

**IN THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH**

IA 575/2025

In

CP No.: IB 837 (ND)/2024

(Under Section 100 of the Insolvency and Bankruptcy Code, 2016)

IN THE MATTER OF:

Yes Bank Ltd.

...

Petitioner

Mr. Rajesh Madan

**Respondent /
Personal Guarantor**

AND

In

IA-575/2025

Mavent Restructuring Services LLP

...

RP/Applicant

Order Pronounced on: 12.10.2026

CORAM:

**JUSTICE ANUPINDER SINGH GREWAL
HON'BLE PRESIDENT**

**SHRI RAVINDRA CHATURVEDI
HON'BLE MEMBER (TECHNICAL)**

Present:

For the : Mr. Anand Shankar Jha, Ms. Nandika Kaushik,
Petitioner Advs.

For the : Mr. Malak Bhatt and Mr. Anshul Rao, Advs.
Respondent

For the RP : Mr. Shivam Gautam, Adv.

ORDER

1. The main petition is filed under Section 95(1) of the Insolvency and Bankruptcy Code, 2016 by **Yes Bank (“Petitioner”/”Financial Creditor”)** seeking to initiate Personal Insolvency Resolution Process (“**PIRP**”) against Mr. Rajesh Madan (“**Respondent**” / “**Personal Guarantor**”/”**PG**”), personal guarantor of M/s Johnson Watch Company Private Limited. (“**Corporate Debtor**”/ “**Principal Borrower**”).
2. This Adjudicating Authority, vide order dated 18.12.2024, appointed M/s Mavent Restructuring Services LLP, bearing registration no. IBBI/IPE-0154/IPA-3/2023-24/50058, email id: caakhilahuja@gmail.com (“**Resolution Professional**”/ “**RP**”) as the Resolution Professional to submit a report as per Section 99 of the Code.
3. The Resolution Professional submitted a report under Section 99 of the Code through **IA-575 (ND)/2025**, which also forms a part of the subject matter under consideration in the present adjudication.

Brief facts of the case:

As submitted by parties in the pleadings and submissions in the court, the following are the relevant facts of the case: -

4. M/s Johnson Watch Company Private Limited i.e. the Corporate Debtor or CD approached Yes Bank Limited, the financial creditor, seeking various credit facilities. The financial creditor sanctioned various credit facilities which were renewed from time to time. The credit facilities included Cash Credit Facility of Rs. 14,00,00,000.00/- vide Facility Letter dated 20.06.2013 and Master Facility Agreement dated 28.06.2013 (as amended, renewed and supplemented from time to time). The Cash Credit Limit was increased to Rs. 32,00,00,000/, and thereafter was reduced to Rs. 27,90,00,000/- and further reduced to Rs. 25,50,00,000 crores on 2nd December, 2022.

5. In order to secure the above payments Mr. Rajesh Madan (the Personal Guarantor herein), Mr Anil Madan, Mr Manish Madan, and Mr Ankit Madan stood as guarantors and executed Deeds of Personal Guarantees dated 28.06.2013, 29.06.2016, 26.07.2017 and 26.06.2018.

Defaults pursuant to the Transaction:

6. The Corporate Debtor was required to make the payments towards the Credit Facilities upon demand by the financial creditor. Despite regular follow-ups by the financial creditor, the CD and its guarantors failed to maintain financial discipline and started committing default. The financial creditor sent repeated reminders on account of irregular and delayed payments. However, the CD made default in payment of its lawful dues towards the petitioner, and was classified as Non-Performing Asset ("**NPA**") on 16.03.2023.
7. A demand cum Loan Recall Notice vide letter dated 15.05.2023 was issued by the Financial Creditor to the Corporate Debtor. Subsequently, a Demand cum Guarantee Invocation Notice was also issued by the financial creditor dated 24.05.2023, despite which no payment was made.
8. On 10.07.2023, a notice under Section 13(2) of the Securitization and Reconstruction of the Financial Assets and Enforcement of Security Act, 2002 (SARFAESI Act, 2002) was issued by the petitioner upon the CD and the personal guarantors for an amount of Rs 34,69,24,086/- (Rupees Thirty-Four Crores Sixty-Nine Lakhs Twenty-Four Thousand and Eighty-Six) together with interest and charges, as on 05.07.2023.
9. Due to continued default by the Corporate Debtor despite the issuance of the aforementioned notices, an application u/s 9 of the Code was filed by M/s Swiss Promotions Private Limited against the Corporate Debtor bearing no CP (IB) 294/2023, which was admitted by this Adjudicating Authority vide order dated 17.01.2024.

10. Furthermore, a demand notice in Form B dated 04.11.2024 under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process of Personal Guarantors to Corporate Debtors) Rules, 2019, was issued against the Personal Guarantor on 05.11.2024 through mail and on 07.11.2024 through speed post. The said demand notice was duly served upon the guarantor, as evidenced by Annexure A-11 of CP No. IB 837(PB)/2024.
11. In terms of Section 95(1) of the Code, the petitioner filed the present Application which was filed on 07.12.2024 so as to initiate insolvency proceedings against the Personal Guarantor / Respondent for a **debt due** to the tune of Rs. 170,730,327.96/- (Rs. Seventeen Crores Seven Lakhs Thirty Thousand Three Hundred & Twenty-Seven and Ninety-Six Paise) as on 30.09.2024 only)
12. Vide order dated 18.12.2024, Mavent Restructuring Services LLP IBBI/IPE-0154/IPA-3/2023-24/50058, email id: caakhilahuja@gmail.com ("**Resolution Professional**"), was appointed as the Resolution Professional under Section 97 of the Code, and directed to submit a report under Section 99 of the Code. The relevant portion of the order dated 18.12.2024 is extracted below:
- 5.** The Applicant has proposed the name of Resolution Professional, therefore, this Bench appoints M/s Mavent Restructuring Services LLP as Resolution Professional, whose details are given below:
- IBBI Registration No: IBBI/IPE-0154/IPA-3/2023-24/50058**
Email-id- caakhilahuja@gmail.com
13. In compliance with the order dated 18.12.2024 of the Adjudicating Authority, the Resolution Professional submitted a report under section 99 of the Code vide IA- 575/2025. The submissions of the Resolution Professional with regards to the present application are as extracted below:

9. In view of the detailed examination of the application along with the supporting documents thereof, the Resolution professional do hereby recommend that the Application filed by the creditor, viz., The Yes Bank Limited, under Section 95(1) of the code vide C.P. (IB) - 837/2024 to be admitted under Section 100 of the Code and the Insolvency Resolution Process be commenced against the Personal Guarantor, viz., Mr. Rajesh Madan for the reasons established in Para 8 above, which are mentioned below:

- a. There is nothing on record to prove that the Personal Guarantor had denied the existence of debt or default, as explained in para 8-C
- b. It is established that the Personal Guarantor, viz., Mr. Rajesh Madan has committed default for an amount of more than INR 1,000/- (Rupees One Thousand only), as explained in Para 8.
- c. The Application is rightly filed before the Hon'ble NCLT, New Delhi Bench, which have jurisdiction over the place where the Personal Guarantor actually and voluntarily resides and carries on his business for gain and also the registered offices of the Corporate Debtor is situated in New Delhi.
- d. A demand notice demanding payment of amount in default has been served on the Personal Guarantor before filing the Application, as explained in Para 8.
- e. The Application filed by the Creditor is complete and satisfies the requirements as set out in Section 95 of the Code as explained in Para 8-G.

Considering the above, it is recommended by the Resolution Professional that the application for initiation of insolvency resolution process filed by The Yes Bank Limited against Mr. Rajesh Madan, Personal Guarantor to M/S Johnson Watch Company Limited do hereby admit under the orders and directions of this Hon'ble Tribunal.

10. That the Resolution Professional by way of this present Application is submitting his report under Section 99 of the Code before this Hon'ble Tribunal, recommending approval of acceptance of the Section 95 Application filed by The Yes Bank Limited against Mr. Rajesh Madan.

The Resolution Professional has opined that, in view of the foregoing facts and circumstances, and considering that the petition filed by the Creditor satisfies the requirements stipulated under Section 95 of the Insolvency and Bankruptcy Code, 2016, and that the Personal Guarantor has failed to establish repayment of the debt in question, it is accordingly recommended by the RP that the petition filed by the Creditor be admitted under the provisions of Section 100 of the Code.

14. This report of the RP was listed for the first time on 04.02.2025 wherein the following order was passed by this Adjudicating Authority:

ORDER

New IA-575/2025

This application has been filed by the RP praying to take on record the report filed under Section 99 of the IBC, 2016.

Heard Mr. Tejpal Dahiya, Ld. Counsel appearing for the RP.

Issue notice of this application to the Financial Creditor as well as Personal Guarantor by all modes, returnable by 04.03.2025.

Reply, if any, be filed within one week after receiving the notice. List the matter before the regular bench on **04.03.2025**.

In compliance with the same, notice was issued by the RP, and a proof of service indicating the same was uploaded on the DMS e-portal on 18.02.2025.

15. On 16.04.2025, the following order was passed by this Adjudicating Authority:

ORDER

IA-575/2025

Ld. Counsel, Mr. Kailash Ram appeared on behalf of the Respondent/PG and sought time to file reply. He is permitted to do so and also upload the same on DMS.

Mr. Roshan, Proxy Counsel appeared on behalf of RP and seeks further time to prosecute the matter.

Ld. Counsel, Ms. Meenakshi S. Devgan for the Bank appeared.

At request and with consent, list the matter on **29.05.2025**.

16. Again on 29.05.2025, the following order was passed by this Adjudicating Authority:

IA-575/2025

Ld. Counsel, Mr. Sachin Mintri, appeared for the Yes Bank/Creditor.

Ld. Counsel, Mr. Kailash Ram appeared for the respondent/PG and submitted that he has already filed the reply but, the same is not reflected on DMS. He is directed to take appropriate steps to comply with the same.

At request and with consent, list the matter on **01.07.2025**.

17. On 01.07.2025, the Adjudicating Authority recorded as follow:

ORDER

IA-575/2025

Ld. Counsel for the Respondent/PG appeared and submitted the reply to the report has been filed, but the same is under scrutiny before the Registry. He sought some time to get it clear and place it on record. He permitted to do so.

Ld. Counsel for the RP also appeared and requested time to file a rejoinder to the reply filed by the Respondent/PG. He is permitted to do so within 7 days from the date of receipt of the copy of the reply.

List the matter for further consideration **on 30.07.2025**.

18. Since, no reply was still visible on the DMS e-portal on the next date i.e. 30.07.2025, the Adjudicating Authority passed the following order:

IA-575/2025

Despite repeated opportunity granted to the Respondent/PG for filing reply. The reply has not been filed.

The cause is that the report under Section 99 of the IBC, 2016 filed by the Resolution Professional, for some reasons, is not reflecting in the Petitioner window.

The Ld. Counsel for the RP is directed to meet the Assistant Registrar, NCLT and ensure that the report filed under Section 99 of the Code is correctly uploaded in the Petitioner window on or before 14.08.2025, so as to enable the respondents to file their replies. The replies shall be filed on or before 29.08.2025.

List the matter for further consideration **on 09.09.2025**.

-sd-

19. The reply to the RP's report was finally uploaded on the DMS e-portal on 08.09.2025.

Objections raised by the PG against the admission of this petition:

20. We have considered the objections raised by the PG in his reply against the RP's report, and during the course of hearings. The objections of the PG pertain to the following 4 grounds:

- **Objection as to Valid Invocation and Service of Demand Notice**
- **No Default on the Part of the Respondent**
- **Alleged Lack of Independent Assessment by the Resolution Professional**
- **Application under Section 95 Alleged to be Premature**

21. On the **first issue**, it is contended by the PG that no proper notice invoking the Deeds of Guarantee was issued or served in terms of Clause 29 of the Guarantee Deeds dated 28.06.2013, 29.06.2016 and 26.07.2017. It is submitted by the PG that the issuance and proper service of a written demand notice is a condition precedent for invocation of the guarantees. According to the PG, no material has been produced to demonstrate compliance with the contractual requirements of service.

22. It is also contended that the notice dated 04.11.2024 issued in Form B under Rule 7(1) of the Rules cannot be treated as invocation of the guarantee. Reliance is placed on the decision of the Hon'ble NCLAT in *State Bank of India v. Deepak Kumar Singhania* to contend that a demand notice under Rule 7(1) does not constitute contractual invocation. Similarly, the notice dated 10.07.2023 under Section 13(2) of the SARFAESI Act, 2002 is stated not to amount to invocation of the personal guarantee as Section 13(2) only pertains to the enforcement of security interests against the borrower and does not operate as an independent demand on the Personal Guarantor. Further, the alleged notice dated

24.05.2023 is stated to have never been received, and no proof of service has been furnished.

23. On the **second issue**, it is contended by the PG that in the absence of any valid invocation in accordance with the Deeds of Guarantee, no liability has arisen and, consequently, no default can be attributed to him. It is contended that the liability of the guarantor arises only upon proper invocation as per the contractual terms. Accordingly, the present application under Section 95 is stated to be unsustainable.
24. In his **third issue**, it is contended by the PG that the Report under Section 99 suffers from lack of independent examination as mandated under Section 99(2) of the Code. The PG submits that the Resolution Professional has mechanically accepted the Financial Creditor's claims without verifying whether the guarantees were properly invoked or whether demand notices were duly served. Thus, the RP's failure to conduct an independent examination vitiates the Report.
25. In his **last issue**, the PG contends that the Financial Creditor has already filed its claim in the CIRP of the Corporate Debtor, which is still pending. It is submitted that since the liability of the guarantor is coextensive with that of the principal borrower, the exact liability remains uncertain until the conclusion of the CIRP and approval of a resolution plan, if any. On this basis, the present application is stated to be premature. Further, it is submitted by the PG that the Financial Creditor is stated to be negotiating the assignment of its debt to an Asset Reconstruction Company. Thus, in the event of such assignment, the Financial Creditor would cease to have locus to continue the present proceedings.

26. Further, when this matter was listed on 08.10.2025, this Adjudicating Authority gave the following directions:

ORDER

IA-575/2025

Ld. Counsel for the RP appeared and seeks permission to submit a short note on the objections raised by the Personal Guarantor in his Reply of Section 99 report. He is permitted to do so.

At the request, list the matter **on 15.10.2025.**

27. On 14.10.2025, a short note was uploaded by the RP in the matter. Further, on 01.12.2025, the following directions were given to the RP by this Adjudicating Authority:

IA-575/2025

This is a report filed by the RP under Section 99 of the IBC, 2016.

Ld. Counsel for the RP appeared and is directed to file a short note covering the objections raised by the Respondent/PG in his reply on Clause 29 of the Guarantee Deed, which specifies the invocation of guarantee and file a proof of service for Form – B.

At request and by consent, list the matter **on 16.12.2025.**

28. In compliance with the order dated 01.12.2025, another short note was filed by the RP which was uploaded on the DMS e-portal on 12.12.2025, and in the hearing on 02.02.2026, it was recorded as follows:

ORDER

IA-575/2025

Ld. Counsel for the RP appeared and submitted that in terms of the order dated 01.12.2025, the short note has been filed. The same is available on record.

Ld. Counsel Mr. Nikunj Mahajan for the Respondent/PG appeared through VC and sought accommodation on medical grounds, as he was unwell.

At the request and with consent list the matter **on 25.02.2026 for arguments.**

29. In the **short note** uploaded by the **RP** on 12.12.2025, the RP has addressed the issue pertaining to Clause 29 of the Guarantee Agreement which is extracted as below:

Clause 29

The demand hereunder in writing shall be deemed to have been duly given to the Guarantors by the Bank, by sending the same by post addressed to the Guarantors at the address hereunder written and shall be effectual notwithstanding any change thereof and notwithstanding notice thereof to the Bank, and such demand shall be deemed to have been received by the Guarantors 24 hours after the posting thereof and shall be sufficient if signed by any officer of the Bank and in proving such service it shall be sufficient to prove that the letter containing the demand was properly addressed and put into the Post Office

It is stated by the RP in his note that the account of the borrower was classified as NPA on 16.03.2023, and subsequently vide Guarantee invocation notice dated 24.05.2023, the petitioner herein has invoked the guarantee of the Personal Guarantor (Annexure 2 of the short note). Pursuant to it only, the demand notice dated 04.11.2024 as per Form B was served upon the guarantor, and hence there was a valid invocation of guarantee (Annexure 3 of the short note). The RP in his **short note dated 09.04.2026** that the notice under Section 13(2) of the SARFAESI Act, 2002 dated 10.07.2023 was issued to the Corporate Debtor as well as the Personal Guarantor, calling upon them to repay the outstanding loan amount. The RP has further relied upon the judgment of the NCLAT in *Ujwal Gupta v. Union Bank of India & Ors.*, wherein it was held that a notice under Section 13(2) of the SARFAESI Act can constitute a valid invocation of the personal guarantee where the notice specifically demands payment from the Personal Guarantor in terms of the guarantee.

ANALYSIS:

30. We have considered submissions and pleadings made by both the parties on record. In view of the submissions raised, the following three issues need to be determined:

1. Whether there was a valid invocation of the guarantee, and the default on part of the PG has been established?

2. Whether the RP has performed his duties properly?
3. Whether the application is premature and the petitioner has no locus to initiate the present insolvency proceedings against the PG?
31. On the first issue that there was no valid invocation of guarantee as the notice dated 24.05.2023 was not received by the PG, and that the notice u/s 13(2) of the SARFAESI Act only pertains to enforcement of security interest against the borrower, we are of the opinion that this objection of the PG doesn't stand correct as per law.
32. Even assuming that the PG was never served the notice dated 24.05.2023, it cannot be said the notice u/s 13(2) of the SARFAESI Act is not a valid invocation of guarantee against the PG. A perusal of the judgment of the NCLAT in the case of **Ujwal Gupta v. Union Bank of India and Anr.**, (2026) ibclaw.in 18 NCLAT indicates that issuance of notice u/s 13(2) of SARFAESI is a valid invocation of guarantee against the PG. The relevant portion of the same is extracted below:

*“31. This Appellate Tribunal in Asha Basantilal Surana (Supra), which is a three member's decision, after considering Amanjyot Singh (Supra) and Mavjibhai Nagarbhai Patel (Supra) **clearly holds that in a case where notice under Section 13(2) makes a demand as per the guarantee agreement between the parties, the notice has to be treated as a notice for invocation of bank guarantee.** This appellate Tribunal in the above case has also distinguished the law laid down by this Appellate Tribunal earlier in Amanjyot Singh (Supra), to be a case confined to its own facts, by observing in para 12 of the judgment, that the dismissal of the appeal in Amanjyot Singh case was on the facts of the said case and has no application in the facts of the case under scrutiny and also that the invocation of personal guarantee has to be in accordance with the terms of the guarantee agreement. We reproduce the para no. 12 of the aforesaid judgment (Asha Basantilal Surana) (Supra) for convenience herein below:-*

“12. Thus, the dismissal of the Appeal in the Amanjyot Singh’s case was on the facts of the said case and has no application in the facts of the present case. The invocation of personal guarantee has to be in accordance with the terms of the Guarantee Agreement which is a settled law. Clause 7 of the Guarantee Agreement does not require any particular mode and manner of the demand notice. When demand notice is issued against the personal guarantor asking the personal guarantor to discharge its liabilities, the guarantee stands invoked. Whether notice under Section 13(2) in a particular case invoked the guarantee or not depends on the words and intent of the notice. For finding out as to whether Notice under Section 13(2) invoked the personal guarantee, the letters and words of the Notice has to be looked into to come to any conclusion that whether personal guarantor has been asked to discharge its liabilities or not. In the facts of the present case, we are of the considered opinion that the Notice under Section 13(2) issued by the State Bank of India is a clear demand notice from the Appellant to pay the amount of Rs.28,56,64,336.06/-.”

(Emphasis Supplied)

32. Thus, what has been highlighted by the aforesaid judgment is that it would be the terms and conditions of the agreement executed between the parties with regard to the guarantee which would be relevant to assess as to whether the guarantee has been sufficiently invoked or not. Therefore, whether a guarantee may be invoked by giving notice under Section 13(2) of the SARFAESI Act depends on the terms of the guarantee and the content of the notice. If the notice clearly demands payment from the personal guarantor in terms of the guarantee, it can be treated as an invocation of the guarantee. The facts and the wording of the notice are crucial in this determination.

33. In light of the same, it is evident here that the notice u/s 13(2) of the SARFAESI Act dated 10.07.2023 (Annexure A-7 of the application) clearly demands payment from the personal guarantors in terms of the guarantee agreements

executed by them, and the same can be treated as a valid invocation of the guarantee.

34. Thus, the contention of the PG that the issuance of Form -B without any prior invocation of guarantee holds no ground now, and doesn't warrant our consideration.

35. Further, even if the PG did not execute the guarantee deed dated 26.06.2018, his liability in respect of the credit facilities sanctioned vide the guarantee agreements dated 28.06.2013, 29.06.2016, 26.07.2017 would nevertheless subsist.

36. Consequently, the default thereof constitutes a sufficient ground for admission of this petition under Section 95 of the Code.

37. On the **second issue** raised by the PG that the RP has failed to perform his duties properly, we hold that the allegation is unsubstantiated and devoid of any actual merit.

38. Moving further to the **third** issue that since the CIRP proceedings are pending against the CD an application u/s 95 of the Code is not maintainable, we are of the opinion that it is a settled position of law that insolvency proceedings can be initiated against the PG irrespective of the status of the CD's insolvency process. The same has been held by the NCLAT in the case of **State Bank of India v. Mahendra Kumar Jajodia**, (2022) ibclaw.in 89 NCLAT and also affirmed by the Hon'ble Supreme Court. The relevant portion of the judgement is extracted below:

*“11. The Adjudicating Authority erred in holding that since no CIRP or Liquidation Proceeding of the Corporate Debtor are pending the application under Section 95(1) filed by the Appellant is not maintainable. The Application having been filed under Section 95(1) and the Adjudicating Authority for application under Section 95(1) as referred in Section 60(1) being the NCLT, **the Application***

filed by the Appellant was fully maintainable and could not have been rejected only on the ground that no CIRP or Liquidation Proceeding of the Corporate Debtor are pending before the NCLT. In result, we set aside the order dated 05th October, 2021 passed by the Adjudicating Authority. The Application filed by the Appellant under Section 95(1) of the Code is revived before the NCLT which may be proceeded in accordance with the law.”

Further, the argument of the PG that negotiation talks are underway for assigning the FC’s debt to an Asset Reconstruction Company, we observe that the same is a baseless statement without any proof or substance. In any event, the mere expectation/possibility of the future assignment of a debt by the FC cannot operate as a bar or disentitle the FC from initiating insolvency proceedings against the PG in accordance with the provisions of law presently enforceable.

39. In terms of Section 100(1) of the Code, for admitting an application for insolvency resolution of a personal guarantor, the Adjudicating Authority must be satisfied that:

- (a) the application under Section 95 is complete;
- (b) the debt is due and payable by the guarantor; and
- (c) the guarantor has not repaid the debt.

40. In the present case, the petition is found to be complete in all respects. The debt arises from guarantees extended by the Respondent in respect of credit facilities availed by the Corporate Debtor. The debt has become due and remains unpaid, as evidenced by the Default Notice, Personal Guarantee Invocation Notice, and the initiation of proceedings of the Corporate Debtor & Corporate Guarantor. Thus, all conditions under Section 100(1) stand satisfied.

Accordingly, we order as under

41. The Petition filed under Section 95(1) of the Insolvency and Bankruptcy Code, 2016, is hereby admitted, and the Insolvency Resolution Process against the Personal Guarantor, Mr. Rajesh Madan, is hereby initiated. A moratorium under Section 101 of the Code is declared from today, to remain in force for a period of 180 days or until an order under Section 114 is passed, whichever is earlier. 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 proceedings in respect of any debt;
 - c. The debtor shall not transfer, alienate, encumber, or dispose of any of his assets or his legal rights or beneficial interest therein; and
 - d. 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.
42. The Resolution Professional, **Mavent Restructuring Services LLP**, which was appointed by this Adjudicating Authority vide order dated 18.12.2024 is hereby directed to take all further steps in accordance with Part III, Chapter III of the Code, including publication of a public notice on behalf of the Adjudicating Authority within 7 days of uploading of this Order on the website of the NCLT, inviting claims from all Creditors, who shall register their claims as provided under Section 103 of the Code within 21 days of such notice. The notice shall contain the necessary information as provided under Section 102(2) of the Code. The publication of the notice shall be made in newspapers, one in English and the other in the Vernacular Language, having wide circulation in the State where the Personal Guarantor resides.

43. The Resolution Professional, in exercise of the powers conferred under Section 104 of the Code, shall prepare a list of creditors within 30 days from the date of the notice. The debtor shall prepare a Repayment Plan in consultation with the Resolution Professional as provided under Section 105 of the Code, which shall include the provisions for payment of a fee to the Resolution Professional. The Resolution Professional shall submit the Repayment Plan along with his report on the plan to this Adjudicating Authority within a period of 21 days from the last date of submission of claims, as provided under Section 106 of the Code. In terms of the newly inserted Section 106(1A), where no Repayment Plan is submitted, the Resolution Professional shall submit a report to the Adjudicating Authority accordingly.
44. In case the Resolution Professional recommends that a meeting of the creditors is not required to be summoned, he shall record the reasons thereof. 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) & 106(3A) of the Code. The date of the meeting should not be less than 14 days or more than 28 days from the date of submission of the Report under Section 106(1) of the Code, for which notice shall be issued to the creditors by all modes within the timeline prescribed under the law. Such notice shall contain the details as provided under Section 107 of the Code.
45. The meeting of the 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 the creditors on the Repayment Plan with all details as provided under Section 112 of the Code and submit the same to this Adjudicating 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 Code. Further, in terms of the newly inserted Regulation 11A of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019 the Resolution Professional shall coordinate with the Resolution Professional of the Corporate Debtor in respect of transfer of assets,

obtain the approval of the meeting of creditors of the Personal Guarantor for such transfer, and, where such approval is granted, ensure that the proposed transfer is duly disclosed in the reports under Sections 106 and 112 of the Code.

46. The Financial Creditor shall deposit a sum of Rs. 1,00,000/- (Rupees One Lakh Only) with the Resolution Professional to meet the expenses arising out of issuing public notice and inviting claims. This amount shall be adjusted towards the fees and expenses payable to the Resolution Professional.
47. The Resolution Professional shall submit a status report every 30 days before this Adjudicating Authority.
48. The Personal Guarantor/Respondent, Sh. Rajesh Madan, is directed to cooperate with the Resolution Professional and provide all requisite information for the purpose of carrying out his duties. He is further directed to submit to the Resolution Professional, within two weeks from the date of this order, complete details specifically disclosing his assets and liabilities as on the date of this order, as well as on 31.03.2024, 31.03.2025 and 31.03.2026, duly supported by copies of the corresponding Income Tax Returns for the said years. The Personal Guarantor is also directed to furnish a copy of the latest Net Worth Certificate submitted to the Financial Creditors, along with a copy of the Net Worth Certificate submitted at the time of furnishing the Personal Guarantee. Further, in case any assets have been sold during the last two years, complete details thereof, including the nature of the asset, date of sale, consideration received and mode of transfer, shall also be disclosed.
49. Registry shall communicate a copy of this order, the report and the petition to all concerned, including the Financial Creditor, Resolution Professional and the Personal Guarantor, within 7 working days and upload the same immediately.

50. Registry shall communicate a copy of this order, the report and the petition to all concerned, including the Financial Creditor, Resolution Professional and the Personal Guarantor, within 7 working days and upload the same immediately.
51. A copy of this order be sent to **IBBI** by the Registry.
52. **IA No. 575 of 2025 is allowed and disposed of**, and the Insolvency Resolution Process is hereby initiated against the Personal Guarantor/Respondent, Sh. Rajesh Madan.
53. List the matter for **status report** by the Resolution Professional on 25.11.2026.

Sd/-
(ANUPINDER SINGH GREWAL)
PRESIDENT

Sd/-
(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)