

CORAM:

**SHRI BACHU VENKAT BALARAM DAS,
HON'BLE MEMBER (JUDICIAL)**

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

APPEARANCE:

- For the Applicant** : Mr. PBA Srinivasan, Ms. Rajshree Dhapola,
Ms. Barnali Paul, Mr. Sumit Swami , Ms. Srishti
Bansal Ms. Aanchal Pundir Advs.
- For the SC Bank** : Mr. Rajeev Sagar, Mr. Yogesh Gautam Advs.
- For the RP** : Mr. Shubham Gupta, Adv. Mr. Ashish Agarwal, RP

ORDER

1. The present application has been filed by State Bank of India (SBI) under Section 60(5) of the Insolvency and Bankruptcy Code, 2016 ("Code"), read with Rule 11 of the National Company Law Tribunal Rules, 2016, seeking modification of the direction issued by this Adjudicating Authority vide order dated 22.03.2024 in IA No. 853 of 2022 in CP (IB) No. 696 of 2021 pursuant which the Applicant was directed to deposit Rs. 2,00,000/- into the bank account of the Resolution Professional towards his fee. The Applicant is seeking the following prayers:

- a. Allow the present application; and*
- b. Modify the Resolution Professional fees as approved by the bank vide letter No. SAMB/21-22/387 dated 04.09.2021 (duly acknowledged and accepted by the IRP Shri Ashish Agarwal on 06.09.2021).*
- c. Pass any such order(s) as this Hon'ble Tribunal may deem fit in the interest of justice, equity and good conscience."*

BACKGROUND:

2. The main application bearing IB-696/ND/2021 has been filed under Section 95(1) of the Code against Mrs. Babita Nayar, the Personal Guarantor to the Corporate Debtor (PG), namely Woolways India Limited, for an aggregate debt amount of Rs. 44,62,37,339.12/- Crore (Rupees Forty-Four Crore Sixty-Two Lakh Thirty-Seven Thousand Three Hundred Thirty-Nine and Twelve Paise Only), as due and payable to the SBI with respect to various loan facilities sanctioned to the Corporate Debtor.
3. This Adjudicating Authority vide order dated 07.01.2022 appointed Mr. Ashish Agarwal, Respondent herein, as the Resolution Professional (RP) and directed him to file a report under Section 99 of the Insolvency and Bankruptcy Code, 2016. Pursuant to his appointment as the RP under Section 97 of the Code, Mr. Ashish Agarwal performed his duties and filed the report under Section 99 of the Code.
4. Thereafter, upon consideration of the report filed by the RP, this Adjudicating Authority admitted the application for the initiation of Personal Insolvency Resolution Process (PIRP) of the PG, vide order dated 22.03.2024, and the Applicant Bank was directed to deposit an amount of Rs. 2,00,000/- into the bank account of the Resolution Professional towards his fee.

SUBMISSIONS OF THE APPLICANT/ FINANCIAL CREDITOR

5. It is stated by the applicant that before filing of the application for initiation of personal insolvency, the Applicant Bank invited bids from various Insolvency Professionals, pursuant to which the present RP, namely Mr. Ashish Agarwal, submitted his bid for conducting the insolvency resolution process, for both the guarantors, namely Mr. Rakesh Nayar and Mrs. Babita Nayar, bearing CP (IB) No. 699 of 2021 and CP (IB) No. 696 of 2021, quoting an amount of Rs. 2,10,000/- inclusive of IRP fees as well as other estimated overhead costs for six

months. The Financial Creditor, vide letter No. SAMB/21-22/387 dated 04.09.2021 (“Appointment Letter”) (duly acknowledged and accepted by the Respondent on 06.09.2021), approved the appointment of the RP for a total fee of ₹2,10,000/- inclusive of process fees and estimated overhead expenses for six months in respect of both guarantors. Out of which 60%, i.e., ₹1,26,000/- pertained to insolvency process fees, payable in stages linked to filing, approval, and successful implementation of the repayment plan, and it was further informed that in the event of failure or non-finalization of the repayment plan, only proportionate amounts shall be payable.

6. It is submitted that, in view of the bid of Resolution Professional which was subsequently approved, the Applicant Bank is now seeking to modify the order of this Adjudicating Authority dated 23.03.2024 to the extent of the direction, “*The Applicant is directed to deposit Rs. 2,00,000/- to the bank account of Resolution Professional within one week, towards his fees.*”, where the Applicant Bank was directed to deposit Rs. 2,00,000/- towards the fees of the Resolution Professional, and for the sought modification to align with the fee and expenses approved by the Applicant Bank vide the Appointment Letter, for both the guarantors, namely Mr. Rakesh Nayar and Mrs. Babita Nayar, in CP (IB) No. 696 of 2021 and CP (IB) No. 699 of 2021. It was further submitted that an amount of Rs. 61,922/- has already been paid to the Respondent/ RP on 10.04.2024.

SUBMISSIONS OF THE RESPONDENT / RESOLUTION PROFESSIONAL

7. The Respondent/ RP has filed its reply dated 11.02.2025 opposing the present application. The Resolution Professional submitted that the present Application seeking modification of the admission order dated 22.03.2024 is misconceived, not maintainable, and liable to be dismissed at the threshold. It was submitted that the Applicant Bank, under the guise of the present Application, seeks substantive modification of an order already adjudicated and disposed of by this Adjudicating Authority, which is impermissible in law.

8. The Resolution Professional further submitted that the present proceedings are, in substance, in the nature of an appeal against the admission order passed by this Adjudicating Authority. It was contended that this Adjudicating Authority, being a court of original jurisdiction under the Insolvency and Bankruptcy Code, 2016, does not possess any power of review or modification of its own order and, therefore, the appropriate remedy, if any, available to the Applicant Bank was to approach the Hon'ble Appellate Tribunal. It was further submitted that the present Application also suffers from procedural defects inasmuch as the Resolution Professional was initially not impleaded as a party and the amended memo of parties itself reflects inconsistencies regarding the status of the parties. It was contended that the Application has been filed in proceedings which already stand disposed of vide order dated 22.03.2024 and, therefore, the same is not maintainable.
9. The Resolution Professional submitted that the Financial Creditor had placed reliance upon the appointment letter dated 04.09.2021 appointing Mr. Ashish Agarwal as the Resolution Professional for a fee of ₹2,10,000/-; however, the annexures forming part thereof, particularly the terms and conditions and scope of work contained in Annexure-B, had deliberately not been placed on record. It was submitted that such selective disclosure amounts to concealment of material documents and reflected *mala fide* intent on the part of the Financial Creditor.
10. It was further submitted that the engagement executed in the year 2021 could not be treated as perpetual in nature so as to compel the Resolution Professional to continue rendering services indefinitely at the same fee structure, particularly when substantial time and effort had already been expended over a period exceeding three years, including participation in multiple proceedings prior to admission and assistance rendered to this Adjudicating Authority in adjudication of the matter.

11. It was submitted that the Resolution Professional, being bound by professional standards, code of conduct and ethical obligations, could not be expected to work at a fee which no longer corresponded to the nature, extent and duration of work undertaken, especially when the costs and professional inputs had materially increased over time. It was accordingly submitted that the Resolution Professional could not be compelled to accept a fee lower than what had already been determined by this Adjudicating Authority.
12. In response to the reply filed by the Respondent/Resolution Professional, the Applicant Bank filed a rejoinder dated 23.07.2025, contending that there exists no legal bar in seeking modification of the admission order inasmuch as the Appointment Letter dated 04.09.2021 already determined the fee payable to the Resolution Professional along with the terms and conditions governing the engagement. It was submitted that the present Application merely seeks modification of the fee component in terms of the said Appointment Letter.

ORDER:

13. We have heard the Learned Counsel for the Applicant/Financial Creditor as well as the Learned Counsel for the Respondent/Resolution Professional and perused the material available on record.
14. The limited issue arising in the present Application pertains to the modification of the direction contained in the order dated 22.03.2024, whereby the Applicant Bank was directed to deposit an amount of Rs. 2,00,000/- into the bank account of the Resolution Professional.
15. It is observed that at the time of passing of the order dated 22.03.2024, the complete factual position regarding the prior arrangement entered into between the Financial Creditor and the Resolution Professional with respect to the fee structure and expenses was not placed before this Adjudicating Authority. The Applicant Bank has now placed reliance upon the Appointment Letter dated 04.09.2021 to contend that the fee

payable to the Resolution Professional had already been determined between the parties, which, as per the Appointment Letter dated 04.09.2021, has been approved as 2,10,000/- as bid for by the Respondent/RP, inclusive of PIRP fees and estimated overhead expenses for six months in respect of both guarantors.

16. Be that as it may, this Adjudicating Authority is not inclined to enter into the inter se dispute between the parties regarding the exact fee payable to the Resolution Professional under the said arrangement. However, with regard to the direction contained in the order dated 22.03.2024, whereby an amount of Rs. 2,00,000/- was directed to be deposited into the account of the Respondent/Resolution Professional, it is clarified that the said amount was to be treated towards the initial expenses for carrying out the Personal Insolvency Resolution Process (PIRP), as in the cases of initiation of CIRP.
17. The said amount was directed to be deposited only as an interim facilitative measure to ensure that the insolvency resolution process proceeds smoothly and without interruption in a time-bound manner, consistent with the objectives of the Insolvency and Bankruptcy Code, 2016.
18. The direction for deposit issued vide order dated 22.03.2024 was only to ensure the availability of funds for the conduction of the process, and cannot be construed as an adjudication of the final professional fee payable to the Resolution Professional.
19. In view of the clarification provided with respect to the fees aspect, ***IA-3478/2024 in IB-696(ND)/2021 shall stand disposed of.***

Sd/-

(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)

Sd/-

(BACHU VENKAT BALARAM DAS)
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL

NEW DELHI BENCH, COURT-III

IA-5572/2025

IN

CP (IB)-696(ND)/2021

IN THE MATTER OF IB-696 (ND)/2021:

(Under section 95 of the Insolvency and Bankruptcy Code 2016)

STATE BANK OF INDIA

... FINANCIAL CREDITOR

VERSUS

MRS. BABITA NAYAR

(Personal Guarantor of M/ s Woolways India Limited)

... PERSONAL GUARANTOR

AND IN THE MATTER OF IA/5572/2025

(Order Under Section 114 read with Section 115(1) Of The Insolvency And Bankruptcy Code 2016)

MR. ASHISH AGARWAL

(Resolution Professional for Mrs. Babita Nayar, Personal Guarantor)

Resident of:

400/1, Rani Jhansi Road, Civil Lines,

Ludhiana, Punjab-141001

... APPLICANT/RESOLUTION PROFESSIONAL

Order pronounced on 09.06.2026

CORAM:

**SHRI BACHU VENKAT BALARAM DAS,
HON'BLE MEMBER (JUDICIAL)**

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

APPEARANCES:

For Applicant	:	Mr. PBA Srinivasan, Ms. Rajshree Dhapola, Ms. Barnali Paul Advs.
For SC Bank	:	Mr. Rajeev Sagar, Mr. Yogesh Gautam Advs.
For the Resolution Professional	:	Mr. Shubham Gupta, Adv. Mr. Ashish Agarwal, Resolution Professional

ORDER

1. This is a report in form of an Application filed by Mr. Ashish Agarwal, the Resolution Professional under Section 112 of the Insolvency and Bankruptcy Code, 2016 (hereinafter, “IBC” or the “Code”) seeking an order of this Adjudicating Authority in terms of Section 114 r/w Section 115(1) of the Code for approval of the Repayment Plan furnished by Mrs. Babita Nayar, Personal Guarantor (PG) of Woolways India Limited (“Corporate Debtor”). The prayers made in the application are extracted below:
 - “ A. *Allow the present Application and take on record the Repayment Plan and Report of the Resolution Professional on the Meeting of Creditors under Section 112 of the Insolvency & Bankruptcy Code, 2016, read with Regulation 19 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019; and*
 - B. *Approve the Repayment Plan pursuant to Section 114 of the Insolvency & Bankruptcy Code, 2016, and provide necessary or further directions for implementation of the Repayment Plan, as may be deemed fit; and/or*
 - C. *Pass any further order(s) as this Hon'ble Tribunal may deem fit and proper.”*
2. An application under section 95 of the Code was filed by the State Bank of India (SBI), the Financial Creditor, against Mrs. Babita Nayar, PG of Woolways India Limited. Thereafter, this Adjudicating Authority vide order dated 07.01.2022 appointed the Resolution Professional, Mr. Ashish Agarwal, qua the Personal Insolvency Resolution Process (PIRP) in respect of Mrs. Babita Nayar.
3. Pursuant thereto, the Resolution Professional filed a report under Section 99 of the Code, being I.A. No. 853 of 2022, whereby the Resolution Professional recommended the initiation of the PIRP in respect of the PG in terms of Section 100 of the Code. This Adjudicating Authority, vide order dated 22.03.2024, admitted the same and initiated PIRP under Section 100 of the Code (Admission Order), and further directed the Resolution Professional to proceed in accordance with the Code.

4. That pursuant to the Admission order, the Personal Guarantor prepared a Repayment Plan dated 23.09.2025 in consultation with the Resolution Professional and Creditors of the Personal Guarantor, as required under Section 105 of the Code, and submitted the same to the creditors for their consideration.
5. The Resolution Professional, in pursuance of his duties, convened the meeting of the creditors, which was duly convened on 25.09.2025 in accordance with Section 107 of the Code, for the purpose of considering and approving the Repayment Plan presented by the PG.
6. The voting process pursuant to the meeting concluded on 30.10.2025, whereby the Repayment Plan was approved by the creditors with the requisite majority as mandated under Section 111 of the Code. The result of the voting made by the Creditors is as follows:

S. No.	Creditor	Voting Share	Voting Decision
i.	State Bank of India	57.24%	Voted in favour of the Repayment Plan
ii.	Standard Chartered Bank	40.98%	Abstained from voting
iii.	M/s Ramsons Tyres	1.26%	Voted in favour of the Repayment Plan
iv.	M/s Sai Industries	0.52%	Voted in favour of the Repayment Plan

7. It is submitted by the Resolution Professional that, in terms of Section 111 of the Code, the Repayment Plan has been approved, having been passed by more than the requisite 3/4th majority of the creditors present and voting. It is submitted that, excluding Standard Chartered Bank (40.98%), which abstained from voting, all creditors who participated in the voting have cast their votes in favour of the Plan, which is well above the prescribed statutory threshold. The results of the meeting were duly communicated to all concerned stakeholders by the Resolution Professional by email dated 31.10.2025.

8. Pursuant thereto, the Resolution Professional, in compliance with Section 112(1) of the Code, prepared the Report on the Meeting of Creditors and has filed the present application under Section 112 of the Code for placing on record the approved Repayment Plan along with the requisite documents, for consideration and approval by this Adjudicating Authority under Section 114 of the Code, and for passing appropriate orders in respect of the Repayment Plan and the Report of the Resolution Professional on the meetings of creditors prepared under Section 112 of the Code.
9. This application was listed for the first time on 18.11.2025, and the Applicant was directed to serve notice along with a copy of the application on Standard Chartered Bank by all modes and to file proof and affidavit of service within one week.
10. In compliance with the order dated 18.11.2025, the Resolution Professional filed an affidavit dated 10.12.2025 (“Compliance Affidavit”) stating that it has, through its counsel, issued an email dated 26.11.2025 to the authorised representatives of Standard Chartered Bank and in addition to the same, sent a copy of the order dated 18.11.2025 along with the application to Standard Chartered Bank at its office, which was delivered on 01.12.2025.
11. Further, the Resolution Professional submitted through the Compliance Affidavit that Standard Chartered Bank subsequently conveyed its support to the Repayment Plan and stated that it could not cast its vote within the prescribed time due to technical difficulties. However, even excluding the abstention of Standard Chartered Bank, the Repayment Plan already stood approved by the requisite majority in terms of Section 111 of the Code.

12. The salient features of the Repayment Plan are as follows:

The repayment plan shall provide -

(a) Payment to Creditors - The creditors are proposed to be paid as per the table given below in full and final settlement of their liabilities:

NAME OF CREDITORS	AMOUNT PAYABLE IN RS.
RESOLUTION PROCESS COST	To be Paid by Rakesh Nayar (Co-personal Guarantor)
SECURED FINANCIAL CREDITORS	
- State Bank of India	1,10,34,166
- Standard Chartered Bank	78,98,834
OPERATIONAL CREDITORS	
- Ramson Tyres	To be Paid by Rakesh Nayar (Co-personal Guarantor)
- Sai Industries	To be Paid by Rakesh Nayar (Co-personal Guarantor)
TOTAL	1,89,33,000

(b) The value and term of the Repayment Plan

SR. NO.	PARTICULARS	
1.	Value of Repayment Plan	Rs. 1.8933 crores
2.	Term of Repayment Plan	5 months from the date of approval of the repayment plan by the Adjudicating Authority.

Plan Implementation Period - The personal guarantor has undertaken the payment of Rs. 1.8933 crores within 5 months from the approval of the repayment plan by the Adjudicating Authority.

(c) Repayment Schedule and Source of Funds:

Sr.No.	Particulars	Amount to be paid (Rs. in Crores)	Sources of funds
1.	<u>1st Instalment:</u> Upfront within 30 days of approval of the repayment plan by the Adjudicating Authority	0.91	Sale of Machhiwara Plot (Rs. 29 lakhs) plus Rs. 42.00 Lakhs from friends and relatives. On Agreement to Sale of D3 Textile Colony property, Rs. 20.00 Lakhs

2.	<u>2nd Instalment:</u> Within 5 months of approval of the repayment plan by the Adjudicating Authority	0.9833	Sale of D3 Textile Colony 1 Registry Rs. 118.33 Crores Less Rs 20 Lakhs Advance.
	Total	Rs. 1.8933	

The source of funds that will be used to pay resolution process costs, and that such payment shall be made in priority over any creditor;

Sr. No.	Particulars	Amount (₹)
1	IRP Fees	9,00,000/-
2	Out-of-Pocket Expenses	50,000/-
3	Counsel Fees	2,00,000/-
4	Charges for Conducting Meeting	25,000/-
5	Miscellaneous Expenses	75,000/-
	Total	12,50,000/-

A substantial part of the cash inflow to be utilized for payment of instalments proposed by personal guarantors shall be obtained by the sale of immovable properties described above.

All these properties are subject to a number of ongoing litigations and disputes by tenants and creditors of guarantors. In addition, properties have been mortgaged as collateral to lenders, and a charge has been created in the revenue records. Going by the current status of these properties, there may be many takers/prospective buyers owing to negative influence factors as follows:

- (i) Ongoing litigations and attachment against the property;
- (ii) Potential high degree of stress & difficulty involved in vacation of premises from the current occupants who have obtained decree/stay from respective court (s);
- (iii) It Is the prevalent market practice and tendency in real estate deals, any Property under A mortgage with lenders & subject to on-going litigation (s) fetches a low realizable value as compared to a free hold property sold by its owner.

The personal guarantors through this repayment plan have offered all assets belonging to them and are left with nothing except the “excluded assets” as provided under the relevant provisions of the Code and

regulations made thereunder. So much so, over and above the value of assets to be realized on sale thereof, the personal guarantors have proposed to settle with creditors even by securing some financial assistance to be extended by close relatives and friends who have consented to support the PGs to come out of the current situation and to live the balance period of their lives without hassle.

No additional financing is required for implementation of the repayment plan. The cash flow envisaged from various sources during the repayment plan period, as per the repayment plan proposed by personal guarantors, is deemed to be adequate enough to meet the funds required for implementation of the repayment plan.

(d) The manner in which funds held for the repayment plan, invested or otherwise dealt with, pending repayment to creditors

Funds/amount received either from the sale of assets or from personal guarantors as per the repayment schedule shall be received in a designated account to be opened and maintained by the Resolution Professional with State Bank of India, Main Branch, Fountain Chowk, Ludhiana.

The bank account shall be operated upon by the Resolution Professional for distribution of distributable amount in accordance with/in proportion to the ratio as proposed in the repayment plan.

In case of Pending repayment to creditors the funds shall be invested or otherwise dealt with by Resolution professional in the best interest of financial creditors.

Entire cash inflow including interest (if any) received towards repayment of liabilities shall be distributed amongst financial creditors in the ratio as per formula settled with creditors and approved by them.

No Fund/amount is expected to be leftover at the end of the repayment plan. However, if by any scenario, there are funds left over, the said funds be will distributed as per law.

(e) The functions which are to be undertaken by the resolution professional, including supervision and implementation of the repayment plan:

- i. To monitor and co-ordinate with the personal guarantors for funds to be brought in by them in accordance with schedule of payment as per approved repayment plan;
- ii. To coordinate with secured financial creditors for issuance of “no objection certificate” for sale of properties owned by personal guarantors and mortgaged to them, Properties are mortgaged with State Bank of India and Standard Chartered Bank.
- iii. To coordinate with personal guarantors ensuring expeditious sale of immovable properties owned by them as proposed in the Repayment plan and supervise the process thereof so as to maximise the sales realization.
- iv. To coordinate with personal guarantors so as to make up for shortfall, if any, in sale value of immovable property viz a viz respective obligations of instalment to be paid as per repayment plan;
- v. To ensure that the prospective buyer (s) or person (s) to whom any asset is proposed to be sold are not persons who are disentitled under regulation 18 of IBBI (Insolvency Resolution Process for personal guarantors to corporate debtors) Regulations, 2019 for purchase or to acquire any interest, directly or indirectly, in the property of the personal guarantor without permission of the Adjudicating Authority; (a) the resolution professional or any partner or director of the insolvency professional entity of which the resolution professional is a partner or director; (b) any professional appointed by the resolution professional for the resolution process; (c) any creditor; (d) any company where the guarantor or a creditor is a promoter or director; (e) any associate of the guarantor, creditor or resolution professional.

- vi. To ensure that the sale proceeds realized from sale of properties and other cash flow from other sources are deposited in the designated bank account maintained with the State Bank of India;
- vii. To ensure that funds are not kept idle and the same should be invested in the best interest of Financial creditors
- viii. To convene and hold meetings of creditors to consider and approve the repayment plan as per section 111 of the IBC, 2016;
- ix. To submit a report on meeting of creditors held for approval of repayment plan together with the repayment plan as approved by the creditors for further approval by the Adjudicating Authority;
- x. To supervise the implementation of the approved Repayment plan in accordance with directions, if any, issued by the Adjudicating Authority;

(f) Variation of onerous terms of a contract or transaction involving the guarantor

- i. Lease Rent Rs. 14,40,000/- recoverable by Mrs. Babita Nayar, guarantor from the Liquidator of CD. Both Mrs. Babita Nayar and Rakesh Nayar, personal guarantors are the joint owners of the property situated at D-3, Textile Colony, Ludhiana in the ratio of 67:33. The property had been leased out to Woolways India Ltd., (the CD) vide lease deed at a rent of Rs 15,000 to set up manufacturing facilities thereat. Mr. Sajeve Deora appointed as IRP (later on confirmed as RP) by the Adjudicating Authority took over possession of the premises and continued to be in possession thereof till date under supervision of security guards deployed at the gate. The Adjudicating Authority vide its order dated 23.09.2019 has ordered liquidation of the CD and Mr. Sajeve Deora was appointed as the liquidator who has been conducting the liquidation process. The guarantor has filed its claim before the RP as well as Liquidator for payment of lease rent for the period since commencement of CIRP during CIRP period and liquidation period, but no such rent has been released so far. The liquidator is yet to admit the claim of the guarantor for payment of lease rent. In view of the prevailing circumstances of

uncertainty in admissibility of claim for payment of lease rent by the liquidator, the amount of lease rent so recoverable by the guarantor has not been considered as a source of funds for the purpose of repayment plan. In the event of any funds being received subsequently during the repayment plan period, the said amount will be considered for repayment of loans taken by the personal guarantor for repayment plan.

- ii. Gratuity dues recoverable from liquidator: As submitted by the guarantors an amount Rs. 161538/- is recoverable from the liquidator towards gratuity dues under the Gratuity Act, 1972 against services rendered by them to the CD. She has filed their respective claims before the RP now liquidator but the liquidator has not accepted their claim as yet. The guarantors have included Rs. 161538/- as part of the expected cash inflow for repayment to creditors. However, the admissibility of such a claim of guarantors by the liquidated has not been firmed up by the liquidator.
- iii. In view of uncertainty in admissibility of claim by liquidator, the said amount of Rs. 1,61,538/- has not been considered in the envisaged cash inflow for the purpose of repayment plan to creditors. In the event of any funds being received subsequently during the repayment plan period, the said amount will be considered for repayment of loans taken by the personal guarantor for the repayment plan.

(g) Details of excluded assets and debts as claimed by the PG are as follows:

The following has been considered as an excluded asset in terms of the Regulations of the IBC, 2016

Sr. No.	Particulars	Item Description	Estimated Current Market Value (₹)
1.	One engagement ring and one marriage ring	Gold Rings	30,000
2.	Istri Dhan – Gold bangles & earrings	Gold Bangles/Earrings	60,000
3.	Provident Fund balance (Mrs. Babita Nayar)	UAN: 100104030139	2,73,930
	Total		3,63,930

(h) Administration or disposal of any funds of the guarantor

Funds to be realized from sale of the properties shall be directly credited or deposited in the bank account to be maintained for the purpose in a scheduled commercial bank, until the distribution thereof is done as per the repayment schedule agreed to by the personal guarantors.

Distribution of sale proceeds will be done as and when realised by the Resolution Professional.

Funds shall be distributed in accordance with the regulations contained under IBC, 2016 and the formula to be finalized and approved by the Creditors Committee.

(i) Satisfaction or modification of any security interest:

The secured financial creditors vis State Bank of India and Standard Chartered Bank, are holding security interests in the immovable properties by mortgage of properties and title deeds thereof are already deposited by guarantors/owners with them. It is proposed that upon receipt of the entire sale proceeds of any individual property, the title deed of the respective property shall be released in favor of the prospective buyer. All necessary formalities shall be completed forthwith for satisfaction and vacation of the charge registered with the RoC, as well as for modification/changes in the revenue record of the Punjab Government.

(j) Reduction in the amount payable to creditors:

As per the repayment plan, it is submitted that given the limited realizations possible under the circumstances, Creditors may face a partial reduction in their claims, which is an inherent feature of insolvency resolution under the IBC framework.

(k) Part of the income of the guarantor to be used for the repayment of the debt, and the manner of calculating the income of the guarantor

10% of the income to be earned by the guarantors during the repayment period is proposed to be utilized towards repayment of debt of the guarantors. Based on the income earned by guarantors during the

financial year 2023-24, and earnings during the financial year are envisaged as below:

Babita Nayar			2024-25	2023-24	2022-23
	0	0			
Salary	0	0	0	0	540000
Rent	0	0	0	0	0
Misc. Income	0	0	0	0	3163
		Sub Total (B)	0	0	543163
	Total (A+B)		471000	796000	13,51,967

The cash inflow arising from the income earned/expected to be earned by personal guarantors during the repayment plan period, is based on written submissions and self-declaration made by both personal guarantors which has been co-related with the income tax returns filed by them during 2022-23 and 2023-24.

It is assumed that the immovable properties generating rental income will be sold out during 2024-25. Therefore, rental income arising only during the first two quarters i.e. 1st quarter and 2nd quarter has been considered for the purpose of any cash inflow towards repayment plan.

Thus, above being regular income of guarantors an amount equivalent to 10% of the realizable income of guarantors is being retained and utilized for repayment of debt as required under regulation 17 (1) (c).

13. During the course of arguments, learned Counsel appearing for the Resolution Professional took this Adjudicating Authority through the various provisions of the Repayment Plan and submitted that the Repayment Plan is in compliance with the requirements of Regulation 17(1) and Regulation 17(2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019. It was further submitted that the Repayment Plan contains all particulars mandated under the aforesaid Regulations, including the term and implementation schedule of the Repayment Plan, source of funds, manner of distribution to creditors, provisions relating to supervision and implementation of the Plan, and other requisite disclosures as prescribed thereunder.

FINDINGS AND ANALYSIS:

14. The Resolution Professional has submitted this report under Section 112 and seeks an order from this Adjudicating Authority under Section 114 of the Code. In compliance with Section 112 of the Code, read with Regulation 19 of the IBBI (Insolvency Resolution Process of Personal Guarantors to Corporate Debtor) Regulations, 2019, the Resolution Professional is required to prepare a report of the meeting of creditors on the Repayment Plan submitted by the PG under Section 105 and to submit the same to the Adjudicating Authority on or before the completion of 120 days from the date of commencement of the resolution process.
15. It is observed from the record that the Repayment Plan dated 23.09.2025 was placed before the creditors in the meeting convened by the Resolution Professional under Section 107 of the Code, and the voting upon the same was conducted in terms of Section 111 of the Code. From the voting results placed on record, it is evident that State Bank of India, having 57.24% voting share, M/s Ramsons Tyres, having 1.26% voting share, and M/s Sai Industries, having 0.52% voting share, voted in favour of the Repayment Plan, whereas Standard Chartered Bank, having 40.98% voting share, initially abstained from voting.
16. It is further observed from the Compliance Affidavit dated 10.12.2025 filed by the Resolution Professional that Standard Chartered Bank subsequently conveyed its assent to the Repayment Plan and stated that it could not cast its vote within the prescribed time due to technical difficulties.
17. At this stage, we are inclined to discuss Section 111 of IBC, 2016, which reads as follows:

“Section 111: Approval of repayment plan by creditors: -

The repayment plan or any modification to the repayment plan shall be approved by a majority of more than three-fourths in value of the creditors present in person or by proxy and voting on the resolution in a meeting of the creditors.”

18. Accordingly, the Repayment Plan satisfies the voting requirement prescribed under Section 111 of the Code, being approved by more than three-fourths in value of the creditors present and voting.

19. Upon perusal of the Repayment Plan and the submissions made by the learned Counsel for the Resolution Professional, this Adjudicating Authority is satisfied that the Repayment Plan is in compliance with Regulation 17(1) and Regulation 17(2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019.
20. Further, it is noticed from Section 114(1) of the IBC, 2016, that the Adjudicating Authority shall approve or reject the Repayment Plan based on the meeting of the Creditors submitted by the Resolution Professional under Section 112 of the IBC, 2016, read with Regulation 19 of IBBI (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019. We have perused the report of the Resolution Professional under Section 112 of the Code, and the voting on the repayment plan wherein the resolution for approval of the repayment plan dated 23.09.2025 was concluded as approved by the creditors. Section 114 of the code is extracted for ready reference:

“114. Order of the Adjudicating Authority on repayment plan-

(1) The Adjudicating Authority shall by an order approve or reject the repayment plan on the basis of the report of the meeting of the creditors submitted by the resolution professional under section 112: Provided that where a meeting of creditors is not summoned, the Adjudicating Authority shall pass an order on the basis of the report prepared by the resolution professional under section 106.

(2) The order of the Adjudicating Authority approving the repayment plan may also provide for directions for implementing the repayment plan.

(3) Where the Adjudicating Authority is of the opinion that the repayment plan requires modification, it may direct the resolution professional to reconvene a meeting of the creditors for reconsidering the repayment plan.”

21. As apparent from the report of the Resolution Professional, the creditors have approved the repayment plan. Under Section 114 of the Code, this Adjudicating Authority must approve or reject the repayment plan based on the report of the meeting of creditors. In the wake of the foregoing, we allow the Report of the Resolution Professional recommending approval of the Repayment Plan.

ORDER:

22. We have perused the Repayment Plan and are satisfied that the same is in compliance with the provisions of the Insolvency and Bankruptcy Code, 2016 and Regulation 17(1) and 17(2) of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Personal Guarantors to Corporate Debtors) Regulations, 2019, and it is observed that the Repayment Plan does not appear to contravene any provision of law and satisfies the requirements of Chapter III of Part III of the Code and the applicable Regulations. Accordingly, we find no impediment in approving the same. Therefore, we are inclined to approve the repayment plan dated 23.09.2025.
23. Accordingly, the **Repayment Plan of Rs. 1,89,33,000/-** (Indian Rupees One Crore Eighty-Nine Lakh Thirty-Three Thousand Only) whereunder the repayment of the said sum is to be made within a period of 5 (five) months from the date of approval of the Repayment Plan by this Adjudicating Authority, **is hereby approved** with effect from the date of this Order, subject to the following directions:
- a) The Resolution Professional shall supervise the implementation of the Repayment Plan as per the terms and conditions mentioned therein, including opening and operation of the escrow account in the name of the Personal Guarantor, receiving funds from sources earmarked under the Repayment Plan into the escrow account, and distributing the funds to the creditors therefrom.
 - b) The Resolution Professional shall file his final report soon after the implementation of the plan or upon completion of the timelines mentioned in the plan, whichever is earlier.
 - c) Upon completion of the Repayment Plan, the Resolution Professional shall comply with the provisions stated in Section 117 of the Code.
 - d) Upon successful implementation of the Repayment Plan, the liabilities of the Personal Guarantor shall be dealt with in terms of

the approved Repayment Plan, subject to applicable law and terms of settlement.

- e) The approval of the Repayment Plan shall not be construed as a waiver of excluded debts as defined under Section 79(15) if any. Nevertheless, we specifically record that if any liability arises in the future, it shall be dealt with strictly by the Personal Guarantor in accordance with the law.
- f) The Resolution Professional, the Applicant herein, shall forward all the records about the Insolvency Resolution Process against the Personal Guarantor to IBBI.
- g) The Registry is hereby directed to send copies of this order forthwith to the IBBI, all the parties, and their Ld. Counsel for information and for taking necessary steps.
- h) A certified copy of this order may be issued, if applied for, upon compliance with all requisite formalities.
- i) Repayment Plan shall form part of this order.

24. Accordingly, **IA-5572/2025**, for the approval of the Repayment Plan, ***is allowed*** and ***disposed of***.

File be consigned to the record room.

Sd/-

(RAVINDRA CHATURVEDI)
MEMBER (TECHNICAL)

Sd/-

(BACHU VENKAT BALARAM DAS)
MEMBER (JUDICIAL)