

S.No.1

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – II
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
12.03.2026 AT 10:30 A.M.**

**Company Petition IB/65/95/HDB/2025
U/s 95 of IBC**

IN THE MATTER OF:

Punjab National Bank

...Petitioner

AND

Kotim Reddy Anitha

...Respondent

C O R A M:-

**SHRI. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SHRI. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)**

ORDER

Orders pronounced, recorded vide separate sheets. In the result, this Petition is admitted and the Insolvency Resolution Process is initiated against the Personal Guarantor.

**Sd/-
MEMBER (T)**

**Sd/-
MEMBER (J)**

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

CP (IB) No.65/95/HDB/2025

(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.

Punjab National Bank,

Zonal Sastra, 1st Floor, MyHome Jupally,
Ameerpet, Hyderabad,
represented by its GPA Holder,
Mr. A. Ramesh Babu, Chief Manager (Law).”

.....Petitioner/Financial Creditor

AND

Smt. Kotimreddy Anitha,

Plot No. 255 & 256,
Habitat Apartments, Flat No. SA,
Srinagar Colony,
Hyderabad – 500073.

... Respondent No. 1 /Personal Guarantor

Variegate Projects Pvt. Ltd.

represented by its Managing Director,
Mr. Gunreddy Lakshmana Siva Reddy,
Plot No. 436, Road No. 80,
Jubilee Hills, Phase-III,
Hyderabad – 500003.

...Respondent No. 2 / Corporate Debtor

Date of Order: 12.03.2026

CORAM:

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Shri Sanjay Puri, Hon'ble Member (Technical)

Counsel/Parties present:

For the Petitioner : Mr. Peri Ramakrishna, Learned Counsel.

For the Respondent : Ex parte

1. This petition is filed by **Punjab National Bank** (Financial Creditor/FC) under Section 95 of the IBC¹, 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 **Smt. Kotimreddy Anitha**, who is the Personal Guarantor² (**PG**) of **M/s Variegate Projects Pvt. Ltd.**, Corporate Debtor³ (**CD**).

APPLICATION

2. The Applicant submits that, at the request of Corporate Debtor, the Applicant Bank sanctioned fund-based and non-fund-based credit limits on 13-02-2012 to the tune of Rs. 65 crores to the Respondent No.2 / Corporate Debtor under the SBI consortium. It is further stated that the loan Documents were duly executed by the Corporate Debtor, acting through its Managing Director, in favour of the Applicant Bank.
3. The Applicant submits that the credit facilities sanctioned to Respondent 2 are secured by the Personal Guarantee of Respondent 1, along with other security as stipulated in the Sanction Letter.
4. The Applicant submits that, at the request of Respondent 2, it reviewed the limits on 24.10.2013 and sanctioned a working capital term loan, and reviewed existing working capital facilities under the sanction letter dated 27.03.2014, with further renewal in June 2015. It is further submitted that the charges created by Respondent 2 in favour of the Applicant and other consortium lenders have been registered with the Registrar of Companies.

¹ Insolvency and Bankruptcy Code,2016.

² Respondent No. 1/ Personal Guarantor

³ Respondent No. 2 / Corporate Debtor

5. The Applicant submits that Corporate Debtor availed the credit facilities but defaulted in repayment, and the loan accounts were classified as NPA on 24.03.2016.
6. The Applicant submits that it recalled the entire outstanding amounts vide letter dated 07.05.2016 and issued a demand notice dated 09.05.2016 under the Securitization Act, recalling the entire dues. It is further submitted that, despite receipt of the notice, the Respondents did not respond, and the Applicant filed an OA against the Respondents for recovery of debt of Rs. 59,73,69,028 on 17.07.2017.
7. The Applicant submits that the DRT passed a final order in its favour vide order dated 05-04-2019, and the Recovery Officer subsequently passed orders for attachment of the Respondents' properties, with recovery proceedings pending before the Recovery Officer of DRT-2, Hyderabad.
8. The Applicant submits that the Respondents submitted OTS proposals vide letters dated 21-08-2021, 17-12-2021, and 22-08-2023, which were rejected. It is submitted that an OTS proposal by the Borrower constitutes an acknowledgement of debt. Under Clause 1 of the Guarantee Agreement, any such acknowledgement by the Borrower is binding on the Guarantor, i.e., Respondent No.1.
9. The Applicant submits that, for brevity, it relies upon the contents and documents of the OA filed in DRT, the Final Order passed by the DRT in its favour, and the annexures to this petition, which may be read as part of the petition. It is further submitted that the Applicant filed an application under Section 7 of the IBC against Respondent No.2 bearing CP No: 184/2024 before this Hon'ble Tribunal, which is pending.
10. The Applicant submits that it issued a Statutory Demand Notice dated 26-12-2024 in FORM B to Respondent No.1, who received the notice but has not paid the demand amount to date.

11. The Applicant submits that the Respondents did not pay the debt due under the Recovery Certificate of DRT-Hyderabad, and this Application is filed for the resolution of the debt. The Statement of Accounts with Certificate under the Information Technology Act shows that the Respondents failed to pay the debt as per the Demand Notice issued in FORM B
12. Upon presentation of the Application, this Adjudicating Authority, vide order dated 05.05.2025, appointed Mr. Anup Kumar Singh, Registration No. IBBI/IPA-001/IP-P00153/2017-18/10322, as Resolution Professional (RP) and directed the RP to submit a report under Section 99 of the IBC, 2016.
13. The Resolution Professional filed a report under Section 99 of the IBC on 17.07.2025 through IA No. 1224/2025.

RP REPORT

14. The RP, after due examination of the application, documents filed along with the same, in addition to the compliance of sub-sections (1) to (10) of Section 99 of the Code, recommended admission of the Application. The grounds(s) for admission of the present Application, as recorded in the said RP report, are mentioned hereunder:
 - a) The Resolution Professional submits that vide e-mail dated 24.06.2025, information was sought from the Personal Guarantor, Smt. Kotimreddy Anitha; however, no information has been received till the date of filing of the present Report. It is further submitted that on 27.06.2025, an email was sent to the Corporate Debtor seeking information regarding any payments made to creditors after filing the application under Section 95 of the Code. Copies of the e-mails are attached as Exhibit 'A', and no confirmation of any payment to the Financial Creditor has been received.
 - b) Punjab National Bank (PNB), as part of a consortium led by State Bank of India, sanctioned working capital credit facilities to M/s Variegate

Projects Pvt. Ltd. for a sum of INR 65,00,00,000. The Respondent, Smt. Kotimreddy Anitha, along with other Personal Guarantors, executed a Personal Guarantee in favour of PNB.

- c) Upon default in repayment, PNB filed OA No. 3501/2017 before the Debts Recovery Tribunal-II, Hyderabad, seeking recovery of INR 59,73,69,028. The DRT, vide final order dated 05.04.2019, allowed the application and issued a Recovery Certificate. As per the latest Statement of Account and interest accruals, the total amount due is Rs. 113,79,71,902.50, and the full amount remains in default, with no payments made towards discharge of the debt since issuance of the Recovery Certificate.
- d) The Resolution Professional submits that the record of default with the Information Utility is not available in the application. However, documentary proof through the DRT order and Statement of Account has been provided. Statements of Account filed by the Applicant Bank, as annexed in the main application, show the outstanding liability, interest accruals, and absence of repayment.

RESPONDENT

15. The Personal Guarantor was set ex parte vide order dated 23.02.2026.

ANALYSIS AND FINDINGS

16. Heard the learned counsel for the Applicant. Perused the record, including the pleadings, affidavits, and the Report submitted by the Resolution Professional
17. 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.

18. Upon perusal of the material available on record, it is observed that the Corporate Debtor had availed fund-based and non-fund-based credit facilities aggregating to Rs 65 Crores under the SBI consortium in terms of the sanction letter⁴ dated 13.02.2012.
19. The record further reflects that in connection with the aforesaid credit facilities, the Respondent No.1 executed a Deed of Personal Guarantee⁵ dated 01.03.2012 in favour of the Applicant Bank, thereby undertaking to secure the repayment of the dues of the Corporate Debtor. Accordingly, the liability of the Personal Guarantor arises from the said Deed of Guarantee executed in favour of the Applicant.
20. It is observed from the record that the Corporate Debtor failed to service its loan obligations in accordance with the terms of the loan documents. Consequently, the loan account of the Corporate Debtor was classified as a Non-Performing Asset (NPA) on 24.03.2016.
21. The record further reflects that the Applicant, vide letter dated⁶ 07.05.2016, recalled the entire outstanding amount and thereafter issued a demand notice dated⁷ 09.05.2016 under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, calling upon the Respondents to discharge the outstanding dues. In view of the aforesaid recall notice and demand notice, the guarantee executed by the Personal Guarantor stood duly invoked.
22. It is further observed that despite issuance of the aforesaid notices, the Respondents failed to discharge the outstanding dues. Consequently, the Applicant filed Original Application No. 3501/2017 before the Debts Recovery Tribunal-II, Hyderabad on 17.07.2017 seeking recovery of Rs 59,73,69,028 from the Respondents.

4 Page No 86-97 of the Application.

5 Page No 144-148 of the Application.

6 Page No 348-354 of the Application.

7 Page No 365-380 of the Application.

23. The Debts Recovery Tribunal, vide final order dated⁸ 05.04.2019, allowed the said application and issued a Recovery Certificate in favour of the Applicant. Pursuant thereto, the Recovery Officer issued an Attachment Order⁹ dated 14.02.2020 for recovery of the said dues.
24. The record further reflects that the Corporate Debtor submitted One Time Settlement (OTS) proposals vide letters dated 21.08.2021¹⁰, 17.12.2021¹¹, and 22.08.2023¹². It is well settled that submission of an OTS proposal by a borrower constitutes an acknowledgement of debt.
25. It is pertinent to note that Clause 9 of the Guarantee Agreement¹³ dated 01.03.2012 provides that any acknowledgement of liability made by the Borrower shall be binding upon the Guarantor and shall give a fresh start to the period of limitation. The relevant extract of the said clause is reproduced below:

Clause 9 “The Guarantor(s) authorise(s) and appoint(s) each of the Borrowers or any person duly authorised by them to operate account and also each of the co-guarantors as agent to confirm the balance due and acknowledge liability on his /their behalf as Guarantor(s) from time to time. The Guarantor(s) further agree(s) that any acknowledgement of liability made by Borrower(s) or any person duly authorised by him/them to operate account or any of the co-guarantors as agent on behalf of the Guarantor(s) shall be binding on them for giving fresh start of limitation and also for admission of liability against him/ them.”

26. In the present case, the last One Time Settlement (OTS) proposal was submitted by the Respondent on 22.08.2023. The present application has been filed on 07.03.2025. Since the said OTS proposal contains an acknowledgement of debt by the Respondent, the same extends the period of limitation. Accordingly, we are satisfied that the present application has been filed within the prescribed period of limitation.

8 Page No 26-34 of the Application.

9 Page No 35-39 of the Application.

10 Page No 587-588 of the Application.

11 Page No 589-590 of the Application.

12 Page No 591-593 of the Application.

13 Page No 146 of the Application.

27. The record further reflects that the Applicant issued a Statutory Demand Notice¹⁴ dated 26.12.2024 in Form B to the Personal Guarantor. The said notice was dispatched by post to the address of the Respondent as mentioned in the Guarantee Agreement dated 01.03.2012, and the same was returned with the postal endorsement “Item returned – Addressee left without instructions.”
28. It is pertinent to note that Clause 17 of the Guarantee Agreement¹⁵ dated 01.03.2012 provides that any notice issued by the Bank shall be deemed to have been duly served upon the Guarantor if the same is sent by post to the address mentioned in the guarantee, and such notice shall be deemed to have been received by the Guarantor 24 hours after posting. The relevant extract of the said clause is reproduced below:

Clause 17 “Any notice by the Bank in writing under this guarantee or a demand in writing shall be deemed to have been duly given to the Guarantor(s) by sending the same by post addressed to him/them at the address hereunder written and shall be effectual notwithstanding any change of residence or death and notwithstanding the notice thereof to the Bank and such demand shall be deemed to have been received by the Guarantor(s) 24 hours after the posting thereof and it shall be sufficient to prove that the letter containing the demand was properly addressed and posted.”

29. Reliance is placed on the decision of the NCLAT in ***Paresh Rastogi v. Omkara Assets Reconstruction Pvt. Ltd***¹⁶, wherein it was held that when a Guarantee Deed contains a deemed-service clause, dispatch of notice by registered post or any recognised mode to the last known address of the guarantor constitutes valid service. The Appellate Tribunal also relied upon Section 27 of the General Clauses Act, 1897, and the judgment of the Hon’ble Supreme Court in ***C.C. Alavi Haji v. Palapetty Muhammed***.

¹⁴ Page No 41-44 of the Application.

¹⁵ Page No 147 of the Application.

¹⁶ (2025) ibclaw.in 194 NCLAT.

Relevant paras:

45. *The Hon'ble Supreme Court of India in CC Alavi Haji v. Palapetty Muhammed* has held that.

“14. This Court has already held that when a notice is sent by registered post and is returned with a postal endorsement ‘refused’ or ‘not available in the house’ or ‘house locked’ or ‘shop closed’ or ‘addressee not in station’, due service has to be presumed. ...”

68. In view of the above, it is concluded that:

The notices in question were sent to the last known address as stipulated in the Guarantee Deed, and such service is deemed valid under established legal principles.....”

30. In view of the deemed-service clause contained in the Guarantee Agreement dated 01.03.2012, the statutory demand notice having been dispatched to the address of the Personal Guarantor as recorded in the said agreement shall be deemed to have been duly served. The legal position laid down in ***Paresh Rastogi v. Omkara Assets Reconstruction Pvt. Ltd.*** and the judgment of the Hon'ble Supreme Court in ***C.C. Alavi Haji v. Palapetty Muhammed*** further support the presumption of valid service where notice is sent by registered post to the last known address. Accordingly, the requirement of issuance of a statutory demand notice stands satisfied in the present case.
31. 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 Resolution Process is hereby initiated against the Respondent–Personal Guarantor.

ORDER

1. The Company Petition vide **CP (IB) No. 65/95/HDB/2025** 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 **Smt. Kotimreddy Anitha**, the Personal Guarantor, and a 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 his assets or his 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. Anup Kumar Singh**, having Registration No. **IBBI/IPA-001/IP-P00153/2017-18/10322**, Address at Flat No. 4A, 4th Floor, Bidyaraj Niket, 22/28A, Manohar Pukur Road, Near Deshapriya Park, Kolkata, West Bengal, Phone No.9830726554, and email id: anup_singh@stellarinsolvency.com. His AFA, as per the IBBI Website, is valid up to 30.06.2027. 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 the 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 his 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 thinks 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.65/95/HDB/2025 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)