



IN THE NATIONAL COMPANY LAW TRIBUNAL

COURT V, NEW DELHI

IA-1529/2026

IN

CP (IB)-202(PB)/2021

Order under Section 119 of the Insolvency and Bankruptcy Code, 2016.

IN THE MATTER OF:

MUKUND CHOUDHARY

.....PERSONAL GUARANTOR

AND

IN THE MATTER OF:

**HEMANT SHARMA
RESOLUTION PROFESSIONAL
C-10, LOWER GROUND FLOOR,
LAJPAT NAGAR-III,
NEW DELHI-110024**

.....APPLICANT

AND

**MUKUND CHOUDHARY
HOUSE NO. 7, 1ST FLOOR
PADMANI ENCLAVE, HAUZKHAS
NEW DELHI-110 016**

....NON-APPLICANT/PERSONAL GUARANTOR

Order Pronounced On: 19.05.2026

CORAM:

**SHRI MAHENDRA KHANDELWAL
(HON'BLE MEMBER JUDICIAL)**

**MS. ANU JAGMOHAN SINGH
(HON'BLE MEMBER TECHNICAL)**

PRESENT:

For the Applicant : Mr. Milan Singh Negi, Mr. Nikhil Kumar Jha, Ms.
Katyayani, Mr. Utkarsh, Adv. for Applicant/RP



For the Respondent: Mr. Lokesh Malik, Adv., for the PG

ORDER

1. This is an Application filed on 07.04.2026 by Sh. Hemant Sharma, the Resolution Professional (“**RP**”) of Sh. Mukund Choudhary, the Personal Guarantor (“**PG**”), under Section 119(1) of the Insolvency and Bankruptcy Code, 2016 (“**IBC/Code**”), seeking issuance of discharge order against the PG in relation to the debts mentioned in the Repayment Plan (“**Plan**”) dated 28.01.2025 approved by this Adjudicating Authority (“**AA**”) under Section 114 of the Code vide order dated 03.12.2025. The prayers made in this application are extracted below:
 - a. *Pass an order discharging Sh. Mukund Choudhary, the Personal Guarantor, from all debts and liabilities mentioned in the repayment plan dated 28.01.2025;*
 - b. *Pass an order closing the PIRP under Chapter III of Part III of the IBC in respect of Sh. Mukund Choudhary;*
 - c. *Relieve Sh. Hemant Sharma from his duties as the Resolution Professional in the PIRP of Sh. Mukund Choudhary;*
 - d. *Direct that Pooja Vaishanavi School Bus Services shall be at liberty withdraw the fixed deposit of Rs. 49,607/- bearing account no. 926040071011557 maintained with Axis Bank, Bhikaji Cama Palace;*
 - e. *Pass such other order(s) as this Hon’ble Tribunal may deem fit in the facts and circumstances of the present case.*

Brief background of the case as stated in the Application

2. An application under Section 94(1) of IBC was filed by the Personal Guarantor before this Adjudicating Authority, seeking initiation of personal insolvency Resolution Process (PIRP). Pursuant thereto, this Adjudicating Authority. Vide order dated 08.04.2021 appointed a Resolution Professional, Sh. Anil Kumar to examine the Application and submit a report under Section 99 of IBC.



3. The RP on 30.05.2021 filed a report under Section 99 of IBC recommending initiation of PIRP. The same was allowed by this Adjudicating Authority vide Order dated 30.04.2024, by admitting the PIRP of Personal Guarantor and declaring moratorium under Section 100 of IBC (Admission Order).
4. A Repayment Plan dated 28.01.2025 under Section 105 of the Code was submitted by the Personal Guarantor which was approved by the creditors in the 5th meeting held on 11.02.2025 as per Section 111 of the Code. It was further approved by this Adjudicating Authority vide Order dated 03.12.2025 as per Section 114 of the Code. In the meantime, the erstwhile RP unfortunately passed away on 15.12.2025 and the Applicant herein was appointed as the RP by this Adjudicating Authority to discharge the duties as provided, vide order dated 08.01.2026.
5. In terms of approved Repayment Plan, the payment were to be made within 90 days from date of approval i.e. 03.03.2026 (Plan approved on 03.12.2025). Most of the payments were made on or before 03.03.2026, only a few payments have been made after 03.03.2026 due to technical banking issues and passing away of erstwhile RP.
6. In terms of approved Repayment Plan, the Personal Guarantor contributed a total amount of Rs. 7,30,00,000/- as envisaged in the Resolution Plan for the purpose of implementation. The Applicant distributed all the payments received from the Personal Guarantor to all the creditors and stakeholders, as contemplated under the repayment plan. Copy of details of payment distributed by the Applicant to the creditors is placed on record as Annexure A-3.
7. Further, all the creditors have received their respective payments in accordance with the repayment plan, except one creditor i.e., Pooja Vaishnavi School Bus Services, who has returned the demand draft of Rs. 49,607/- (**amounting to 0.06% value of the plan**) vide covering letter received on 17.03.2026. Therefore, out of the total repayment plan amount of Rs. 7,30,00,000/- only a sum of Rs. 49,607/- remains



undistributed, solely due to non-acceptance of the demand draft by Pooja Vaishnavi School Bus Services. The remaining amount has been fully distributed.

8. The claim of Pooja Vaishnavi School Bus Services arises out of proceedings under Section 138 of the Negotiable Instruments Act, 1881. The RP had filed an affidavit dated 14.08.2025 clarifying that the repayment plan shall not be construed as waiver or closure of any criminal liability arising from such proceedings. The same has been recorded at Para 5(xiv) in the Order dated 03.12.2025.
9. Also, the amount of Rs. 49,607/- which was returned by Pooja Vaishnavi School Bus Services has been placed by the RP in a fixed deposit account with Axis Bank, Bhikaji Cama Palace, for a period of 17 months i.e., from 04.04.2026 to 04.09.2027. The said creditor is at liberty to claim and withdraw the said amount of Rs. 49,607/- from the fixed deposit account within such period.
10. As per Para 9(e) of the Order dated 03.12.2025, it is within the jurisdiction of the creditors/ implementation committee to grant grace period of 30 days due to any unforeseen circumstance for the implementation of the Plan, and in such event the grace period allowed by the creditors, the delay shall not be declared as default. In the 7th meeting of creditors, held on 11.03.2026, the creditors with the voting share of 100% (present and voting) and 93.59% (of the total voting share) have approved the said resolution for the waiver of delay in execution of the Plan due to technical issue in the banking system.
11. In accordance with provisions of Section 116 and 117 of the Code, the Applicant has been supervising the implementation of the Repayment Plan and reports to this Adjudicating Authority that the Plan submitted by Sh. Mukund Choudhary stands fully implemented. As per Section 117(1)(a) of the Code, the Applicant had issued notices upon the creditors on 24.03.2026, who are bound by the Repayment Plan under Section 115 of the Code, informing them about the



completion of the implementation of the Plan of Sh. Mukund Choudhary.

12. As per Section 117(1)(b) of IBC, the Applicant prepared the implementation Report dated 24.03.2026, summarizing all the receipts and payments made in pursuance of the approved Repayment Plan and the extent of implementation of such plan as compared with the Repayment Plan approved by the creditors/ Adjudicating Authority and issued the same upon the creditors. The copy of the notices issued upon the creditors along with the copy of Implementation Report are placed on record as Annexure A-6.
13. The Applicant in compliance with the provision of the Section 117 of the IBC filed an Application being IA No. 1322 of 2026 before this Hon'ble Tribunal for placing on record the copies of Notices issued in terms of Section 117(1)(a) of the Code along with the copy of the Implementation Report under Section 117(1)(b) of IBC which are on record vide order dated 30.03.2026.
14. The Clause 5(j) of the repayment plan specifically provides for discharge of the Personal Guarantor. At Point 3, it clearly stipulates that upon repayment to the creditors in terms of the Repayment Plan, all liabilities towards the creditors, shall be deemed to be fully settled, and any balance amount remaining unpaid shall stand completely waived.
15. The non-acceptance of payments by one creditor, working out to 0.06% of the total value of the plan cannot be termed as non-implementation of the plan. Thus, the repayment plan has been fully implemented wherein notices in terms of Section 117(1)(a) of the IBC along with the Implementation Report under Section 117(1)(b), have been taken on record by this Adjudicating Authority vide Order dated 30.03.2026.
16. Subsequently, this present Application was filed by the RP on 07.04.2026 for seeking discharge order for Sh. Mukund Choudhary, Personal Guarantor under Section 119 of the Code.



ANALYSIS

17. It is noticed from Section 114(1) of the IBC, 2016 that the Adjudicating Authority shall approve or reject the Repayment Plan on the basis of the meeting of the Creditors submitted by the Resolution Professional under Section 113 of the IBC, 2016, r/w Regulation 19 of IBBI (Personal Insolvency Resolution Process of Personal Guarantor to Corporate Debtor) Regulations, 2019. 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 re-convene a meeting of the creditors for reconsidering the repayment plan.”

18. Further, in terms of the provisions of Section 115(2) of IBC, 2016, the debtor and creditors shall be entitled to file an application for bankruptcy under Chapter IV. The provisions of Section 115(2) of IBC, 2016 reads thus:

“Section 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.”

19. This Adjudicating Authority, in view of the Repayment Plan submitted in this matter earlier, had allowed the Repayment Plan Application filed under Section 112 of the Code, i.e. and passed an Order dated 03.12.2025 approving the Repayment Plan submitted by the PG.

20. Pursuant thereto, Section 117 of the Code places an obligation on the RP to inform the Adjudicating Authority about the implementation of the Repayment Plan. The relevant provision is extracted herewith for perusal:

“Section 117: Completion of repayment plan:

(1) The resolution professional shall within fourteen days of the completion of the repayment plan, forward to the persons who are bound by the repayment plan under section 115 and the Adjudicating Authority, the following documents, namely:—

(a) a notice that the repayment plan has been fully implemented; and

(b) a copy of a report by the resolution professional summarising all receipts and payments made in pursuance of the repayment plan and the extent of the implementation of such plan as compared with the repayment plan approved by the meeting of the creditors.

(2) The resolution professional may apply to the Adjudicating Authority to extend the time mentioned in sub-section (1) for such further period not exceeding seven days.”

Hence, the RP in fulfilment of his duties had filed the application bearing no IA 1322 of 2026 after implementation of the Resolution plan.

21. Further, upon completion, the RP is required under Section 119(1) to file a report before this Authority, seeking a discharge of the debtor from debts included in the Repayment Plan. Section 119(2) permits the



Repayment Plan to provide for either early discharge or discharge upon complete implementation. The provisions of Section 119 are extracted below:

“119: Discharge order.

(1) On the basis of the repayment plan, the resolution professional shall apply to the Adjudicating Authority for a discharge order in relation to the debts mentioned in the repayment plan and the Adjudicating Authority may pass such discharge order.

(2) The repayment plan may provide for—

(a) early discharge; or

(b) discharge on complete implementation of the repayment plan.

(3) The discharge order shall be forwarded to the Board, for the purpose of recording entries in the register referred to in section 196.

(4) The discharge order under sub-section (3) shall not discharge any other person from any liability in respect of his debt.”

The RP submits that the present plan had expressly provided for discharge upon complete implementation, which has now been achieved as the plan was fully implemented prior to the expiry of the implementation period and hence, the RP has filed this application bearing No. IA 1529/2026 seeking discharge of the PG.

22. We have perused the averments in the report and the submissions of the RP. It is observed that the disbursements as envisaged under the plan have been effected to all creditors in accordance with their respective entitlement. The statutory compliances under Sections 117 and 119 of the Code, including issuance of notice and submission of the implementation report, stand duly satisfied.
23. Accordingly, this Adjudicating Authority is satisfied that the Repayment Plan stands fully implemented and that the Personal Guarantor has earned the right to a discharge under Section 119 of the Code.
24. In view of the above and in exercise of powers conferred under Section 119 of the Insolvency and Bankruptcy Code, 2016, this Adjudicating Authority hereby orders as follows:



- i) Declare that the PG Sh. Mukund Choudhary stands discharged from all debts and liabilities mentioned in and settled under the Repayment Plan approved by this Authority.
 - ii) This discharge order shall not discharge any other person, including any co-obligor, from their respective liabilities in respect of the same debt.
 - iii) The PIRP under Chapter III of Part III of the Code, in respect of the PG, shall stand closed.
 - iv) The RP stands relieved from his duties and responsibilities with immediate effect.
25. Accordingly, **I.A. No. 1529 of 2026** in C.P. (IB) 202 of 2021 is **allowed** and disposed of.
26. The Registry is directed to forward a certified copy of this order to the IBBI for recording in its statutory register and send copies of this order to the Personal Guarantor, the creditors, and the Resolution Professional for information and necessary compliance. The application stands disposed of in the above terms. No order as to costs.

SD/-
MS. ANU JAGMOHAN SINGH
MEMBER (TECHNICAL)

SD/-
SHRI MAHENDRA KHANDELWAL
MEMBER (JUDICIAL)