.09.2024	*Intimation sent to the Financial Creditors regarding appointment of Resolution Professional. The RP sought information from the Financial Creditors in accordance with Section 99(4) of the Code.*
17.09.2024	*The RP received an email from Financial Creditor RBL Bank stating that the subject Loan Account was sold to ARCIL in December,2023. The documents provided are as per below mentioned details:* *1. Assignment Deed*
18.09.2024, 23.09.2024	*That RP sent a reminder email dt. 18.09.2024 to Financial Creditors seeking documents/ information.*
23.09.2024	*That an email dt. 23.09.2024 received from financial creditor Central Goods & Service Tax Division 'C' Jodhpur submitting information/documents in terms of*

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	section 99(4) and (5) of IBC 2016. The documents provided are as per below mentioned details: *1. Assessment order under section 62 of CGST/SGST Act-2017 r/w section 20 of IGST Act-2017* *2. Intimation letter for amount recoverable under section 79.*
23.09.2024	*That an email dt. 23.09.2024 received from financial creditor Aditya Birla Finance Limited seeking 2-week extension to gather information in the matter. The documents provided are as per below mentioned details:* *1. Arbitral Award dated 19.08.2022*
23.09.2024	*That an email dt. 23.09.2024 received from Financial creditor Toyota Financial Services India Limited seeking 1 day extension to complete the submission.*
24.09.2024	*That an email dt. 24.09.2024 received from Financial creditor Toyota financial services submitting information/documents in terms of section 99(4) and (5) of IBC 2016. The documents provided are as per below mentioned details:* *1. Bank account statements for all account held by M/s Chandraudai Automobiles Pvt. Ltd.* *2. Sanction letters* *3. Personal Guarantee deed by Mr. Rishi Raj Singh dt. 02.03.2020* *4. Memorandum of Deposit of the title executed by Ms. Chandra Kumari Singh DEEDS dated 17.09.2026.* *5. Record of default issued to the Financial Creditor by National E-Governance Services Limited.*
25.09.2024	*That an email dated. 25.09.2024 received from financial creditor Tata Capital Limited seeking time to gather information in the matter. The documents provided are as per below mentioned details:* *1. Arbitral Award dt. 16.02.2023.*
25.09.2024	*That an email dt. 25.09.2024 received from financial creditor HDFC Bank seeking 3 additional working days to collate the information sought by RP.*
27.09.2024	*That RP sent a reminder email dt. 27.09,2024 to Financial Creditors seeking documents/ information.*
30.09.2024	*That RP received an email dt. 30.09.2024 from Financial Creditor HDFC providing below mentioned documents:*

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	A. Sanction Letters *B. Supplementary Loan Agreements* *C. Demand Notice under Section 13(2).*
30.09.2024	*That RP received an email dt. 30.09.2024 from Financial Creditor AU Small Finance Limited providing documents.*
04.10.2024	*That RP received an email dt. 04.10.2024 from Financial Creditor TATA Capital providing claim from along with Arbitral award.*
08.10.2024	*That RP received an email dt. 09.10.2024 from Financial Creditor TATA Capital.*

3.3 The Applicant submitted that he received information/documents from Personal Guarantor. Further, all the information/documents received, and communication held with Financial Creditors is reproduced herein as below:

S. No.	**Name of the Financial Creditors**	**Date of receipt of information**	**Details of Documents/ Information Provided**
1.	HDFC Bank Ltd	30.09.2024	1. Sanction Letter 2. loan Agreement 3. Demand Notice under section 13(2) of the SARRAESI Act, 2002 4. Copy of order 29.01.2022 passed by the Ld. CMM, Jodhpur Metropolitan 5. Copy of order dt. 11.03.2022 passed by the Ld. DRT in SA/70/2022. 6. Copy of FIR bearing no. 52/2022 dated 16.02.2022 u/s 420, 406,467,468 and 120-B IPC at PS: Sardarpura, Jodhpur City (WEST)

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			7. Copy of OA/538/2022 preferred under Section 19(1) of RDDBFI Act. 8. Copy of order dt. 21.09.2022 passed by Ld. DRAT in Misc Application No. 87/2022. 9. Copy of order dt. 19.12.2022 passed by the Hon'ble High Court of Rajasthan in S.B. Civil Writ Petition No. 14121/2022 10.Copy of Section 91 CRPC notice and the bank's response dt. 27.05.2022 11. Criminal writ petition preferred by the bank and the order dt. 07.07.2022 passed by the Hon'ble High Court in S.B. Criminal Misc (Pet) No. 3883 of 2022 12. Final Report and the order dt. 16.12.2022 passed by the Hon'ble High Court in S.B Criminal Misc (Pet) No. 3883 of 2022 13. Copy of order dt. 20.02.2023 passed by the Ld. DRT 14. Copy of Regular Appeal No. 88 of 2023 along with copies of last 3 orders in Regular Appeal No. 88 of 2023 evidencing non-appearance by Ms. Chandra.

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2.	Toyota Financial Services India Ltd.	24.09.2024	1. Sanction Letters 2. Credit Facility Agreement 3. Deeds od Hypothecation 4. Loan Agreements for Retail Loans 5. Personal Guarantee Deed b Rishi Raj Singh dt. 01.03.2020 6. Memorandum of Deposit of title executed by Ms. Chandra Kumari Singh signed deeds dt. 17.09.2019. 7. Record of default issued to the Financial Creditor by National E-Governance Services Private Limited. 8. Net worth of Ministry of Corporate Affairs of Chandraudai Automobiles private Limited. 9. Net worth certificates of Ms. Chandra Kumari Singh
3.	Tata Capital Financial Services	25.09.2024	Arbitral Award dated 16.02.2023. No other documents were received from Financial Creditor.
4.	AU Small Finance Bank Ltd.	30.09.2024	1. Statement of Accounts. 2. Original Application under Section 19(1) of the Recovery of Debts and Bankruptcy Act, 1993 3. Original Application no. 580 of 2020 filed before The Debts Recovery Tribunal, Jaipur.
5.	Fullerton India Credit Co. Ltd		No Information/Documents received.

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6.	RBL Bank Ltd.	17.09.2024	Mail received stating that the subject loan account was sold to ARCIL in December 2023. Document Provided are: Assignment Deed.
7.	Dhani Loans & Services Ltd.		No Information/Documents received.
8.	Aditya Birla Finance Ltd	23.09.2024	Arbitral Award dt. 19.08.2022. No other documents were received.
9.	Central Excise and Central Goods and Services Tax, Jodhpur	23.09.2024	1. Assessment order under section 62 of CGST/SGST Act- 2017 r/w section 20 of IGST Act-2017 2. Order in Original 04.07.2022 3. Order in Original 15.02.2023 4. Order in Original 05.08.2024

3.4 The Applicant submitted that as per the sanction letters attached with respect to loan availed by *Chandraudai Automobiles Pvt. Ltd.*, *Ms. Chandra Kumari Singh* is shown as Personal Guarantor in loan facilities availed from creditors except CGST due to non-compliance in filing GSTR-3B returns from August 2019 to August 2020.

3.5 Further, the Personal Guarantor has filed Application under Section 94 of the Code on basis of invocation of personal guarantee by creditors on account of default committed by the Applicant in repayment of loan despite of service notice u/s 13(2) of SARFAESI Act, 2002. Therefore,

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the Personal Guarantor is eligible to file the Application u/s 94 of the Code.

3.6 The Applicant submitted the details of assets as on date owned by the said personal guarantor is reproduced herein as under:

Properties of the Personal Guarantor – Ms. Chandra Kumari Singh	
Industrial Land and Building	*Khasra No. 309/3 at Village Kuri Bhagtasni, New Pali Road, Jodhpur. (Owned by Personal Guarantor)*

3.7 The Applicant submitted that he recommends the admission of the Petition filed by the Personal Guarantor under Section 94(1) of the Code seeking commencement of Insolvency Resolution Process against the Personal Guarantor, namely, *Ms. Chandra Kumari Singh.*

4. It is relevant to mention that out of total 9 Respondents, only Respondent No. 1 and Repsondent No. 5 have filed their replies. The submissions made by the Respondent No. 1 (i.e., HDFC Bank Limited) are as follows:

4.1 The Respondent No. 1 has raised a preliminary objection to the very maintainability of the petition, on the ground of lack of jurisdiction. It has been submitted that the Petition filed under Section 94 of the Code is not maintainable before this Adjudicating Authority, inasmuch as Section 179 of the Code expressly provides that the Adjudicating Authority for insolvency matters relating to individuals and firms is the Debt Recovery Tribunal having jurisdiction over the place where the

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individual debtor actually and voluntarily resides or carries on business, and not the NCLT. Further, the jurisdiction of the NCLT under the Code is confined only to proceedings against personal guarantors to corporate debtors, as is evident from Section 5(22) of the Code, which defines a "personal guarantor" to mean an individual who stands as a surety in a contract of guarantee to a corporate debtor.

4.2 The Respondent No. 1 has placed reliance upon the ruling of the Hon'ble NCLAT in *Anita Goyal v. Vistara ITCL (India) Ltd. & Anr. [2025 SCC OnLine NCLAT 37]* and *M/s Intec Capital v. Ms. Parul Upadhyay [CP(IB) 315(ND)/2022].*

4.3 The Respondent further submitted that the Petitioner is a director of M/s *Chandraudai Automobiles Private Limited.* The Personal Guarantor and her son, *Mr. Rishiraj Singh*, (together referred as "borrowers"), collectively hold 97.50% shareholding in the Company. In 2016, the Corporate Debtor approached the Respondent Bank for a Loan against immovable property. A loan agreement was executed on 26.05.2016 for a sum of Rs. 10,00,00,000/- (Rupees Ten Crores Only). The Personal Guarantor and other directors stood as co-borrowers. As security, the Personal Guarantor mortgaged her industrial land situated at *Khasra No. 309/3, village Kuri Bhagtasni, New Pali Road, Jodhpur, admeasuring 7810 sq. yards.*

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4.4 Thereafter, in 2018, the loan facility was enhanced from Rs. 10,00,00,000/- to Rs.16,00,00,000/-. A sanction letter dated 28.02.2018 and a supplementary loan agreement dated 01.03.2018 were executed in respect of loan account no. *82984187*. As per the terms of the sanction letter of the enhanced facility, the existing loan account was internally closed out of the enhanced funds sanctioned and the remaining enhancement amount of Rs. 7,06,61,116/- was disbursed to the borrowers.

4.5 The Respondent No. 1 submitted that the borrowers subsequently defaulted in repayment. The loan account was classified as an NPA on 07.12.2020. The Respondent No. 1 issued a demand notice under Section 13(2) of the SARFAESI Act on 08.06.2021 and was duly served on all the borrowers/mortgagors. Upon which on 05.08.2021, the borrowers raised objections to the demand notice under Section 13(3A) of the SARFAESI Act, wherein they admitted having availed the enhanced facility of Rs. 16,00,00,000/- and defaulted in repayment. However, they did not object to the mortgage of the property. The Respondent replied to these objections on 17.08.2021.

4.6 The Respondent No. 1 submitted that after the lapse of statutory period from the date of issuance of demand notice under 13 (2) SARFAESI Act, 2002, on 29.01.2022, the Ld. CMM, Jodhpur Metropolitan, allowed the Respondent's application under Section 14 of the

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SARFAESI Act and granted police assistance for taking possession of the mortgaged property.

4.7 Subsequently, the borrowers filed a securitization application bearing no. *SA No. 70/2022* before the Ld. DRT, Jaipur on 14.02.2022. The Ld. DRT, by order dated 11.03.2022, granted interim relief and directed the parties to maintain *status quo*. Additionally, the Personal Guarantor, acting through her son, lodged an FIR on 16.02.2022, bearing no. *52/2022* under Sections 420, 406, 467, 468 and 120-B IPC at Police Station Sardarpura, Jodhpur, alleging forgery of her signatures on the loan enhancement documents which has resulted in the enhancement of liability of the company from 10 crores to 16 crores.

4.8 The Respondent further submitted that an OA bearing no. *538/2022* was filed by the Respondent, on 21.04.2022, before the Ld. DRT, Jaipur, seeking recovery of Rs. 17,37,13,913.27/-. In the meanwhile, the Respondent challenged the order *vide* dated 11.03.2022 before the Ld. DRAT, Delhi, by way of *Misc. Appeal No. 56/2022*. The Ld. DRAT allowed the appeal on 17.08.2022 and appointed *Ms. Arti Bhatnagar*, Advocate, as receiver. The Ld. DRAT also recorded the borrowers' submission of readiness to settle the dispute and directed the parties to sit together to explore the possibilities of a settlement.

4.9 The Personal Guarantor thereafter filed a review petition against the order dated 17.08.2022, which was dismissed on 21.09.2022. Further,

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the borrowers also filed a Writ Petition before the Hon'ble High Court of Rajasthan, registered as *S.B. Civil Writ Petition No. 14121/2022*, which was withdrawn on 19.12.2022 with liberty to raise the issues before the Ld. DRT.

4.10 In the meantime, in respect of the FIR, the Respondent No. 1 furnished the requisite documents to the Investigating Officer on 27.05.2022, pursuant to a notice under Section 91 CrPC. The Respondent also filed a quashing petition under Section 482 CrPC before the Hon'ble High Court of Rajasthan, registered as *S.B. Criminal Misc. (Pet) No. 3883 of 2022*. The Hon'ble High Court granted interim protection to the officers of the Respondent on 07.07.2022. It is further submitted that during the pendency of quashing of FIR proceeding before Hon'ble High Court, the borrowers offered a One-Time-Settlement of ₹5,00,00,000/- on 30.07.2022, which was declined by the Respondent on 04.08.2022.

4.11 The Respondent No. 1 further submitted that in pursuant to passing of the order dated 17.08.2022, the receiver appointed by the Ld. DRAT took possession of the Immovable Property on 27.09.2022 and the physical possession notice was published on 29.09.2022.

4.12 Meanwhile, pursuant to the investigation carried out in the aforementioned FIR, the Investigating Officer, in the Final Report on the FIR, found that the Petitioner had failed to give signature samples

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for FSL examination and concluded that the FIR had been falsely lodged to avoid repayment of the loan. On the strength of this Final Report, the quashing petition was dismissed as infructuous on 16.12.2022.

4.13 The Respondent No. 1 further submitted that the Respondent issued an auction notice for the mortgaged property on 22.12.2022, and an online auction was conducted on 23.01.2023. However, on 20.02.2023, the Ld. DRT, in the pending SA, ordered restoration of possession to the borrowers. Upon which, the Respondent No. 1 challenged the order dated 20.02.2023 before the Ld. DRAT by way of Regular Appeal No. *88 of 2023*. The appeal is stated to be ripe for arguments, but the borrowers, including the Petitioner, have allegedly been avoiding appearance before the Ld. DRAT.

4.14 It is further submitted on 19.04.2023, the borrowers sent a legal notice to the Respondent seeking restoration of possession. The Respondent No. 1 replied on 23.04.2023, disputing the claim and stating that the order of the Ld. DRT was based on an erroneous interpretation of a circular dated 02.08.2019 and that the matter was pending before the Ld. DRAT.

4.15 The Respondent contended that in the proceedings initiated under Section 25C of the Payment and Settlement Systems Act, 2007, the

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borrowers did not appear despite service of summons, resulting in the issuance of bailable warrants against them.

4.16 The Respondent further submitted that above mentioned chain of events are highlighting the malicious and fraudulent conduct of the borrowers, including the present Petitioner, which has been resorted to, time and again, by them in order to defeat the right of the Respondent to realise its security interest in the Immovable Property under orders of the Ld. DRT and Ld. DRAT passed in favour of the Respondent. Furthermore, after the account of the company was declared an NPA and all the proceedings highlighted above give rise to justifiable suspicion about the intention of the Petitioner in instituting the present proceedings under Section 94 IBC. The Petitioner was regularly involved in the day to affairs of the Principal Borrower and is now resorting to fraudulent initiation of personal insolvency so as to defraud the Respondent and defeat its right to take possession so as to realize its security interest.

4.17 It is submitted by the Respondent that, as on 01.10.2024, an amount of Rs. 18,48,60,279.89/- remained due and payable to the Respondent under loan account no. *82984187*.

4.18 During the pendency of the present petition, the Respondent had submitted a written representation under Section 99(4) of the Code to the Applicant, opposing admission of the petition. The Applicant, in the

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report submitted before this Adjudicating Authority, did not refer to this representation.

4.19 The Respondent has objected to the maintainability of the petition on the ground that, under Section 179 of the IBC, jurisdiction over insolvency of an individual co-borrower vests with the Ld. DRT and not with this Adjudicating Authority which has jurisdiction only over personal guarantors.

4.20 The Respondent has further contended that the petition under Section 94 of the IBC has been filed maliciously and fraudulently, with the sole object of obstructing the recovery proceedings initiated by the Respondent under the SARFAESI Act, and has accordingly prayed for rejection of the Applicant's report, dismissal of the petition, and imposition of exemplary costs on the Petitioner.

5. The Respondent No. 5 (i.e., *SMFG India Credit Company Limited*, previously known as *Fullerton India Credit Company Limited*) submitted that the loan account of the Corporate Debtor stands duly closed, and no outstanding financial liability subsists either against the Corporate Debtor or the Applicant/Co-Borrower in the light of the OTS towards the full and final closure of the outstanding loan liability. The Answering Respondent No. 5 sought discharged from any further participation in the Insolvency Proceedings.

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6. At this stage, it is pertinent to mention that this Adjudicating Authority *vide* Order dated 08.05.2026 observed that the objections raised by the Respondent No. 1 to the Section 94 Petition had not been made part of the report prepared by the RP. The Adjudicating Authority directed the RP to file an affidavit stating that the information/objections raised by the HDFC Bank have already been made part of the report. In compliance of the Order dated 08.05.2026, the RP filed an affidavit tendering unconditional apology for the said inadvertent omission.

7. We have heard the Ld. Counsels for all the parties and have perused the document placed on record along with the Report filed under Section 99 of the Code.

8. In the instant case, the Petition under Section 94 of the Code has been filed in respect of loan taken from the following creditors: -

   a. HDFC Bank Ltd.
   b. Toyota Financial Services India Ltd.
   c. Tata Capital Financial Services Ltd.
   d. AU Small Finance Bank Ltd.
   e. Fullerton India Credit Company Ltd.
   f. RBL Bank Ltd.
   g. Dhani Loans & Services Ltd.
   h. Aditya Birla Finance Ltd.

9. Based on the documents placed on record with respect to the loan recall notices and guarantee deeds, this Adjudicating Authority has observed that:-

   a. HDFC Bank Ltd.: The documents of HDFC bank treat *Mrs. Chandra Kumari Singh* as co-borrower and not as a guarantor. The same is

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reflected *vide* page 58 of *CP 60/94/2024*. The liability of a co-borrower cannot merely by reason of such status be equated with the liability of a PG to a CD. Hence, the present petition is not maintainable with respect to HDFC Bank.

b. Toyota Financial Services India Ltd.: The guarantee deed records only *Mr. Rishi Singh* is the guarantor, and *Ms. Chandra Kumari Singh* as the mortgagor. The same is reflected by the deed of guarantee dated 02.03.2020 (page 112 and 127 of *IA 582/2024*). It is pertinent to mention that the PG in its Petition under Section 94 of the Code has attached an undated document titled 'Supplemental Deed of Guarantee' at page no. 108 of the main Petition which is highly uncorroborated as it is not only undated but also not countersigned, received or acknowledged by the creditor in any manner, whatsoever. No valid and executed deed of personal; guarantee by Ms. Chandra Kumari Singh in favour of Toyota Financial Services India Pvt. Ltd. has been established from the documents placed on record. The documents relied upon do not establish that the Petitioner undertook liability as a PG in respect of the debt of the CD. Hence, the present petition is not maintainable with respect to Toyota Financial Services India Ltd.

c. Tata Capital Financial Services Ltd.: The deed of guarantee is placed on record wherein the PG is recorded as a guarantor to the CD.

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However, no invocation of guarantee is placed on record. It is pertinent to mention that an arbitration award dated 16.02.2023 was passed against the CD and the PG for an amount of Rs. 5,46,04,946.32/- with an interest at 11.55% p.a. with effect from 20.05.2021 till the date of actual realisation. In the absence of a valid invocation of guarantee, the Petition under section 94 of the Code cannot be said to be maintainable.

d. AU Small Finance Bank Ltd.: No valid and executed deed of guarantee has been placed on record. Only a legal notice/Invocation of guarantee dated 30.10.2019 issued by AU Small Finance Bank Ltd. treating Ms. Chandra Kumari as guarantor is attached at page no. 145 of CP 60/94/2024. The loan recall notice and proceedings initiated before Hon'ble DRT may establish the existence of a debt or liability against the Petitioner, but they do not, by themselves establish that such liability arose from a personal guarantee furnished by her in respect of the debt of the CD. In absence of a valid deed of guarantee, the terms of guarantee cannot be ascertained to the level of satisfaction required to admit the PG into insolvency resolution process.

e. Fullerton India Credit Company Ltd.: It has fully recovered its dues which is recorded in the order of this Adjudicating Authority dated 16.12.2025.

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f. RBL Bank Ltd.: No valid deed of guarantee placed on record. The PG in its Petition has relied upon a statutory demand notice under Section 138 read with Section 141 and 142 of the NI Act issued by RBL Bank Ltd. in respect of the loan agreement. However, the said demand notice annexed at page no. 148 of the main Petition refers to Mrs. Chandra Kumari Singh as 'Co-borrower'. It is further observed that RBL Bank Ltd. sold the loan account to ARCIL in December 2023. The assignment deed is annexed at page no. 56 of IA 582/2024. Hence, the instant Petition is not maintainable with respect to RBL Bank Ltd.

g. Dhani Loans & Services Ltd.: No valid deed of guarantee has been placed on record. Merely a legal notice under Section 25 of the Payment and Settlement Systems Act, 2007, dated 03.11.2020 is attached at page 151 of the CP 60/94/2024. In absence of a deed of guarantee, no case is made out with respect to Dhani Loans & Services Ltd.

h. Aditya Birla Finance Ltd.: No valid deed of guarantee has been placed on record. No document to show invocation of guarantee is placed on record. Only an arbitral award dated 19.08.2022 passed against the CD and Mr. Rishi Raj Singh is attached at page 95 of IA 582/2024. In absence of a deed of guarantee and a valid invocation of guarantee, no case is made out with respect to Aditya Birla Finance Ltd.

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10. Moreover, with respect to GST, it is observed that on 28.09.2020 Directorate General of GST sent a notice to *Chandra Udai Automobiles Pvt. Ltd.*, informing about the provisional attachment of property located at *309/3, NH-62, Main Pali Road, Village Kudi Bhagtasani, Jodhpur, Rajasthan* under Sections 83 and 89 of the CGST Act, 2017 read with rule 159 of the CGST rules, 2017 for non-payment of Rs. 5,23,31,191/- along with interest and penalty.

11. The mere existence of debts or liabilities against an individual in some other capacity, including as a co-borrower or mortgagor does not by itself establish the status of the individual as a PG to a CD. In the present case, notwithstanding the various liabilities and recovery proceedings referred to in the petition, no valid and executed deed of personal guarantee by the Petitioner has been furnished for maintain the present petition under Section 94 of the code. The same are discussed as follows:-

    a. The claims concerning HDFC Bank Ltd. and RBL Bank Ltd. are anchored in documents that classify the petitioner, Mrs. Chandra Kumari Singh, as a co-borrower rather than a guarantor, with RBL Bank additionally having assigned its loan account to ARCIL in December 2023.

    b. In respect of Toyota Financial Services India Ltd., the petitioner is recorded strictly as a mortgagor, and the reliance placed on an

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uncorroborated, undated "Supplemental Deed of Guarantee" is legally untenable. Similarly, AU Small Finance Bank Ltd., Dhani Loans & Services Ltd., and Aditya Birla Finance Ltd. have failed to place on record any valid, executed deeds of guarantee or lawful invocations binding the petitioner.

c. While Tata Capital Financial Services Ltd. holds a deed of guarantee, the mandatory invocation of the guarantee is conspicuously missing from the record. Furthermore, Fullerton India Credit Company Ltd. has already fully recovered its dues, as previously recorded by this Authority's order dated 16.12.2025.

d. Moreover, upon perusing the date of the arbitral award in the matter of Tata Capital Limited, i.e., 16.02.2023, it *prima facie* appears that the Personal Guarantor has filed the instant petition under Section 94 with a motive to evade liabilities arising from the said award and to wrongfully avail the benefit of the interim moratorium.

12. Consequently, while liabilities may exist against the Petitioner in capacities other than that of a PG to CD, no debt and default arising from a legally enforceable personal guarantee, so as to attract the jurisdiction of this Adjudicating Authority in the present proceedings has been established. The statutory requirement for admission of the Pettion under Section 94, as a petition by PG to CD is therefore absent.

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13. Accordingly, *CP No. (IB)- 60/94/JPR/2024* filed under Section 94 of the Code is dismissed and disposed of. Further, *IA (IBC) No. 582/JPR/2024* is taken on record and stands disposed of.

REETA KOHLI,
JUDICIAL MEMBER

KAVITA BHATNAGAR,
TECHNICAL MEMBER

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