

**NATIONAL COMPANY LAW TRIBUNAL**

**INDORE BENCH**

**COURT NO. 1**

ITEM No.201

**CP(IB)/36(MP)2026**

**Order under Section 121-123**

**IN THE MATTER OF:**

State Bank of India

.....Applicant

V/s

Rakesh Rajpal PG of Rajpal Abhikaran Pvt Ltd

.....Respondent

**Coram:**

Hon'ble Shri Brajendra Mani Tripathi, Member (J)

Hon'ble Shri Man Mohan Gupta Member (T)

**PRONOUNCEMENT OF ORDER**

**Delivered on 06/07/2026**

The case is fixed for pronouncement of the order.

The order is pronounced in open Court *vide* separate sheet.

**SD/-**

**SD/-**

**MAN MOHAN GUPTA  
MEMBER (TECHNICAL)**

Tomar

**BRAJENDRA MANI TRIPATHI  
MEMBER (JUDICIAL)**

**ADJUDICATING AUTHORITY**  
**NATIONAL COMPANY LAW TRIBUNAL**  
**BENCH AT INDORE**

**C.P.(IB)/36(MP)2026**

*[An Application filed under Section 121 r.w. Section 123 of the IBC, 2016]*

**M/s State Bank of India**

Stressed Assets Recovery Branch  
5 YN Road, Indore MP 452003

.....**Applicant**

**Vs.**

**Rakesh Kumar Rajpal**

PG of Rajpal Abhikaran Pvt. Ltd.  
Having Address at:  
7, Triveni Colony, Indore, 452001  
Email:[rakeshrajpal.indore@gmail.com](mailto:rakeshrajpal.indore@gmail.com)

.....**Respondent**

**Coram: Brajendra Mani Tripathi, Hon'ble Member (J)**  
**Man Mohan Gupta, Hon'ble Member (T)**

**Appearance:**

For the Applicant: Mr. Nipun Singhvi, Adv (Online)

For the Respondent: None

**Order Pronounced on: 06.07.2026**

**ORDER**

1. The Petitioner/Financial Creditor has filed this Petition on 28.03.2026 under Section 121 r.w. Section 123 of the Insolvency and Bankruptcy Code, 2016 (for short "**Code**") read with Rule 7(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtors) Rules, 2019 seeking initiation of Bankruptcy Process against **Mr. Rakesh Kumar**

**Rajpal** - Personal Guarantor of Corporate Debtor/M/s. Rajpal Abhikaran Pvt. Ltd.

2. This application was filed subsequent to the order passed by this Adjudicating Authority (AA) on 13.01.2026, whereby the report of the Resolution Professional i.e., I.A. 21/2026, filed under Section 112 of the Code was taken on the record, and the creditors were given liberty to proceed in accordance with law.
3. That the Corporate Debtor committed persistent defaults in repayment of the financial facilities availed from the Applicant Bank. Consequently, the loan account was classified as Non-Performing Asset (NPA) on 28.06.2019 and notices under the provisions of the SARFAESI Act, 2002 were issued on 01.07.2019. Despite repeated demands and invocation of the personal guarantee, the outstanding dues remained unpaid.
4. That the Applicant, being aggrieved by the continued default, invoked the provisions of Section 95 of the Insolvency and Bankruptcy Code, 2016 and filed an application before this Tribunal for initiation of Insolvency Resolution Process against the Respondent/Personal Guarantor. Upon presentation of the said application, this Tribunal appointed Mr. Sajjan Kumar Dokania as Resolution Professional under Section 97 of the Code for examining the application and submitting a Report in accordance with Section 99 thereof.
5. That after conducting the examination contemplated under the Code, the Resolution Professional submitted his Report recommending admission of the application. Acting upon the said Report, this Tribunal admitted the application preferred by the Creditor i.e. State Bank of India - **Company Petition IB (IBC)/41(MP)2021**, under Section 95 (1)

(2) of IBC, 2016, seeking initiation of Personal Insolvency Resolution Process against the Respondent under Section 100 of the Insolvency and Bankruptcy Code, 2016 vide order dated **18.09.2025**.

6. That pursuant to commencement of the Personal Insolvency Resolution Process, the Resolution Professional duly discharged his statutory obligations by making public announcement, inviting claims from stakeholders and repeatedly calling upon the Respondent to furnish the requisite information and submit a repayment plan as contemplated under Chapter III of Part III of the Code. Several communications, notices and reminders were issued to the Respondent and meetings of creditors were also convened. However, despite grant of sufficient opportunities and repeated follow-ups, the Respondent failed and neglected to submit any repayment plan whatsoever.
7. That owing to the failure of the **Respondent to submit a repayment plan**, in the second meeting of creditors held on 18.12.2025 unanimously resolved to authorize the Resolution Professional to approach this Tribunal under Sections 112 and 113 of the Code for appropriate directions and for grant of liberty to the creditors to initiate bankruptcy proceedings against the Personal Guarantor.
8. That accordingly, the Resolution Professional filed an application under Sections 112 and 114(1) read with Section 115(2) of the Code seeking appropriate directions. This Tribunal, vide order dated **13.01.2026**, in **IA/21(MP)2026 in C.P.(IB)/41(MP)2021** permitted the creditors to initiate bankruptcy proceedings against the Respondent under Section 121 read with Section 123 of the Insolvency and Bankruptcy Code, 2016. Subsequently, vide order dated 16.02.2026, the Report submitted by the Resolution Professional was taken on record by this Tribunal. The said order dated 13.01.2026 is as follows:

*2. Ld. Counsel for the Applicant submits that in the present application, the Committee of Creditors (CoC) has approved the fact that the Personal Guarantor, despite being afforded sufficient opportunity to submit a repayment plan, has failed to present any such repayment plan within the prescribed time.*

*3. It is further submitted that the present application has been filed for the purpose of placing the Report on record. The said Report is taken on record. **Further, creditors are free to file application under Section 123 of the IBC for declaring the PG as Bankrupt.***

- 9.** We have perused the application filed in Form B under Rule 7 of the Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtors) Rules, 2019 along with the documents annexed thereto. The material particulars of the application, as disclosed in its various parts, are noted hereunder:
- 10. Upon Perusal of the Form-B, Part-I** of the application reveals that the Financial Creditor is State Bank of India, Having its Branch address at: Stressed Assets Recovery Branch, 5 YN Road, Indore M.P. – 452003.
- 11. Perusal of Part-II** reveals that Personal Guarantor is Mr. Rakesh Rajpal, having his address at 7, Triveni Colony, Indore (M.P.). The said part also mentions of list of assets of guarantor. As per Clause 14 of Part-II, the guarantee was given for Corporate Debtor - M/s. Rajpal Abhikaran Private Limited.

**12. Part-III of the application** reveals that the total debt (including any interest or penalties) as on 18.09.2025 is Rs.13,21,05,082.46/- and date of default is 30.08.2019. Further as per clause 16 of part III containing statement by creditor under section 123(2) of code is as follows:

16.	Statement by the secured creditor under section 123(2) of the Code	Tick whichever is applicable- <input type="checkbox"/> In the event a bankruptcy order accepting the application is passed by the Adjudicating Authority, I shall relinquish my security mentioned in serial number 6 for the benefit of all the creditors of the debtor. <input checked="" type="checkbox"/> The application is only in respect of unsecured debt as per the details mentioned in serial number 7.
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**13. Part-IV of the application** reveals that the Applicant has proposed the name of **Mr. Sajjan Kumar Dokania, having Registration No. IBBI/IP A-003/IP-N000150/2017-2018/11729**, to act as the Bankruptcy Trustee.

**14.** In support of application for bankruptcy, the Petitioner has relied upon the following documents: -

- i. Breakup & Details of total debt as **Annexure-A.**
- ii. Copy of Application (C.P. (IB) - 41/MP/2021) filed with Hon'ble NCLT u/s 95 of the IB Code, 2016 for initiating Insolvency Resolution Process for Personal Guarantor as **Annexure-B.**
- iii. Copy of order dated 03.09.2021 passed by Hon'ble Adjudicating Authority appointing Mr. Sajjan Kumar Dokania to carry out Insolvency Process of the Personal Guarantor **Annexure-C.**
- iv. Copy of Hon'ble National Company Law Tribunal, Indore bench order dated 18.09.2025 for initiation of PIRP against Personal Guarantor. **Annexure-D.**
- v. Copy of Memo of Application filed by the Resolution Professional under Sections 114(1) of the Insolvency and Bankruptcy Code

2016, read with Rule 11 of the National Company Law Tribunal Rules 2016 to take the Report under Section 112 of the IB Code on record. **Annexure-E.**

- vi. Copy of Hon'ble National Company Law Tribunal, Indore bench order dated 13.01.2026 and 16.02.2026 for granting liberty to the Creditors & Debtors to initiate bankruptcy proceedings against the Personal Guarantor under Sections 115(2) and 121 of the Code. **Annexure-F.**
- vii. Copies of the statement of bank accounts maintained with the Applicant. **Annexure-G.**
- viii. Copy of Authorization letter dated 23.03.2026 authorizing Chief Manager Mr. Vundru Shridhar Murty. **Annexure-H.**

**15.** We have heard the learned Counsel for the Applicant and considered the pleadings, Form-B, the documents placed on record, and the submissions advanced. Upon such consideration, we find that the Personal Guarantor failed to submit any repayment plan during the Personal Insolvency Resolution Process. Further, this Adjudicating Authority, **vide order dated 13.01.2026 passed in IA/21(MP)2026 in C.P.(IB)/41(MP)2021**, granted liberty to the Financial Creditor to initiate bankruptcy proceedings under Sections 121 and 123 of the Code.

**16.** That as on the insolvency commencement date i.e. **18.09.2025**, a sum of Rs. 13,21,05,082.46 (Rupees Thirteen Crores Twenty-One Lakhs Five Thousand Eighty-Two and Forty-Six Paise only), together with further interest from 19.09.2025 till realization, remained due and payable by the Respondent to the Applicant. The debt is unsecured and continues to remain outstanding and unpaid.

- 17.** The Personal Guarantor having failed to submit any repayment plan and this Adjudicating Authority having, vide order dated 13.01.2026 passed under Section 115(2) of the Code, granted liberty to the creditors to initiate bankruptcy proceedings, the present application under Sections 121 and 123 of the Code is maintainable. The application has been filed within the period of three months prescribed under Section 121(2) of the Code.
- 18.** That the Applicant has proposed the name of Mr. Sajjan Kumar Dokania, Insolvency Professional bearing Registration No. IBBI/IPA-003/IP-N000150/2017-2018/11729, to act as Bankruptcy Trustee and his written consent in Form A has been filed along with the present application. The proposed Bankruptcy Trustee has affirmed his eligibility and has declared that no disciplinary proceedings are pending against him.
- 19.** That the present debt does not comprise any excluded debt within the meaning of Section 79(15) of the Insolvency and Bankruptcy Code, 2016 and the application has been preferred strictly in accordance with the provisions of the Code and the Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtors) Rules, 2019.
- 20.** That in view of the admitted liability of the Respondent, failure of the Personal Insolvency Resolution Process, non-submission of any repayment plan and the liberty already granted by this Tribunal to initiate bankruptcy proceedings, there exists no impediment in passing a Bankruptcy Order against the Respondent in accordance with Section 126 of the Insolvency and Bankruptcy Code, 2016.

**21.** That the present application is bona fide, maintainable in law and deserves to be allowed in the interest of justice and for effective implementation of the provisions of the Insolvency and Bankruptcy Code, 2016.

**22.** The details of provision of IBC is as follows:

Section 115 of the IBC, 2016 provides that: -

***115. Effect of order of Adjudicating Authority on repayment plan.***

*(1) Where the Adjudicating Authority has approved the repayment plan under section 114, such repayment plan shall –*

*(a) take effect as if proposed by the debtor in the meeting; and*

*(b) be binding on creditors mentioned in the repayment plan and the debtor.*

***(2) Where the Adjudicating Authority rejects the repayment plan under Section 114, the debtor and the creditors shall be entitled to file an application for bankruptcy under Chapter IV.***

*(3) A copy of the order passed by the Adjudicating Authority under sub-section (2) shall be provided to the Board, for the purpose of recording an entry in the register referred to in section 196.*

**Section 121 of the IBC, 2016 of Chapter IV provides that: -**

***121. Application for bankruptcy. -***

*(1) An application for bankruptcy of a debtor may be made, by a creditor individually or jointly with other **creditors** or by a **debtor**, to the Adjudicating Authority in the following circumstances, namely; –*

- (a) *where an order has been passed by an Adjudicating Authority under sub-section 4 of section 100; or*
  - (b) *where an order has been passed by an Adjudicating Authority under sub-section 2 of section 115; or***
  - (c) *where an order has been passed by an Adjudicating Authority under sub-section 3 of section 118.*
- (2) *An application for bankruptcy shall be filed within a period of **three months** of the date of the order passed by the Adjudicating Authority under the sections referred to in sub section (1).*
- (3) *Where the debtor is a firm, the application under sub-section (1) may be filed by any of its partners.*

**Section 123 of the IBC, 2016 of Chapter IV provides that: -**

**123. Application by creditor. –**

- (1) *The application for bankruptcy by the creditor shall be accompanied by-*
  - (a) *the records of insolvency resolution process undertaken under Chapter III;*
  - (b) *a copy of the order passed by the Adjudicating Authority under Chapter III permitting the creditor to apply for bankruptcy;***
  - (c) *details of the debts owed by the debtor to the creditor as on the date of the application for bankruptcy; and (d) such other information as may be prescribed.*
- (2) *An application under sub-section (1) made in respect of a debt which is **secured**, shall be accompanied with –*
  - (a) *a statement by the creditor having the right to enforce the security that he shall, in the event of a bankruptcy order being made, give up his security for the benefit of all the creditors of the bankrupt; or*

*(b) a statement by the creditor stating–*

*(i) that the application for bankruptcy is only in respect of the unsecured part of the debt; and*

*(ii) an estimated value of the unsecured part of the debt.*

**(3) If a secured creditor makes an application for bankruptcy and submits a statement under clause (b) of sub-section (2), the secured and unsecured parts of the debt shall be treated as separate debts.**

*(4) The creditor may propose an insolvency professional as the bankruptcy trustee in the application for bankruptcy.*

*(5) An application for bankruptcy under sub-section (1), in case of a deceased debtor, may be filed against his legal representatives.*

*(6) The application for bankruptcy shall be in such form and manner and accompanied by such fee as may be prescribed.*

*(7) An application for bankruptcy by the creditor shall not be withdrawn without the permission of the Adjudicating Authority.*

**23.** Therefore, we find it proper to admit this petition and declare the Personal Guarantor herein, as Bankrupt with the following directions:

- i. In the result, Mr. Rakesh Rajpal, having address at; 7, Triveni Colony, Indore, M.P. 452001, Personal Guarantor is hereby ordered to be bankrupt.
- ii. Since, the Applicant has already proposed the name of Insolvency Professional, we hereby appoint **Mr. Sajjan Kumar Dokania, having Registration No. IBBI/IP A-003/IP-N000150/2017-2018/11729, AFA Valid Until 31.12.2026** email Id [sajjan\\_suman@hotmail.com](mailto:sajjan_suman@hotmail.com) as Bankruptcy Trustee (BT).
- iii. The Registry is directed to provide the copy of this Bankruptcy order and copy of the Bankruptcy petition to the

creditors and bankruptcy trustee within a week as provided under Section 126 (2) of IBC, 2016.

- iv. This order of Bankruptcy shall continue to have the effect till the debtor is discharged under section 138 of IBC, 2016.
- v. The bankrupt shall submit his statement of financial position to the bankruptcy trustee in the prescribed Form within seven days from the date of the order.
- vi. The estate of the bankrupt excluding the assets mentioned in Section 155(2) of Code R/W Rule 5 of Insolvency and Bankruptcy (Application to Adjudicating Authority for Bankruptcy Process for Personal Guarantors to Corporate Debtor) Rules, 2019 vest with the bankrupt trustee in pursuance of this order, the Bankruptcy trustee is directed to forthwith take into his custody all the assets, Properties, and actionable claims of the Bankrupt and take necessary steps to ensure preservation, protection security and maintenance of those properties as provided under section 128 and 154 of IBC, 2016.
- vii. The Bankruptcy Trustee is also directed forthwith to engage appropriate professional agencies for tracing assets of the Personal Guarantor which are not forming part of the assets disclosed by the Financial Creditor or Personal Guarantor and take control of other assets, if found/traced by the said Assets Tracking Company/Detective Agency.
- viii. The Bankruptcy trustee is directed to adhere to Section 128, 129 (4), 132, 133, 134, 136 and 137 of IBC, 2016 and discharge his powers and duties as specified and meticulously adhere to the Rules and Regulations issued by IBBI in this regard from time to time.

- ix. The Bankrupt trustee for the Adjudicating Authority shall send notices as provided under section 130(a) of IBC, 2016 within ten days from the date of this order to the creditors mentioned in statement of affairs submitted by the Bankrupt under section 129 of IBC, 2016.
- x. The Public Notice inviting claims from the creditors as contemplated under section 130 (2) of the Code shall be issued in one morning, English daily and in one morning vernacular regional language newspapers having wide circulation where the bankrupt resides.
- xi. On passing of the Bankruptcy order but subject to sub-section (2) of 128 of the Code, shall not initiate any action against the property of the bankrupt in respect of debt and no suit or other legal proceeding shall be initiated against the bankrupt, save and except with the leave of the Adjudicating Authority as provided in section 128 (ii) of the Code.
- xii. The Bankrupt Trustee shall conduct the administration of distribution of estate of bankrupt under chapter V as provided in section 136 of the code.
- xiii. The Bankrupt shall from the date of the order be subject to such disqualifications and restrictions as prescribed under section 140 and 141 of the code.
- xiv. The restrictions on a bankrupt include that the bankrupt is not permitted to travel overseas without the permission of the Adjudicating Authority.
- xv. The Bankruptcy Trustee may seek such further information or explanation in connection with bankruptcy process as may be required from the debtor or the creditor or any other person who in the opinion of the Bankruptcy Trustee, may

provide such information. The persons from whom information or explanation is sought shall furnish such information or explanation within seven days of receipt of the request.

- xvi. The Bankruptcy Trustee shall exercise all the powers as enumerated under the Code read with Rules and Regulations made thereunder.
- xvii. The Bankruptcy Trustee shall submit to this Adjudicating Authority and committee a preliminary report within in ninety days from this date of Bankruptcy order after serving copy of the report on bankrupt as provided in Regulation 8 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulation, 2019.
- xviii. The Bankruptcy Trustee shall submit to this Authority a periodical progress report within fifteen days after the end of every quarter after serving copy of the report on the bankrupt provided under Regulation 10 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulation, 2019.
- xix. The fee of the Bankruptcy trustee to be determined as provided under Regulation 4 of Insolvency and Bankruptcy Board of India (Bankruptcy Process for personal Guarantors to corporate debtors) Regulation, 2019.
- xx. The Bankruptcy Trustee is expected to take full charge of the Personal Guarantor assets and documents without any delay whatsoever. He is also free to take police assistance in this regard, and this Court hereby directs the Police Authorities to render all assistance as may be required by the Bankruptcy Trustee in this regard.

- xxi. The Registry is directed to send e-mail copies of the order forthwith to all the parties and their Ld. Counsel for information and for taking necessary steps.
- 24.** In terms of direction contained in Clause **XIII & XIV** above, the **Mr. Rakesh Rajpal** is not permitted to travel overseas, effective from the date of this order, without the permission of this Adjudicating Authority in terms of Section 141(1)(f) of the **Insolvency and Bankruptcy Code, 2016.**
- 25.** In terms of the above, **CP (IB)/36 (MP)/2026** filed under Section 121 r.w. Section 123 of the IBC, 2016 is **admitted** and the Bankruptcy Process stands initiated against the Respondent/Personal Guarantor-**Mr. Rakesh Rajpal.**

**SD/-**

**SD/-**

**MAN MOHAN GUPTA  
MEMBER (TECHNICAL)**

**BRAJENDRA MANI TRIPATHI  
MEMBER (JUDICIAL)**

*Chandni – L.R.A*