



SL. No.2

**NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH**

**COURT HALL NO: II**

**Hearing Through: VC and Physical (Hybrid) Mode**

**CORAM: SHRI. RAJEEV BHARDWAJ – HON’BLE MEMBER (J)  
CORAM: SHRI. SANJAY PURI- HON’BLE MEMBER (T)**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF NATIONAL COMPANY LAW TRIBUNAL,  
HYDERABAD BENCH, HELD ON 30.10.2025 at 10:30 AM**

<b>TRANSFER PETITION NO.</b>	
<b>COMPANY PETITION/APPLICATION NO.</b>	<b>Company Petition IB/260/2023</b>
<b>NAME OF THE COMPANY</b>	
<b>NAME OF THE PETITIONER(S)</b>	<b>STCI Finance Ltd</b>
<b>NAME OF THE RESPONDENT(S)</b>	<b>Ramnath Nanda Kumar</b>
<b>UNDER SECTION</b>	<b>95 of IBC</b>

**ORDER**

Orders pronounced, recorded vide separate sheets. In the result, this Petition is admitted.

**Sd/-**  
**MEMBER (T)**

**Sd/-**  
**MEMBER (J)**



**IN THE NATIONAL COMPANY LAW TRIBUNAL  
HYDERABAD BENCH - II**

CP (IB) No.260/95/HDB/2023

(Under Section 95 read with Section 60(2) of the Insolvency and Bankruptcy Code, 2016, read with Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rules, 2019.

**STCI Finance Ltd.**

**Registered Office at:**

A/B 1-802, A Wing, 8<sup>th</sup> Floor, Marathon Innova,  
Off Ganpatrao Kadam Marg,  
Lower Parel (W), Mumbai 400013

**Branch Office at:**

401, 412, Prakash Deep Building,  
7, Tolstoy Marg, New Delhi 110001.

**.....Petitioner/Financial Creditor**

AND

**Mr. Ramnath Nandakumar**

S/o Nand Kumar Ramanujalu  
14-79, Sriram Nagar Colony,  
Patancheru, Medak, Hyderabad  
– 502319, Telangana

**Also, at:**

III Floor, Plot No. 22, Survey No. 90/1,  
Trendz Eternity, Green Land Colony,  
Gachibowli, Hyderabad, Ranga Reddy,  
Telangana – 500032

**And at:**

House No. 2-9/5/6, First Floor,  
Trendz Venkatasai Gateway, Gachibowli,  
Telangana – 500032

**....Personal Guarantor/Debtor**



**CORAM:**

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Shri Sanjay Puri, Hon'ble Member (Technical)

**Counsel/Parties present:**

For the Petitioner : Mr. K. Siddharth Rao.

For the Respondent : Mrs. Mummaneni Vazra Laxmi.

Date Of Order: 30.10.2025

**[PER: BENCH]  
ORDER**

This petition is filed by **STCI Finance Ltd.**(Financial Creditor/FC) under Section 95 of the IBC<sup>1</sup>, 2016, read with Rule 7(2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtor) Rules, 2019, seeking an order for initiation of the Personal Insolvency Resolution Process (**PIRP**) against **Mr. Ramnath Nandakumar**, who is the Personal Guarantor (**PG**) of **M/s Natems Sugar Private Limited**. Corporate Debtor (**CD**).

**1. APPLICATION**

- 1.1 The Applicant Bank (hereinafter referred to as the **Financial Creditor** or **FC**) submits that the Corporate Debtor availed a Corporate Term Loan of Rs 60 crores under a Loan Agreement dated 29.03.2018, for reimbursement of expenses incurred towards acquisition of fixed assets and augmentation of long-term working capital at its Chittoor plant. To secure the said facility, the Corporate Debtor, along with its promoters/guarantors, executed various security documents, including a Joint Deed of Personal Guarantee dated 29.03.2018, executed by Mr. **Ramnath Nandakumar** and **Mr. Nanda Kumar Ramanujalu**. Under the

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<sup>1</sup> Insolvency and Bankruptcy Code



said guarantee, the guarantors undertook joint and several liability to repay all amounts due from the Corporate Debtor upon demand within five days. The guarantee was expressly stated to be continuing in nature, extending to the ultimate balance payable.

- 1.2 The Financial Creditor states that under the Loan Agreement, the Corporate Debtor was obligated to repay the principal in 20 equal quarterly instalments commencing from the fifth quarter post-disbursement, along with interest at 13.5% per annum payable monthly. The Corporate Debtor defaulted by failing to pay the third principal instalment of Rs. 3,00,00,000 due on 31.12.2019 and the interest due on 01.02.2020, followed by subsequent defaults on principal and interest instalments, resulting in a persistent breach of repayment obligations.
- 1.3 In response, the FC issued notices dated 16.03.2020 and 25.06.2020 to the Corporate Debtor, duly marked to the Personal Guarantors, informing them of the default and the impending legal consequences. The Corporate Debtor, in replies dated 20.03.2020 and 30.06.2020, admitted the default and sought additional time to regularize the dues. Despite such admission, no repayment was made. Consequently, the FC issued a Loan Recall Notice dated 08.10.2020 demanding repayment of Rs. 59,46,53,863 within five business days. The Corporate Debtor, in reply dated 12.10.2020, once again admitted default and requested further time.
- 1.4 Subsequently, the FC issued a Demand-cum-Guarantee Invocation Notice dated 24.10.2020, invoking the joint and several guarantees executed by the Personal Guarantors. The notice, served both by email and by registered post, demanded repayment within five business days. The Personal Guarantors, however, neither responded nor complied. Thereafter, by Legal Demand Notice dated 18.11.2020, the FC called upon the Corporate Debtor and the Personal Guarantors to pay an outstanding sum of Rs. 60,41,05,544 within seven days. While the Corporate Debtor, by its letter dated 24.11.2020, again admitted default and sought time until 31.03.2021 to regularize the account, neither the Corporate Debtor nor the Personal Guarantors took steps to clear the dues.



- 1.5 In light of the alleged arbitrary and unlawful conduct of the Personal Guarantor, **Mr. Ramnath Nandakumar**, the Financial Creditor issued a “Statutory Demand Notice” dated 15.05.2021 under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, calling upon him to pay Rs. 64,77,41,732 within fourteen days. The Personal Guarantor neither paid the amount nor responded to the notice, thereby necessitating the filing of the present Application under Section 95 of the IBC on 06.10.2023, seeking initiation of insolvency proceedings against the Personal Guarantor to the Corporate Debtor.
- 1.6 Upon presentation of the Application, this Adjudicating Authority, vide order dated 14.12.2023, appointed Mr. Nethi Mallikarjuna Setty, Registration No. IBBI/IPA-001/IP-P01251/2018-2019/11958 as Resolution Professional (RP) and directed the RP to submit a report under Section 99 of the IBC, 2016.
- 1.7 The Resolution Professional filed a report under Section 99 of the IBC on 04.01.2024 through IA No. 124/2024.

## **2. RP REPORT**

- 2.1 After due examination of the application, the Resolution Professional recommended its admission based on the details recorded in the RP report, as mentioned hereunder:
- 2.2 It is stated that M/s. STCI Finance Limited sanctioned a Corporate Term Loan of Rs 60 Crore to M/s. Natems Sugar Private Limited, carrying interest at 13.5% per annum, payable monthly, with the principal amount to be repaid in 20 quarterly instalments commencing after the fifth quarter. The Corporate Debtor defaulted in repayment, including three principal instalments of Rs 3 Crore each due on 31.12.2019 and the monthly interest due on 01.02.2020. To secure the said facility, the promoters, Mr. Nandakumar Ramanujalu and Mr. Ramnath Nandakumar, executed a Joint Deed of Personal Guarantee dated 29.03.2018.



- 2.3 It is stated that the Financial Creditor sent several loan recall notices to the Corporate Debtor, with copies to the Personal Guarantors. The Corporate Debtor admitted its failure to repay and asked for more time to settle the account. However, it did not make payments even after receiving a final recall notice on 08.10.2020 and a Demand-cum-Guarantee Invocation Notice on 24.10.2020. On 15.05.2021, a Statutory Demand Notice under Rule 7(1) of the 2019 Rules was issued for Rs. 64,77,41,732, which the Corporate Debtor ignored. As of 01.09.2023, the total verified outstanding amount was Rs. 93,74,43,723, covering the principal, interest, legal fees, and unpaid TDS.
- 2.4 Further, in compliance with Section 99(2) of the Code, the Resolution Professional issued a letter dated 29.12.2023 to **Mr. Ramnath Nandakumar**, seeking details of any repayment made to the Financial Creditor. However, no response or repayment details have been furnished by the Debtor to date.
- 2.5 The application is duly supported by relevant documents, including the Deed of Guarantee and the Demand-cum-Guarantee Invocation Notice dated 24.10.2020, evidencing formal invocation of the guarantee and substantiating the debt owed by the Personal Guarantor.
- 2.6 The guarantee executed by the PG is continuing in nature. As the debt owed by the CD and guaranteed by the PG remains unpaid, the FC is well within its rights to invoke the guarantee.
- 2.7 In view of the continued default and non-payment by the Personal Guarantor, the RP has recommended admission of *CP(IB) No. 260/95/HDB/2023*, filed under Section 95(1) of the IBC, 2016.



### 3. OBJECTIONS FILED BY THE PERSONAL GUARANTOR TO THE RP'S REPORT

3.1 The Personal Guarantor has objected to the Resolution Professional's Report, contending that under Rule 7<sup>2</sup> of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, the demand notice ought to have been served at the Guarantor's permanent address as recorded in the Deed of Guarantee dated 29.03.2018. It is submitted that, notwithstanding knowledge of the Guarantor's residence at 29, St. Christopher Drive, Wednesbury, UK, the Financial Creditor effected service at the business address, i.e., 14-79, Shriram Nagar Colony, Patancheru, Medak, Hyderabad, Telangana – 502319, which the Guarantor had already vacated.

3.2 The Guarantor submits that the demand notice under Section 95(4)(b) of the Code, read with Rule 7(1) of the Rules, was returned unserved. It is argued that the Financial Creditor failed to re-issue the notice or affix it at a conspicuous place as required under Rule 3(1)(g)<sup>3</sup>. It is further contended that the Resolution Professional, though obliged under Section 99(6) of the Code to verify compliance with Section 95, failed to examine the application properly.

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<sup>2</sup> A demand notice under clause (b) of sub-section (4) of section 95 shall be served on the guarantor demanding payment of the amount of default, in Form B.

(2) The application under sub-section (1) of section 95 shall be submitted in Form C, along with a fee of two thousand rupees.

(3) The creditor shall serve forthwith a copy of the application referred to in sub-rule (2) to the guarantor and the corporate debtor for whom the guarantor is a personal guarantor.

(4) In case of a joint application, the creditors may nominate one amongst themselves to act on behalf of all the creditors.

<sup>3</sup> (g) "serve" means sending any communication by any means, including registered post, speed post, courier, or electronic form, which is capable of producing or generating an acknowledgement of receipt of such communication:

**Provided that** where a document cannot be served in any of the modes, it shall be affixed at the outer door or some other conspicuous part of the house or building in which the addressee ordinarily resides, carries on business, or personally works for gain.



- 3.3 The Personal Guarantor (PG) objects to the RP report because the demand notices, as per the records at pages 391-404 of the applications, were sent to Hyderabad addresses where the PG does not reside. Further, the tracking report indicates that the notices were not delivered, with endorsement dated 14.06.2021 stating “Item delivered, addressee left without instructions” and returned to the sender on 17.06.2021.
- 3.4 The Guarantor further submits that the Deed of Guarantee dated 29.03.2018 is the sole document evidencing the guarantee, and no other record demonstrates acknowledgment of debt by him. It is argued that the debt became due on 31.12.2019, while the present application was filed only on 06.10.2023, beyond the three-year limitation period. Placing reliance on Article 137 of the Limitation Act, 1963, the Guarantor contends that the application is barred by limitation, as the right to apply accrued on the date of default. It is also submitted that under Section 3(11) of the Code, a “debt” must be due and payable in law, and no acknowledgment has been shown post-default. Hence, the petition is claimed to be time-barred, not maintainable, and liable to be dismissed.
- 3.5 The Respondent places reliance on the judgment of the Hon’ble NCLT, Hyderabad Bench I in **Central Bank of India v. P.K. Iyer & Deccan Chronicle Holdings Ltd.**, wherein it was held that the duty of the Resolution Professional under Section 99(1) of the Code to examine an application under Section 95 is not a mere formality but a legal obligation, requiring verification of statutory compliances under Sections 95-97, including Section 95(4)(b) and (c).

#### 4. REJOINDER

- 4.1 The Financial Creditor, in its rejoinder, denies all averments and submissions made by the Personal Guarantor in the objections. All statements not specifically admitted are rejected, and nothing in the objections shall be deemed admitted unless expressly stated.
- 4.2 Turning to the objection regarding the absence of acknowledgment by the Personal Guarantor, the Financial Creditor submits that this claim



is legally untenable and factually baseless. Clause 26<sup>4</sup> Of The Guarantee Deed dated 29.03.2018 explicitly provides that any acknowledgment of debt by the Principal Borrower is deemed an acknowledgment by the Guarantor. Under this clause, any written admission or certificate issued by the Borrower or authorized persons regarding obligations under the Credit Facility binds the Guarantor as if made by the Guarantor directly. Thus, the Principal Borrower's acknowledgments conclusively extend to the Guarantor, rendering the objection devoid of merit.

- 4.3 Subsequently, the Financial Creditor outlines the sequence of notices issued to the Corporate Debtor, each met with responses acknowledging default and seeking time for regularization. Notices dated 16.03.2020 and 25.06.2020 were acknowledged on 20.03.2020 and 30.06.2020, respectively. The Loan Recall Notice of 08.10.2020 elicited a reply on 12.10.2020 admitting default, and the Legal Demand Notice of 18.11.2020 received a response on 24.11.2020 requesting extension until 31.03.2021. These repeated acknowledgments by the Corporate Debtor demonstrate a continuous acknowledgment of the debt.
- 4.4 In light of the above factual matrix, the Financial Creditor emphasizes that the Personal Guarantor's liability is coextensive with that of the Principal Borrower under Section 128 of the Indian Contract Act, 1872, such that acknowledgments or actions by the Borrower inherently bind the Guarantor. The absence of a separate acknowledgment from the Guarantor does not discharge this liability, particularly given the explicit terms of the Guarantee Deed. To bolster this position, the Financial Creditor invokes the judgment of the Hon'ble Supreme Court in *Laxmi Pat Surana v. Union of India & Ors.* (2021) 8 SCC 481, which affirms that

*The fact that acknowledgement within the limitation period was only by the principal borrower and not the guarantor would not absolve the guarantor of its liability flowing from the letter of guarantee and memorandum of mortgage. The liability of the guarantor, being*

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<sup>4</sup> Page no 172 of the petition



*coextensive with the principal borrower under Section 128 of the Contract Act, is triggered the moment the principal borrower commits default in paying the acknowledged debt. This is a legal fiction. Such liability of the guarantor would flow from the guarantee deed and memorandum of mortgage, unless it expressly provides to the contrary.*

Therefore, the Borrower's repeated acknowledgments serve to extend the limitation period and sustain the Guarantor's obligations without exception.

- 4.5 Turning to the objection regarding service of the statutory demand notice dated 15.05.2021, the Financial Creditor submits that the objection is misconceived. Clause 28<sup>5</sup> The Guarantee Deed dated 29.03.2018 designates 14-79, Shriram Nagar Colony, Patancheru, Medak, Hyderabad – 502319, the Personal Guarantor's place of business, as the address for all notices, demands, and communications, rendering any contention of improper service untenable.
- 4.6 The Financial Creditor submits that the statutory demand notice was initially dispatched via courier on 17.05.2021, with the tracking report dated 08.06.2021 indicating refusal by the Personal Guarantor, which, in law, constitutes valid and deemed service. For further diligence, the notice was again sent via speed post on 10.06.2021 to the same address. The Guarantor's selective reliance on the speed post tracking, which records "left without instructions" on 14.06.2021 while disregarding the earlier courier evidence, is misleading. This sequence suggests a deliberate attempt to evade service, as it is improbable that the Personal Guarantor was present at the address on 08.06.2021 only to vacate it entirely within a few days.
- 4.7 Furthermore, even assuming, for the sake of argument, the Personal Guarantor's claims on service which are denied is evident from prior communications that he was fully cognizant of notices sent to the same

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<sup>5</sup> Page no 172 of Petition.



address, including those for events of default dated 16.03.2020 and 25.06.2020, the loan recall notice dated 08.10.2020, the guarantee invocation notice dated 24.10.2020, and the demand legal notice dated 18.11.2020. Responses to these were provided jointly with the Principal Borrower, without any intimation of a change in address as mandated by Clause 28 of the Guarantee Deed. This pattern reveals an effort to sidestep legal duties through technical pleas, which hold no water in the face of effective service at the notified address. Consequently, the objections regarding the ineffectiveness of the demand notice are meritless and irrelevant to the adjudication of the petition.

- 4.8 The Financial Creditor submits that the application is not barred by limitation, contrary to the Guarantor's claim that 31.12.2019 is the due date. Limitation under Section 95 of the IBC begins from the invocation of the guarantee, not from the Principal Borrower's default. Following continuous default, the "Demand-cum-Guarantee Invocation Notice" dated 24.10.2020 was issued, invoking the joint and personal guarantee of 29.03.2018. The notice was sent by email on 25.10.2020 and by speed post on 31.10.2020, demanding payment within five business days. Despite receipt, the Guarantor neither responded nor complied. The Guarantee Deed<sup>6</sup>, being continuing in nature, creates joint and unconditional liability of the Guarantor until full repayment, as per Clauses 2, 3, 22, and 23<sup>7</sup>.
- 4.9 Under the Guarantee Deed, the Guarantor's liability arose upon issuance of a demand by the Financial Creditor, the guarantee being continuing as long as the loan remained outstanding. The default and commencement of limitation for the Guarantor occurred on 31.10.2020, five business days after service of the Guarantee Invocation Notice dated 24.10.2020 (delivered via email on 25.10.2020 and speed post on 31.10.2020). A subsequent legal demand notice dated 18.11.2020, addressed to the Principal Borrower, the Guarantor, and the co-

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<sup>6</sup> Deed of Guarantee Page 161-176 of petition



guarantor for Rs 60,41,05,544 outstanding as on 11.11.2020, was replied to on 24.11.2020, wherein the Principal Borrower admitted default and requested time until 31.03.2021.

4.10 Despite receipt of the aforementioned notices, neither the Principal Borrower, the Guarantor, nor the co-guarantor made any payment and continued to delay compliance. A Statutory Demand Notice dated 15.05.2021 was thereafter issued under Rule 7(1) of the 2019 Rules, calling upon the Guarantor to pay within 14 days, but no payment or response was received. The Financial Creditor submits that the present petition under Section 95 of the IBC, filed on 06.10.2023, falls within the three-year limitation period from 31.10.2020, the date of default upon invocation of the guarantee.

**5. WRITTEN SUBMISSIONS FOR AND ON BEHALF OF THE FINANCIAL CREDITOR.**

5.1 The facts, averments, and submissions contained in these written submissions are identical to those detailed in the main petition and the rejoinder affidavit. Accordingly, in the interest of brevity, they are not reiterated herein.

**6. WRITTEN SUBMISSIONS FOR AND ON BEHALF OF THE PERSONAL GUARANTOR**

6.1 The facts, averments, and submissions contained in these written submissions are substantially identical to those already delineated in the objection filed to the Resolution Professional's Report and in the counter affidavit. Accordingly, in the interest of brevity, the same are not being reiterated herein.



## **7. FINDINGS AND DECISION**

- 7.1 Heard the learned counsel for the Applicant and the Respondent. Perused the record, including the pleadings, affidavits, and the Report submitted by the Resolution Professional.
- 7.2 The considerations in an application under Section 95 of the IBC, 2016, are the existence of debt, default in repayment, valid invocation of the guarantee deed, and valid demand notice in Form B served upon the Personal Guarantor.
- 7.3 Turning to the factual matrix, the Corporate Debtor obtained a Corporate Term Loan of Rs. 60 crores under a Loan Agreement dated 29.03.2018, secured by various documents, including a Joint Deed of Personal Guarantee dated 29.03.2018 executed by Mr. Ramnath Nandkumar. The guarantee mandated repayment of all outstanding dues within five days of demand, covering the ultimate balance. The loan carried an interest rate of 13.5% per annum, payable monthly, with the principal repayable in 20 equal quarterly instalments starting after the fifth quarter. The Corporate Debtor defaulted by failing to pay three principal instalments of Rs. 3 crore each due on 31.12.2019 and the interest due on 01.02.2020.
- 7.4 It is noted that in response to the default, the Financial Creditor issued notices dated 16.03.2020 and 25.06.2020 to the Corporate Debtor, marked to the Personal Guarantors, Mr. Ramnath Nandakumar and Mr. Nanda Kumar Ramanujalu, informing them of the default and the legal consequences of non-payment. The Corporate Debtor, in replies dated 20.03.2020 and 30.06.2020, admitted the defaults and requested additional time to regularize the dues. Despite these communications, the default was not rectified.
- 7.5 The Corporate Debtor remained in default, prompting the Financial Creditor to issue a loan recall notice on 08.10.2020, demanding Rs 59,46,53,863 within five business days. The Corporate Debtor, in reply



dated 12.10.2020, admitted the default and sought time to regularize the account.

- 7.6 The Financial Creditor issued a “Demand cum Guarantee Invocation Notice” on 24.10.2020, invoking the joint, several, and unconditional guarantee dated 29.03.2018 by the Personal Guarantors, Mr. Ramnath Nandakumar and Mr. Nanda Kumar Ramanujalu, and marked to the Principal Borrower. The notice, served via email on 25.10.2020 and by RPAD/speed post on 31.10.2020, demanded payment within five business days, but the Personal Guarantors did not respond. A subsequent legal demand notice dated 18.11.2020 called for Rs 60,41,05,544 within seven days. The Principal Borrower admitted the default on 24.11.2020 and sought time until 31.03.2021, yet no payment was made.
- 7.7 Clause 26 of the Guarantee Deed dated 29.03.2018, which explicitly provides that any acknowledgment of debt by the Principal Borrower shall be deemed an acknowledgment by the Personal Guarantor.

*26. The Guarantors hereby expressly agree that, notwithstanding anything contained herein or any other writings, an admission or acknowledgement in writing by Borrowers or any person authorized by the Borrowers or by any persons authorized to draw on the account of the Borrower under the said Credit Facility, or a certificate signed by any of the Managers, Agents or other officers of the Borrowers concerning their obligations under the said Credit Facility/ Facility Documents or of the amount of indebtedness of the Borrowers to STCI shall be binding on and conclusive as against the Guarantors, in any court of law or otherwise as if such admission or acknowledgements as aforesaid has been given or made or executed for or on any the Borrowers as the Guarantors’ agent, the intention being that for all purposes of any claim or demand under this guarantee the Borrowers are empowered to give such admission, acknowledgement and/or consent on the Guarantors’ behalf and any consent so given by the Borrower shall be deemed to have been given by the Guarantors and*



*shall bind the Guarantors in all respects as if the same has been given by the Guarantors in writing on behalf thereof.*

A careful perusal of this provision unequivocally demonstrates that the Principal Borrower's acknowledgments bind the Personal Guarantor.

7.8 Thereafter, the FC issued a Demand Notice dated 15.05.2021 in Form B under Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Rules, 2019, calling upon the Respondent to unconditionally repay the outstanding debt in full within 14 days of receipt of the notice, failing which proceedings under the IBC, 2016, would be initiated against the Personal Guarantor. However, the PG failed to respond to the said notice.

7.9 Clause 28<sup>8</sup> of the Joint Deed of Personal Guarantee dated 29.03.2018 clearly designates the Personal Guarantor's notified address for service of all notices, demands, and communications, namely: *14-79, Shriram Nagar Colony, Patancheru, Medak, Hyderabad, Telangana – 502319*. The statutory demand notice dated 15.05.2021 was duly served at this address, thereby rendering the service valid and effective in law. Clause 28 further provides that service at the designated address is binding unless the PG communicates a change of address with at least five

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<sup>8</sup> 28. *Every notice, request, demand, or other communication under this Deed shall be given in writing (including by facsimile) at the address specified below:*

**Name** : Mr. Ramnath Nandakumar  
**Address** : 14-79, Sriram Nagar Colony, Patancheru, Medak,  
Hyderabad, Telangana – 502319, India  
**Phone No.** : +91 9618166300  
**Email** : [ram@natems.co.in](mailto:ram@natems.co.in)

*or at any other address notified by Mr. Nanda Kumar Ramanujalu for this purpose by not less than five (5) Business Days' notice.....*



business days' prior notice, which was never provided. Even if the PG had vacated the premises, failing to inform the Financial Creditor prevents him from disputing the service.

- 7.10 The tracking reports establish that the demand notice dispatched via private courier on 17.05.2021 was refused by the Personal Guarantor on 08.06.2021<sup>9</sup>, as evidenced by the courier tracking report bearing the remark **“Not Delivered (Receiver refused service)”**. Such refusal constitutes valid and deemed service in accordance with settled legal principles. The PG's reliance solely on the Speed Post endorsement for a later communication sent on 10.06.2021 stating **“addressee left without instructions”** is misconceived and untenable, given that service through private courier already stands duly effected.
- 7.11 The limitation period under Section 95 of the Insolvency and Bankruptcy Code, 2016 commences from the date of invocation of the personal guarantee, and not from the date of default by the principal borrower. In the present case, the Financial Creditor invoked the personal guarantee on 24.10.2020, and the notice of invocation was duly served upon the Personal Guarantor, having been sent by email on 25.10.2020 and by Speed Post on 31.10.2020. As the Personal Guarantor failed to discharge the liability within five business days from the date of service, the limitation period is deemed to have commenced on 31.10.2020. Consequently, the present application filed on 06.10.2023 falls well within the prescribed three-year limitation period, even after taking into account the periods of exclusion granted by the Hon'ble Supreme Court during the COVID-19 pandemic.
- 7.12 In view of the facts and evidence on record, we are of the considered opinion that the Applicant has established the existence of a financial debt and a default exceeding Rs. 1 Crore. Accordingly, we accept the Report of the Resolution Professional and admit this application under Section 95 of the Code. Consequently, the Personal Insolvency

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<sup>9</sup> [Annexure A-7 (Colly), Pg. 410 of the application.]



Resolution Process is hereby initiated against the Respondent–Personal Guarantor.

### ORDER

- 1 The Company Petition vide CP (IB) No. 260/95/HDB/2023 filed under the provisions of Section 95 of IBC is hereby admitted under the provisions of Section 100 of the Code, 2016, and the Insolvency Resolution Process is initiated against **Mr. Ramnath Nandakumar**, the Personal Guarantor, and moratorium is declared in relation to all debts, which begins from the date of admission of the instant petition and shall cease to have effect at the end of the period of 180 days, as provided under Section 101 of the Code, 2016. 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 shall not initiate any legal action or legal proceedings in respect of any debt; and
  - c. The debtor shall not transfer, alienate, encumber or dispose of any of her assets or her legal rights or beneficial interest therein;
  - 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.
- 2 The Resolution Professional, viz. Mr. Nethi Mallikarjuna Setty, having Registration No. IBBI/IPA-001/IP-P01251/2018-2019/11958, Address at Flat No. 101, Laurel Residency, Road No. 18, Panchavati Colony, Manikonda, Hyderabad, Telangana – 500089, Phone No.99636 06444, and email id: malliknethi@gmail.com. His AFA, as per the IBBI Website, is valid up to 31.12.2025. He is directed to cause a public notice to be published on behalf of the Adjudicating Authority within 7 days of



- passing this Order on the website of the NCLT Hyderabad Bench, inviting claims from all Creditors, within 21 days of such an issue.
- 3 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 vernacular (Telugu) which have wide circulation in the State where the Personal Guarantor and Corporate Debtor reside.
  - 4 The Resolution Professional shall furnish two spare copies of the notice to the Registry. One shall be placed on our website by the Registry and the other shall be affixed in the premises of this Adjudicating Authority.
  - 5 The Resolution Professional, in exercise of the powers conferred under Section 104, shall prepare a list of creditors within 30 days from the date of the notice.
  - 6 The Personal Guarantor, in consultation with the Resolution Professional, shall prepare a repayment plan containing a proposal to the creditors for restructuring her debts or affairs as provided under Section 105. This plan shall include provisions for the payment of fees to the Resolution Professional.
  - 7 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.
  - 8 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 creditors should be summoned, he shall specify the details as provided under Section 106(3).
  - 9 The date of the meeting shall not be less than fourteen days or more than 28 days from the date of submission of the Report under Sub-section (1) of Section 106 of the Code, for which at least 14 days' notice to the creditors (as per the list prepared) shall be issued by all modes. Such



notice must contain the details as provided under the provisions of Section 107 of the Code.

- 10 The meeting of the creditors shall be conducted in accordance with Sections 109, 110, and 111 of IBC. 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 and submit the same to the Authority, copies of which shall be provided to the guarantor and the creditors.
- 11 It is further clarified that the Resolution Professional shall perform his functions and duties in strict compliance with the Code of Conduct prescribed under Section 208 of the Code.
- 12 The Petitioner is directed to communicate this order to the Resolution Professional appointed in the instant Company Petition immediately.

This CP(IB) No.260/95/HDB/2023 filed under Section 95 of the IBC, 2016, is **admitted**, and the Insolvency Resolution Process is initiated against the Personal Guarantor.

Sd

**SANJAY PURI**  
**MEMBER (TECHNICAL)**

Sd

**RAJEEV BHARDWAJ**  
**MEMBER (JUDICIAL)**